



Citizens' Popular Annual Financial Report

For Fiscal Year Ended June 30, 2017



LETTER FROM THE COUNTY ADMINISTRATOR



Tim Hemstreet
County Administrator

To the citizens of Loudoun County:

We are pleased to present the County of Loudoun, Virginia Popular Annual Financial Report (PAFR) for the fiscal year July 1, 2016 through June 30, 2017. We deliver this report to you as part of the County Officials and Board of Supervisors' commitment to keep the residents and stakeholders informed of the financial condition of their local government, and our accountability to provide fiscal stability. This report will provide you with important, informative, accurate, and understandable information about the financial condition of your county government, in a concise, and accessible format.

This report is intended to supplement the annual Comprehensive Annual Financial Report (CAFR) in a summarized and simplified presentation. This report does not conform to generally accepted accounting principles (GAAP) and focuses only on governmental services. Financial information related to Loudoun County Public Schools, Central Service Funds, Self Insurance Funds, and Fiduciary Funds are not included. While the PAFR is not audited and does not contain the full set of financial statements and disclosures, it does contain figures and information extracted from the fully audited CAFR.

The CAFR is prepared in conformity with GAAP and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants, Cherry Bekaert, LLP. The CAFR is available in its entirety online at www.loudoun.gov/cafr, or in print at the Department of Finance and Procurement, at the Loudoun County Government Center. We encourage all citizens to read the CAFR and the full financial disclosures contained within the document.

I am happy to report that the County concluded fiscal year 2017 in sound financial condition. In addition, the County continued its commitments designed to effectively manage the challenges

that continued growth has brought to Loudoun County. These commitments include extending the Metrorail Silver Line into the County; and as a result, updating the County's Comprehensive Plan. The Board of Supervisors continues to designate two cents of real estate tax revenues in support of road projects both of which serve to improve the regional transportation network.

Population growth continues to be a dominant local trend affecting every area of the government's operations. Loudoun is expected to continue to experience one of the highest percentage growth rates in population and jobs in the Washington Metropolitan Area. Continued planning and commitment is required to meet the challenge of efficiently providing needed services for the growing population; providing for the necessary infrastructure for the future; and growing the tax base and resources required to pay for that infrastructure. Loudoun County has continued to follow a policy of fiscal sustainability. In April 2017, the County adopted a fiscal year 2018 budget that resulted in an overall increase of \$29.1 million in the general county government and an \$85.8 million addition in the school operating fund as compared to fiscal year 2017 appropriations.

In managing our available resources, the County must strike a balance between the demands for additional services and the ability to pay for those services. Financial management continues to be of paramount importance in this and future fiscal years.

Respectfully,

A handwritten signature in dark ink, appearing to read 'Tim Hemstreet', written in a cursive style.

Tim Hemstreet
County Administrator

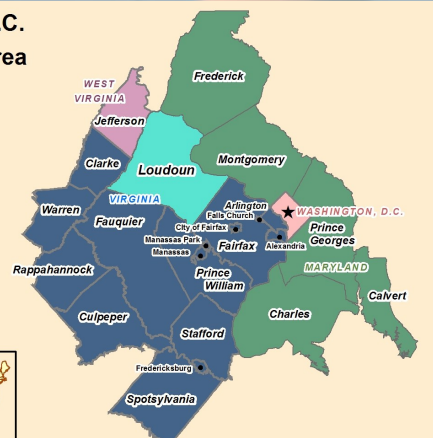
By honoring its rich heritage as well as embracing the robust opportunities of a new day, Loudoun County maintains the high quality of life it has achieved, shapes a future that represents the best of both worlds, and creates a place where its residents are proud to live, work, learn, and play.

Loudoun County at a Glance

The County of Loudoun is a historic, transitional rural county that was established in 1757 and named for John Campbell, Fourth Earl of Loudoun. The County is located in the Northwestern tip of the Commonwealth of Virginia just west and north of Washington, D.C., and is considered to be part of the Northern Virginia and Washington Metropolitan areas. The County is approximately 520 square miles in size, covering 330,880 acres of land area, with a current population of approximately 392,711 and is one of the fastest growing jurisdictions in the Washington Metropolitan Area. A labor supply of highly skilled people, a stable political climate, the cooperative attitude of state and local governments, abundant commercial and industrial acreage, connection to the world through Washington Dulles International Airport and an estimated 70% of the world's internet traffic are but a few of the attractive features of the County. The Town of Leesburg, the County government seat, is located in the heart of the County. Incorporated towns within the County include Hamilton, Hillsboro, Leesburg, Lovettsville, Middleburg, Purcellville and Round Hill.



Washington, D.C. Metropolitan Area



The Character of Loudoun

Loudoun County has the conveniences associated with urban areas, while maintaining a comfortable "country-living" atmosphere. The eastern portion of the County borders with Fairfax County, Virginia, and contains the rapidly expanding Dulles International Airport. This portion of the County has grown into a densely populated area with easy access to the Washington Metropolitan Area. This part of the County portrays the "suburban life", with many modern conveniences, easy access to schools, airport, shopping centers, etc. While Eastern Loudoun, experiencing heavy development pressures from the Washington Metropolitan Area, represents the new urban growth, Western Loudoun, bordered by the Blue Ridge Mountains to the west and Potomac River to the north, displays a rural and historical environment. The western portion of the County is made up of small towns and villages surrounded primarily by farmland and open spaces. This portion of the County is sparsely populated and represents the past, with many of the oldest historical sites in the United States. The combination of Eastern and Western Loudoun, of urban growth and historic stability, makes Loudoun County one of the most desirable counties in Northern Virginia for establishing businesses and residencies.



