



Loudoun County
VIRGINIA

POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

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TIM HEMSTREET

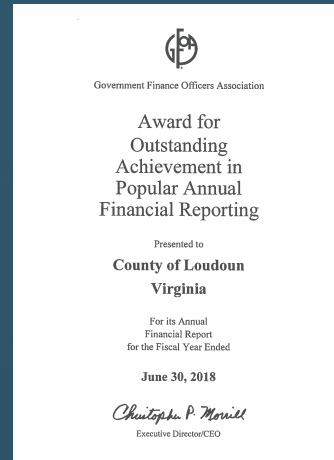
County Administrator

As part of our commitment to provide easily accessible, reliable information about your local government, we are pleased to present the Loudoun County, Virginia Popular Annual Financial Report (PAFR) for Fiscal Year 2019 (July 1, 2018 - June 30, 2019). The PAFR presents important, informative and accurate information about the financial condition of your county government in a concise and easy-to-understand format.

I am pleased to report that the county concluded Fiscal Year 2019 in sound financial condition. Population growth continues to affect every area of government operations, and in 2019 the county addressed significant challenges that come with growth, including planning for arrival of the Metrorail Silver Line in the county and updating the county's Comprehensive Plan. Loudoun is expected to continue to experience one of the highest growth rates in the Metropolitan Washington area. Continued planning and commitment is required to provide needed services, develop necessary infrastructure for the future and grow the tax base and resources to support that infrastructure.

The county must balance demands for additional services with the ability to pay for those services. Loudoun County continues to follow a policy of fiscal sustainability. In April 2019, the county adopted a Fiscal Year 2020 budget that resulted in an overall increase of \$52.7 million in the general county government and a \$94.8 million addition in the school operating fund as compared to fiscal year 2019 appropriations.

Financial management is of paramount importance in this and future fiscal years. The Board of Supervisors' emphasis on sound fiscal planning, budget development and financial management contributes to the present financial health of the county and sets the parameters and tasks for the coming years.



The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of Loudoun, Virginia for its Popular Annual Financial Report for the fiscal year ended June 30, 2018. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The County of Loudoun, Virginia has received a Popular Award for the last two consecutive years (fiscal years ended 2017-2018). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

LOUDOUN COUNTY AT A GLANCE

Loudoun County 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. Leesburg has served continuously as the county seat since 1757. Hamilton, Hillsboro, Leesburg, Lovettsville, Middleburg, Purcellville and Round Hill are incorporated towns within the county.

Loudoun is bordered by the Blue Ridge Mountains and Potomac River, and is approximately 517 square miles in size, covering 330,880 acres of land area. For more than two centuries, agriculture was the dominant industry in Loudoun County, which had a relatively constant population of about 20,000 people. That began to change in the early 1960s when Washington-Dulles International Airport was built, which attracted new businesses, workers and their families to the area. At the same time, the metropolitan Washington, D.C., area began a period of rapid growth. Major road

improvements made commuting from Loudoun County much easier, attracting more and more people to the eastern part of the county.

In the last three decades, the population of Loudoun County nearly quadrupled. The current population is approximately 412,864 and Loudoun is one of the fastest growing jurisdictions in the Washington Metropolitan Area.

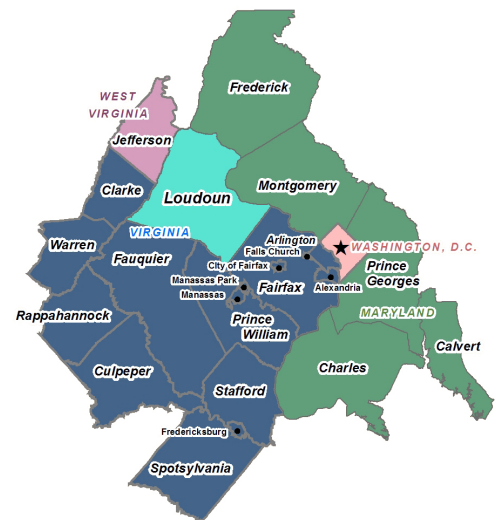
A labor pool of highly skilled people, abundant greenfield commercial opportunities, international connection through Dulles International Airport, pending arrival of three Metro rail stations, and the world's densest fiber optic infrastructure are among Loudoun's most desirable assets.

Loudoun County is a growing, dynamic county known for its beautiful scenery, rich history, expanding and diverse business opportunities, comfortable neighborhoods and high quality public services.