Salamander Resort, Blue Ridge District



One Loudoun, Broad Run District



Dulles Airport, Dulles District



Claude Moore Recreation Center, Sterling District



George Washington University, Algonkian District



Lucketts Community Center, Catoctin District



Leesburg Historic District



Ashburn Library, Ashburn District

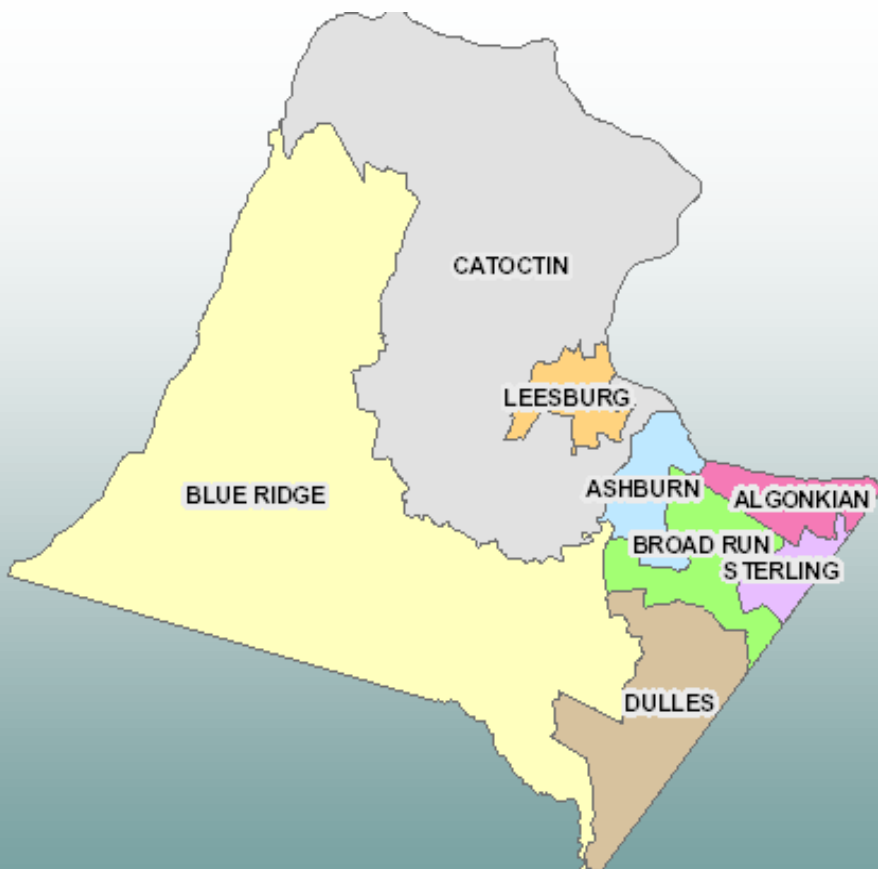
Your Board of Supervisors



Loudoun County Board of Supervisors 2016–2019 (From left to right, back row) Koran T. Saines, Sterling; Geary M. Higgins, Catoctin; Matthew F. Letourneau, Dulles; Ron A. Meyer, Broad Run; Tony R. Buffington, Blue Ridge; (front row) Suzanne M. Volpe, Algonkian; Kristen C. Umstattd, Leesburg; ; Phyllis J. Randall, Chair, At Large; Ralph M. Buona, Vice Chair, Ashburn

The County is governed by an elected body of representatives called the Board of Supervisors, with one Supervisor elected from each of the eight magisterial districts and one At-Large (Chairman) for a term of four years. The Board of Supervisors is the legislative and policy setting body for the County government, oversees general governmental operations, and is responsible for appropriating funds for the various County departments and agencies.

ELECTION DISTRICTS



A County Administrator is appointed by the Board of Supervisors to act as the Board's agent in the administration and operation of these departments and agencies. The Board also appoints the Planning Commission, the Library Board, the Family Services Board, as well as other advisory boards, commissions, committees, etc.

In addition to the Board of Supervisors, other elected County officials include: the School Board, the Commonwealth Attorney, Commissioner of Revenue, Treasurer, Sheriff, and Circuit Court Clerk. The judges of the Circuit Court, General District Court, and the Juvenile and Domestic Relations District Court are elected by the State Legislature.

Diverse Local Economy



Sunset Hills Vineyard, Purcellville

Loudoun's economy is diverse and prosperous. Once an overwhelmingly rural, agrarian community, the County remains home to nearly 1,400 farms which raise livestock and produce, with much of the latter sold to local consumers. According to a study announced in April of 2017 by the Virginia Secretary of Agriculture and Forestry, Northern Virginia generates the most agri-tourism revenue of all 10 state regions, contributing more than \$552 million to Virginia's \$2.2 billion agri-tourism industry; with Loudoun County

farm businesses making up 51% of Northern Virginia's agri-tourism venues researched for the report. The County's Rural Economy Business Development Strategy; approved by the Board of Supervisors in 2013, has made significant progress on eight of the nine major strategies including, rural business accelerator, equestrian industry enhancements, peer-to-peer network, re-design of the Loudounfarms.org website, development of a Loudoun County Trails Association, improving marketing, brand creation and year-round farmers market. Alongside this thriving rural economy are commercial development and small businesses which are key components of Loudoun's economy.

Loudoun's mixed-used developments, including One Loudoun and Loudoun Station are developing into dynamic live, work, and play spaces. These developments are becoming the backbone for Loudoun's growing entertainment and retail offerings, providing national entertainment attractions like TopGolf, Alamo Drafthouse and iFly.



American Academy of Equestrian Sciences, Leesburg



HHMI Janelia Research Campus, Ashburn

On the small business side, 86% of Loudoun's businesses have fewer than 20 employees. This segment of the economy has the greatest potential for growth, and is illustrated by the presence of 25 Loudoun businesses currently listed on Inc. Magazine's annual listing of fastest growing companies, representing a 79% increase since the 2013 publication. To support the growth of small businesses in the

County, Loudoun has

focused on creating entrepreneurial ecosystems and partnering with small business "incubators" to assist start-up companies and connect them with resources.

Connecting all of Loudoun's enterprises to the global economy is one of the world's largest concentrations of data centers as well as Dulles International Airport .



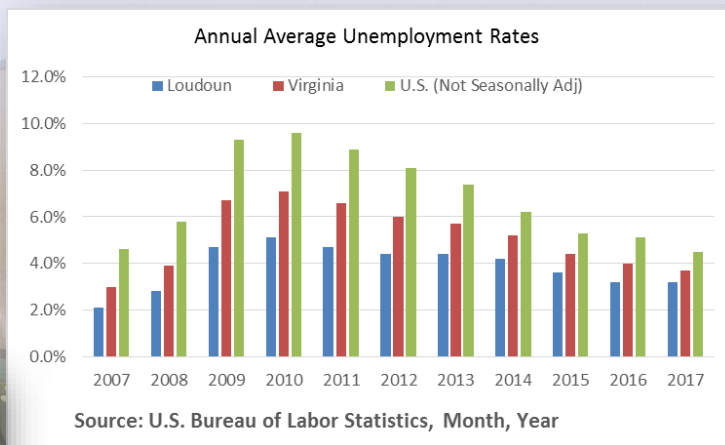
Loudoun Station, Ashburn

Economic Development

#LoudounPossible

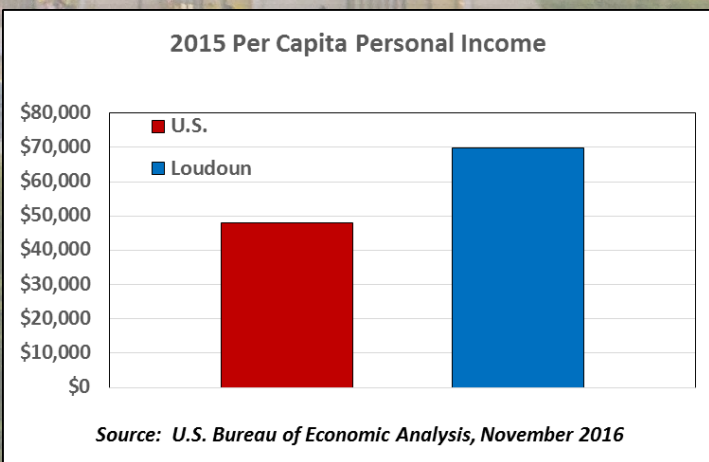
In fiscal year 2017, Economic Development successfully worked with more than 100 businesses that moved to or expanded in the County. Those businesses invested a combined total \$3.3 billion in Loudoun and 3,167 jobs recruited or retained. The companies that moved to or expanded in the County during FY 2017 represent a wide range of industries including cyber security, health IT, aviation and aerospace, data centers, craft beverage producers, and other IT organizations. Additional information on the County's FY 2017 economic development activities can be found in the annual report online at <https://biz.loudoun.gov/annualreport>. The construction of the Metro Silver Line into Loudoun remains a driver for economic development opportunities. In the area around the future Ashburn and Loudoun Gateway stations, referred to as the Silver-Line Planning Area, the Department of Economic Development is marketing mixed-used transit-oriented communities including Loudoun Station, Gramercy District, Moorefield Station, and Washington Dulles Gateway.

Loudoun's unemployment rate continues to be consistently lower than the national average. The unemployment rate for Loudoun County remained low at 3.2 percent as of June 2017, significantly lower than the corresponding U.S. unemployment rate of 4.5 percent.



Principal Employers			
Rank	Employer	Number of Employees	% of Total County Employment
1	Loudoun County Public Schools	10,640	6.58%
2	County of Loudoun	3,754	2.32%
3	United Air Lines, Inc.	1,000-3,500	1.39%
4	Raytheon Company	1,000-3,500	1.39%
5	Orbital ATK, Inc. (formerly Orbital Sciences Corp)	1,000-3,500	1.39%
6	Loudoun Hospital Center	1,000-3,500	1.39%
7	U.S. Department of Homeland Security	1,000-3,500	1.39%
8	Swissport USA, Inc.	1,000-3,500	1.39%
9	M.C. Dean, Inc.	1,000-3,500	1.39%
10	Walmart	1,000-3,500	1.39%
Totals			20.02%

Income levels in Loudoun County continue to exceed the U.S. average by a large margin. The County's median household income has been ranked highest in the nation since 2007 among jurisdictions with populations above 65,000. The U.S. Census Bureau's 2016 American Community Survey 1-Year Estimates reported Loudoun's median household income to be \$134,464, more than twice the nationwide median of \$57,617. Loudoun County's income per person is also substantially above the national average. The chart to the left compares the most recent per capita personal income data for Loudoun (\$69,895) with the U.S. average (\$48,112).

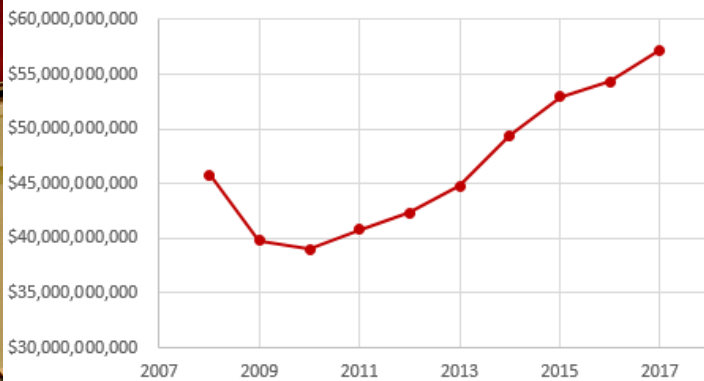


Taxes

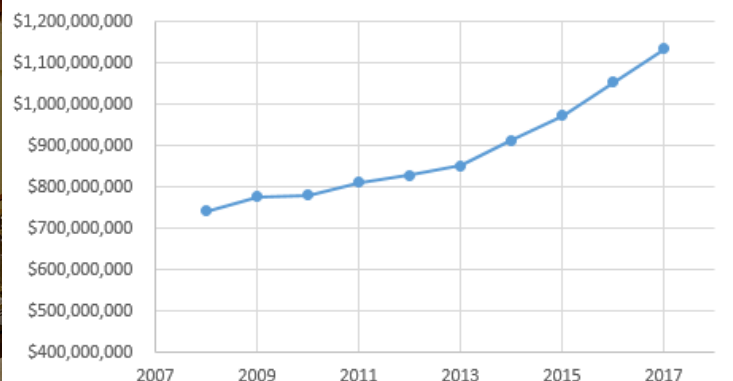
The primary tax revenue source for the County comes from Real Estate and Personal Property Taxes. Fiscal year 2017 was a continued year of growth and a continued expansion of the tax base. Loudoun's economic success in fiscal year 2017 is evidenced by several developments: The number of new residential dwelling units permitted exceeded 3,000 for the fifth consecutive year. More than 4.2 million square feet of private-sector, non-residential space was permitted for construction of which 2.4 million square feet was attributable to data center space. In addition, the assessed values of both real and personal property continued to increase during calendar year 2016. Fiscal year 2017 is the fifth consecutive year in which personal property tax revenue on computer equipment, which came in just over \$150 million, increased by more than 20 percent over the previous year.

In April 2017, the Board set the calendar year 2017 real property tax rate at \$1.125 per \$100 of assessed value from \$1.145 for the calendar year 2016. Assessment data for real property appreciated 0.88 percent for 2017 over 2016 allowing the tax rate to be decreased while still providing sufficient revenue to support Loudoun County Public Schools and County departments which continue to feel the impact of the County's continued population growth.

Assessed Value of Taxable Property



Property Taxes



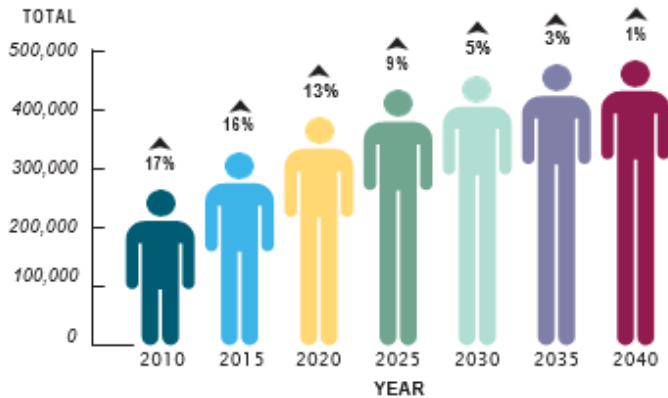
Top Ten Tax Payers

Rank	Business	Assessed Value	% of Taxable Assessed Value
1	Toll Road Investors Partnership II LLC	344,807,100	0.45%
2	Dulles Town Center Mall LLC	268,638,100	0.35%
3	Chelsea GCA Realty Partnership LP	232,102,190	0.30%
4	Quantum Park LLC	222,354,040	0.29%
5	Digital Loudoun Parkway Center North LLC	213,813,720	0.28%
6	VISA USA INC	187,434,110	0.24%
7	Equinix R P II LLC	183,417,370	0.24%
8	Redwood ERC Ashburn LLC	177,432,830	0.23%
9	Smith, Verlin W, Et Als Trustees	142,284,100	0.19%
10	BCAL PCP Property LLC	132,881,000	0.17%

Demographics of Loudoun County

COUNTY POPULATION

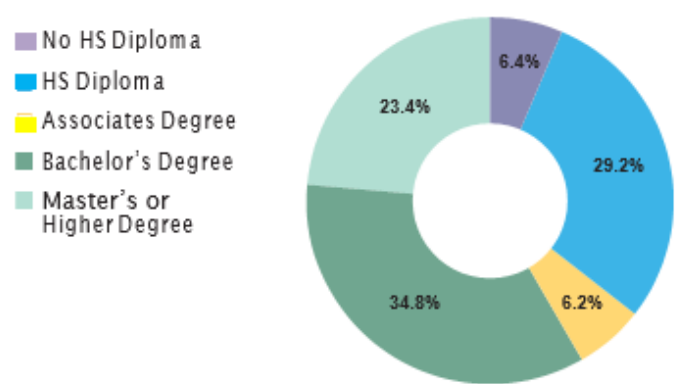
Loudoun County's FY 2018 population is forecast to be 393,345.



SOURCE: U.S. Census Bureau, 2010 Census; Loudoun County Department of Planning and Zoning, Forecast Series, December 6, 2016.

EDUCATIONAL ATTAINMENT BY TYPE

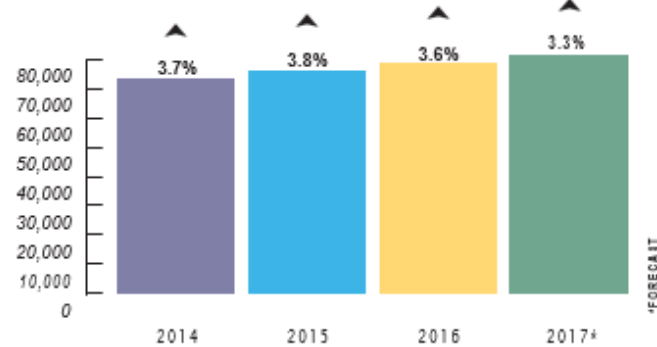
Population Age 25+



SOURCE: U.S. Census Bureau 2015 American Community Survey 1-Year Estimates.

PUBLIC SCHOOL ENROLLMENT

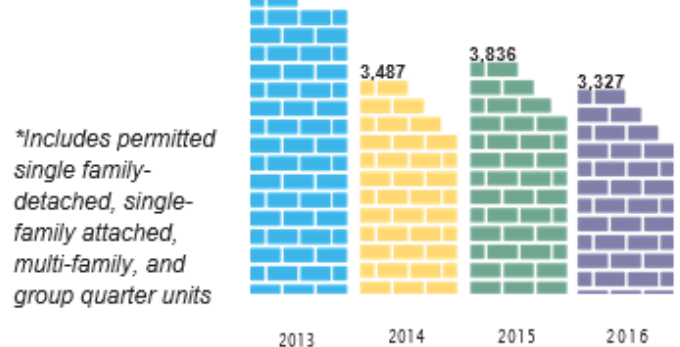
as of September 30



SOURCE: Loudoun County Public Schools, FY 2018-2023 Capital Improvements Program

NEW RESIDENTIAL CONSTRUCTION

Permitted Units

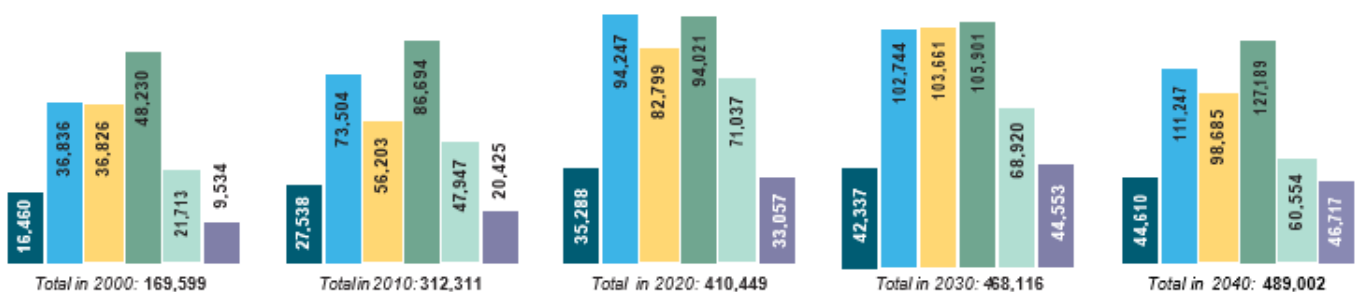


*Includes permitted single family-detached, single-family attached, multi-family, and group quarter units

SOURCE: 2015 Fiscal Impact Committee Guidelines, 2015 Annual Permit Activity by Place Report

COUNTY POPULATION BY AGE

Legend: ≤ 4 (Dark Blue), 5-19 (Light Blue), 20-34 (Yellow), 35-49 (Green), 50-64 (Light Green), 65+ (Purple)



SOURCE: 2000 and 2010: U.S. Census Bureau, 2000 Census and 2010 Census. 2020 to 2040: Weldon Cooper Center, Age Projections, November 13, 2012, adjusted to Loudoun County Department of Planning and Zoning, Forecast Series, December 6, 2016. * NOTE: SUM MAY NOT EQUAL TOTAL DUE TO ROUNDING

FY2017 Loudoun County Government by the Numbers

General Government Administration

425 employees
3,000 disaster response planning hours
AAA bond rating
99.97 % major computer availability
741,143 sq.ft. office space leased & owned



Judicial Administration

140 employees
10,125 criminal cases concluded
22,500 civil cases concluded
19,082 juvenile and domestic hearings
68,629 deed book recordings
187,211 sq.ft. court space



Public Safety

1,577 employees
1,417 volunteers
11:31 average emergency response time
21,303 emergency medical incidents responded
6,347 fire incidents

*20 Fire & Rescue stations
5 Sheriff stations
212,000 sq.ft. jail space
1 Animal Shelter*



Health and Welfare

627 employees
4,244 vaccinations administered
34,000 families seeking services
1,500 individuals receiving mental health outpatient services
\$38,000 mean household income for new affordable dwelling unit (ADU) renters
110 households with new leased ADUs

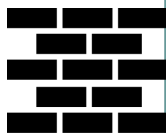
*19 Group homes
1 Homeless shelter
1 Transition shelter
2 Youth shelters*



Community Development

254 employees
2,691 residential building permits issued
4.2 million square feet of private sector, non-residential space permitted for construction
205,000 building code inspections performed
100 businesses moved or expanded in the county in FY2017
3,167 jobs recruited or retained in FY2017

*1 Landfill
9 Recycling drop-off centers*



Parks, Recreation and Culture

644 employees
876,495 annual park visits
5,777 adults participating in adult sports leagues
53,217 children participating in youth sports
296 athletic fields maintained
272,024 Library program attendees
156,460 senior meals provided



*10 Libraries 1 Recreation Center 3 Senior Centers
46 Parks 9 Community Centers 3 Respite Centers*

Fund Balance & Net Position

One can think of the County's fund balance—the difference between assets plus future resources to be consumed, and liabilities plus future resources to be gained—as one way to measure the County's financial health, or financial position. Over time, change in the fund balance is one indicator of financial health. A fund balance that is both positive and available is an important component in maintaining the County's strong fiscal condition. It serves to support the County's strong bond ratings and provides sufficient carry-over funds for cash flow purposes. Loudoun's general fund balance has increased over time, indicating a healthy fiscal trend.

The County's fund balance represents what would be left over if all assets were used to satisfy all liabilities. Fund balance is considered a measure of available expendable financial resources. Governmental funds focus on current financial resources and how those resources are used to support the County's programs. As such, long-term assets and liabilities are not included.

Governmental fund balances are listed in five categories:

- **Non-Spendable**—funds that can not be spent because they are not in spendable form or are required legally or contractually to remain intact.
- **Restricted**—funds to be used only for a specific purpose based on constraints placed on the funds by external parties, legislation, or constitutional provision.
- **Committed**—funds to be used only for a specific purpose based on constraints placed by formal action of the Board of Supervisors
- **Assigned**—funds the government designates to be used for a specific purpose
- **Unassigned**—residual fund balance available for any purpose. At the end of each fiscal year, the unassigned fund balance is available for appropriation by the Board to be used for one-time expenditures.

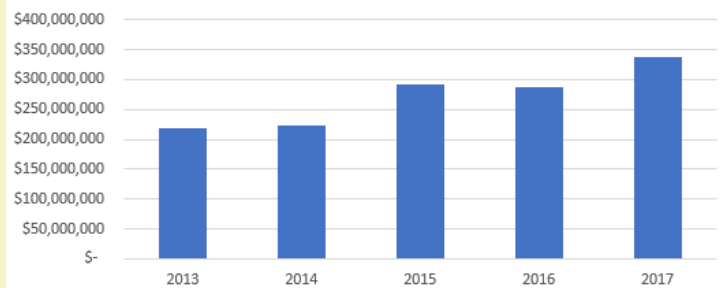
The General Fund balance increased \$51.3 million from the prior fiscal year. Higher collections than projected in general property tax revenues, and lower than forecasted expenses contributed to the ending fund balance.

The County maintains a fiscal reserve in the committed portion of fund balance equal to no less than 10% of the County and Component Unit, Schools' operating revenues. In FY 2017, the fiscal reserve increased by \$16.1 million.

The Government-wide Statement of Net Position, along with the Statement of Activities, answers the question of whether the County is better or worse off as a result of the years' activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to a private-sector company. All revenues and expenses are taken into account regardless of when cash is received or paid. In the Statement of Net Position, the County is divided into Governmental activities and Component unit. All of the County's basic services are reported as Governmental activities. Property taxes, other local taxes, and state and federal grants finance most of these activities. The Component unit is a separate legal entity, the Loudoun County School Board. Although legally separate, the County is financially accountable and provides operating and capital funding for the Loudoun County Public Schools.

On a Government-wide basis which includes the School Board component unit, the County ended FY 2017 with a positive net position of \$1.69 billion. This represents a 13.4% increase over FY 2016. In FY 2017, overall assets increased by \$328.1 million due in part to an increase in cash and investments resulting from higher property tax collections, unspent bond proceeds, and increases in net receivables and \$102.3 million in capital assets from new projects under construction. Liabilities increased by \$184.6 million due to an increase in the amount due to Schools, and long-term liabilities of \$140.6 million due to new debt issued, drawdown of loan funds for the Metrorail extension, and an increase in pension obligations.

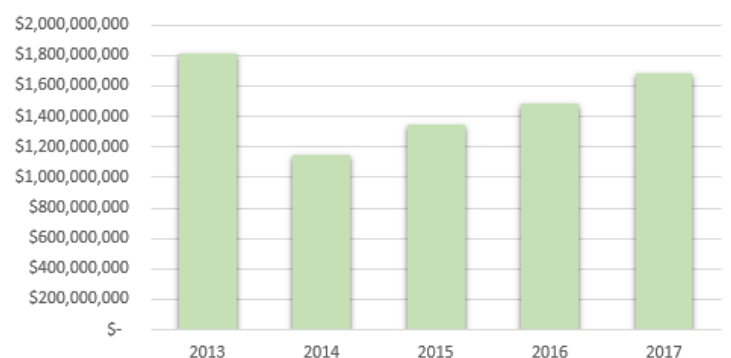
General Fund Balance



Governmental Funds
Financial Analysis of Fund Balance

	Fiscal Year 2017				
	General	Capital Projects	Debt Service	Non-Major Governmental	Total
Non-Spendable	\$ 1,409,235	\$ -	\$ -	\$ 180,365	\$ 1,589,600
Restricted	-	283,099,796	-	188,507,536	471,607,332
Committed	212,953,184	115,401,622	-	15,190,460	343,545,266
Assigned	54,776,969	8,366,730	42,873,402	3,288,041	109,305,142
Unassigned	68,520,205	-	-	-	68,520,205
Total Fund Balance	\$ 337,659,593	\$ 406,868,148	\$ 42,873,402	\$ 207,166,402	\$ 994,567,545

Government Net Position



Financial Results—General Fund Summary

The General Fund is the overall account within Loudoun County Government that captures all of the money coming into the government and compares it to the County's financial obligations. It is the primary operating fund and accounts for all the financial resources of the general government. This chart reports only on the General Fund and is presented on a current financial resource, non-GAAP basis. More detailed GAAP basis financial statements can be found in the County's CAFR. The Governmental Fund financial statements provide more information about the County's most significant funds – not the County as a whole. Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and, (2) the balances left at year end that are available for spending. Consequently, the governmental funds' statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The Board of Supervisors is required to adopt a final budget no later than the date on which the fiscal year begins. The annual budget serves as the foundation for the County's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual Budget and Appropriations Resolution and adopted in the Budget by the County's Board of Supervisors. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund. Management control is maintained at the department level within each organizational unit.

The County government consists of 30 departments organized into seven functional areas:

- General Government Administration
- Judicial Administration
- Public Safety
- Public Works
- Health and Welfare
- Parks, Recreation and Culture
- Community Development

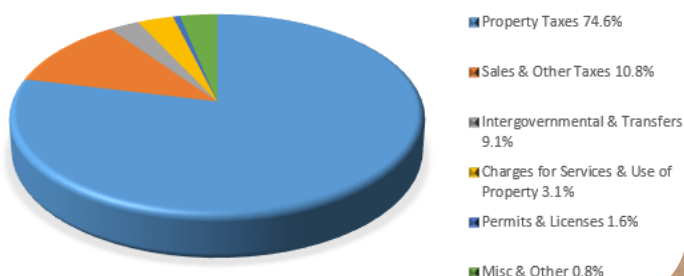
In FY 2017, the final amended budget for revenues and transfers-in exceeded the original budget by \$39.7 million. This was primarily due to the transfer of excess fund balance from the component unit-schools, and anticipation of greater charges for services and grant funding from the state and federal government. The final amended budget appropriations, which include expenditures and transfers out, exceeded the original budget by \$59.6 million. This was primarily due to the reappropriation of 2016 unassigned fund balance and the timing difference between the adoption of the original budget and the encumbrances carried over at the end of the fiscal year as part of the amended budget.

Actual revenues and transfers-in exceeded amended budget amounts by \$66.2 million, or 4.6%, while actual expenditures and transfers out were less than the amended budget amounts by \$32.1 million, or 2.2%.

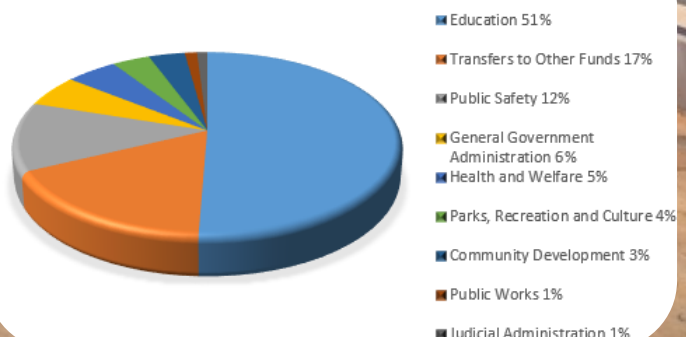
General Fund Budget to Actual

	Fiscal Year 2017			
	Original Budget	Amended Budget	Actual	Variance Positive / (Negative)
Revenues and Transfers In:				
Taxes	\$ 1,210,551,330	\$ 1,210,565,130	\$ 1,275,405,925	\$ 64,840,795
Intergovernmental	89,343,599	98,371,076	94,057,037	(4,314,039)
Other	87,204,040	117,857,812	123,496,114	5,638,302
Total Revenues and Transfers In	\$ 1,387,098,969	\$ 1,426,794,018	\$ 1,492,959,076	\$ 66,165,058
Expenditures and Transfers Out:				
Expenditures	\$ 1,189,546,313	\$ 1,224,917,181	\$ 1,193,338,169	\$ 31,579,012
Transfers	224,589,703	248,831,909	248,291,982	539,927
Total Expenditures and Transfers Out	\$ 1,414,136,016	\$ 1,473,749,090	\$ 1,441,630,151	\$ 32,118,939

REVENUES BY SOURCE



EXPENDITURES BY ACTIVITY



REVENUE

NOTE: All numbers are in the \$ millions

\$1,493 Revenue



The majority of the County's General Fund revenues come from property taxes on real and personal property. The personal property tax, which taxes property like vehicles, is \$4.20 per \$100 of assessed value. The real property tax, which is the tax homeowners and businesses pay on their land and buildings, is calculated at \$1.125 per \$100 of assessed value.

Actual tax revenues exceeded amended budget amounts by \$66.2 million, driven primarily by an increase in general property taxes of \$51.9 million. The increase in general property tax is due to the combination of increasing real property values and vehicle values in the County and revenue derived from computer equipment and furniture and fixtures within the growing data centers located in the County.

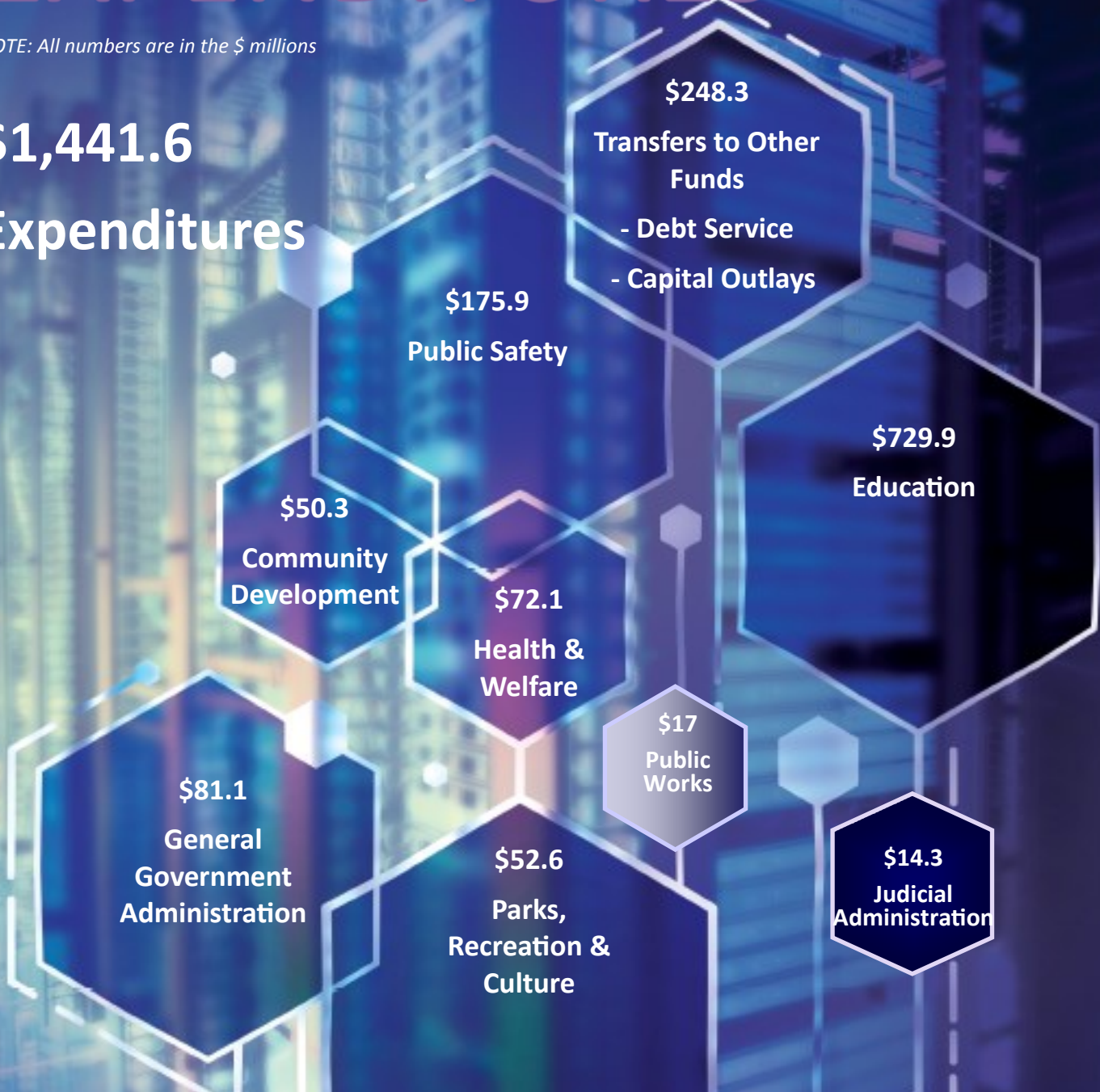
FY 2017 GENERAL FUND

EXPENDITURES

NOTE: All numbers are in the \$ millions

\$1,441.6

Expenditures

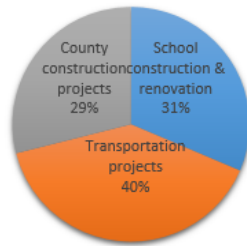


Education continues to be one of the County's highest priorities and commitments and represents 51% of general fund expenditures. Education expenses as part of governmental funds in fiscal year 2017 increased by \$58.5 million from the previous fiscal year primarily due to an increase in the transfer to the Component Unit-Schools for operating expenses with a nominal increase in contributions for capital projects. The County holds bond proceeds for the Schools and reimburses the Schools as projects are constructed. While General Fund expenditures overall were \$32 million less than budget, departmental vacancies and savings in contractual services were primary drivers for under budgeted expenditures.

Capital Improvements

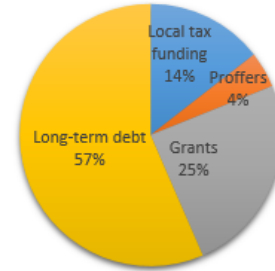
During the fiscal year 2018 budget process, the County amended a six-year Capital Improvement Program (CIP) that totals \$2 billion, with school construction and renovation projects totaling \$639.8 million, transportation projects totaling \$804.5 million and County construction projects totaling \$589.4 million. Funding for the FY 2018 adopted CIP increased approximately \$237.2 million from the FY 2017 adopted CIP primarily due to additional funding for school projects totaling \$98.4 million, and transportation projects totaling \$81.8 million. The \$2 billion Amended FY 2017-FY2022 plan is principally funded with \$293.6 million in local tax funding, \$90 million in proffers, \$498.5 million in grants and \$1.147 billion funded with long term debt.

FY 2017- FY 2022 Amended Capital Improvement Program



■ School construction & renovation ■ Transportation projects ■ County construction projects

FY 2017 - FY 2022 Amended Capital Improvement Program Funding



■ Local tax funding ■ Proffers ■ Grants ■ Long-term debt

Additional information is available in the FY2018 Adopted Budget, Volume 2, and can be found on the County website at www.loudoun.gov/budget.

Projects included in the CIP

School projects

- Elementary school projects including new schools as well as classroom additions totaling \$207.3 million
- New middle school \$57.8 million
- New highs school and renovations to existing totaling \$319.2 million
- School projects including, the installation of artificial turf fields and track resurfacing at four high schools, school bus acquisition and replacement, a staff training center, security improvements to school facilities throughout the County totaling \$55.5 million

Countywide capital projects

- Construction of Prentice Drive/ Lockridge Rd. West for \$89.6 million
- Construction of Westwind Drive for \$43.7 million
- Construction of Crosstrail Blvd. for \$43.6 million
- Route 7/Battlefield Parkway Interchange for \$45.0 million
- Various segments of Northstar Blvd for \$81.8 million
- Other transportation projects for \$500.8 million
- Storm water management project for \$32.4 million
- Capital project management support \$63.2 million
- Public Safety capital improvements of \$159.3 million
- Health and Welfare capital improvements of \$4.5 million
- Parks, Recreation and Cultural capital improvements of \$260.1 million
- General Government projects for \$69.9 million.

Capital Assets	Balance
Land	\$ 170,691,115
Buildings	476,059,416
Improvements Other Than Buildings	63,378,931
Equipment	218,665,032
Construction in Progress	123,556,336
Infrastructure	636,104,637
Accumulated Depreciation	(385,110,975)
Total Capital Assets	\$ 1,303,344,492

At the end of fiscal year 2017, the Primary Government had invested approximately \$1.3 billion in a variety of capital assets, representing a net increase of \$102.3 million from FY 2016.

Maintaining Our AAA Status

Loudoun County issues debt in the form of bonds and other financial instruments to help fund large projects. As the County has experienced near exponential growth over the last two decades, the need for more facilities has grown as well. New schools, fire stations, police stations, recreational centers, and roads are often funded through the issuance of bonds. While Loudoun County has taken on debt in the creation of these capital improvements, it has done so responsibly and within the confines of good fiscal management.

Loudoun County has a fiscal policy that creates the guidelines for debt issuance. Per that fiscal policy, the County shall not have net debt greater than 3.0% of the net estimated market value of taxable property. For fiscal year 2017, the County's debt ratio is only 1.7% which is very positive given the growth challenges incumbent on the County. Other areas where Loudoun has checks in place to control its debt is in the amount of debt that can be issued. Currently, no more than \$225 million worth of new debt can be issued in a single year. In 2017, the County issued \$176 million in debt, staying under the cap. Net debt per capita as a percentage of income is not to exceed 8%, and during fiscal year 2017 stood at 4.9%. Debt service expenditures as a percentage of governmental fund expenditures should not exceed 10%. The County paid \$175 million towards its debt, or 6.3%. At the end of fiscal year 2017, the County had \$1.4 billion in outstanding general obligation bonds, premiums, loans, and capital leases. This represents a net increase of \$113.2 million from last year. In fiscal year 2017, Moody's Investors Services, Inc. reaffirmed the County's bond rating of Aaa, Fitch Credit Rating Services and S&P Global maintained the County's bond rating of AAA. These are the highest ratings available from each of these firms. In May, 2017 Fitch Credit Rating Services reaffirmed the AA+ rating on the County's TIFIA bonds. The AAA bond ratings allow the County to borrow at the best rates the market can provide and ensures that our citizens' tax revenues are efficiently used.

COUNTY OF LOUDOUN, VIRGINIA COUNTY POLICY DEBT MARGIN	Fiscal Policy Guideline	Fiscal Year 2017
Ratio Data:		
Population		392,711
Estimated Market Value of Taxable Property		\$85,129,052,898
Per Capita Income		75,100
Governmental Expenditures		2,784,364,590
Total Reporting Entity Outstanding Debt		1,447,717,767
Total Reporting Entity Debt Service Expenditures		175,491,847
Debt Capacity Goals / Ratios:		
Annual Debt Issuance Limit	\$ 225,000,000	\$ 175,630,000
Debt Per Capita	2,500.00	3,686.47
Debt To Estimated Market Value of Taxable Property	3.00%	1.70%
Debt To Per Capita Income	8.00%	4.91%
Debt Service To Expenditures	10.00%	6.30%

May 2017 Ratings Reports Highlights

Fitch said the rating reflects Loudoun's "exceptionally strong operating performance, supported by solid revenue growth and expenditure flexibility."

Moody's cited Loudoun's "sizeable and diverse tax base with strong long-term growth potential" and "consistently solid financial performance and a manageable debt burden."

S&P Global highlighted Loudoun's maintenance of "robust trend and forecasting data," and strong financial practices.

2018 and Beyond

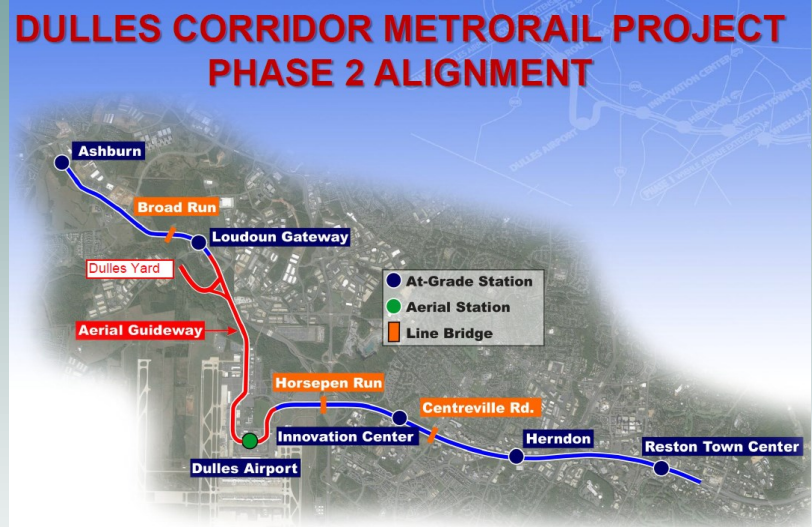
Silver Line Metro

The Board is committed to improving the regional transportation network by bringing the Metrorail Silver Line into Loudoun County.

The County has been actively engaged in a Silver Line Area Comprehensive Plan Amendment process to address the existing planned land uses around and between the future Metrorail stations to ensure that Loudoun strikes the desired balance between four goals:

- 1) prompt realization of tax revenues to support future Metrorail operations,
- 2) maximizing future employment generation,
- 3) achieving the desired land use pattern,
- 4) minimizing demands on the County's transportation infrastructure.

In order to achieve these goals, the following will need to be accomplished: ensure appropriate transit-oriented mixed-use development which are fiscally positive and designed to accommodate the development of higher density uses, concentrating new job opportunities in compact, walkable activity centers near the Metrorail stations, and concentrating the highest densities in mixed-use communities near the Metrorail stations, preserving parks and open space, allowing for innovative land use patterns, creating abundant opportunities for amenities and entertainment, and providing numerous efficient transportation options. In the spring of 2017, the Board of Supervisors voted to refer the Silver Line Comprehensive Plan Amendment to the Envision Loudoun process for continued study and ultimate inclusion in an updated countywide comprehensive plan.



Envision Loudoun is an eighteen-month initiative to address growth, land use, transportation, community facilities and amenities, economic development and fiscal management in the County which will result in a new comprehensive plan that will serve as Loudoun County government's guiding document for land use and development for the foreseeable

future. A Stakeholders Committee composed of various citizens and representatives of key stakeholder groups within the County, was established during FY 2016 and began working with Loudoun County staff and consultants to help guide a plan development process and provide critical feedback and direction on a new comprehensive plan. Work on the plan will continue on through the spring of 2018. More information can be found on the Envision Loudoun website <http://www.envision-loudoun.org>

**The County of Loudoun's Popular Financial Report is a publication of the
Loudoun County, Virginia**

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visit <https://www.loudoun.gov/controller> or call (703) 777-0563.**

**For information about County of Loudoun services,
visit the County's website at <https://www.loudoun.gov> or call (703) 777-0100.**