Towns & Communities



Washington, D.C. Metropolitan Area



ABOUT THIS REPORT This report is intended to provide the public with information about Loudoun County's financial condition in an easily understandable format. It supplements the annual Comprehensive Annual Financial Report (CAFR), but does not substitute for the CAFR. 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 online at loudoun.gov/cafr.

MAJOR INITIATIVES

Affordable Housing: During FY 2019, the Board of Supervisors continued its focus on affordable housing. In July 2018, the Board approved the Affordable Multi-family Housing Loan Program Guidelines to provide revolving loans from the county's Housing Trust to developers of affordable housing to increase the supply of affordable multi-family rental housing units in the county. During FY 2019, the Board approved Poland Hill and Mt. Sterling Senior Housing applications for the loan program. Both projects address gaps in the affordable housing need in the county.

Brambleton Library: Opened in December 2018, this \$8.4 million, 40,000-square-foot library features a first floor dedicated to children, with playful, animal-shaped chairs, cozy nooks for interactive play and reading, computers for playing games, a Lego building table and a nursing and infant care room. The library also offers a creative makerspace room, featuring 3D printers, silk screen printing, sewing machines, jewelry-making equipment, glass kiln and coding robots.

Broadband Strategic Plan: On June 21, 2018, the Board adopted the Loudoun County Broadband Strategic Plan, designed to help the county expand and further improve broadband services for residents and businesses, specifically in underserved areas of Western Loudoun.

Comprehensive Plan: The adoption of the Loudoun County 2019 Comprehensive Plan in June 2019 was the result of a collaborative, multiyear effort and public outreach initiative for Loudoun's residents, elected and appointed officials, stakeholders and county staff.

The 2019 Comprehensive Plan includes growth management policies, strategies and actions that phase development, based on available and/or needed infrastructure capacity. One strategy of the plan involves deferring increased development in certain geographical areas until capital and transportation infrastructure criteria are met.

The Comprehensive Plan is the vision for the next 20 years; it allows flexibility for phased development within individual projects as well as within policy areas in response to the market.

Drug Court: In FY 2019, the Board voted unanimously to set up a Drug Court with \$373,000 in county funds and \$500,000 in federal grant money. The establishment of a Drug Court significantly reduces recidivism for those who participate.

Regional Park Groundbreaking: In FY 2019, ground was broken for the Hal and Berni Hanson Regional Park project, a new 257-acre regional park located on Evergreen Mills Road in Arcola, between the Brambleton and Willowsford communities. The park will include 17 athletic fields with lighting and over 75 acres of passive recreational space and infrastructure.

Veterans Center: In November 2018, the County signed an agreement with the U.S. Department of Veterans Affairs to provide office space in a county-owned facility to establish a new veterans center in Leesburg. The Vet Center Community Access Center offers a broad range of free services for veterans, their family members and active duty military personnel.



Hanson Park Groundbreaking



YOUR BOARD OF SUPERVISORS

The county is governed by an elected body of representatives, 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.



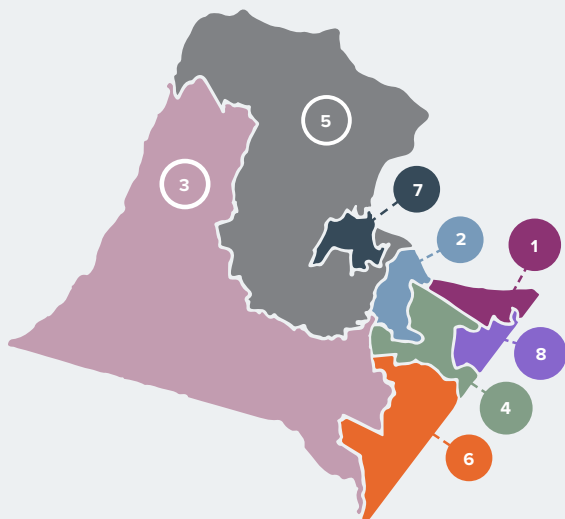
Loudoun County Board of Supervisors 2016–2019 (From left to right) Tony R. Buffington, Blue Ridge; Kristen C. Umstattd, Leesburg; Koran T. Saines, Sterling; Ralph M. Buona, Vice Chair, Ashburn; Ron A. Meyer, Broad Run; Phyllis J. Randall, Chair, At Large; Matthew F. Letourneau, Dulles; Geary M. Higgins,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

BOARD VISION

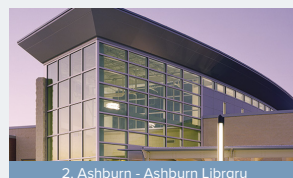
By honoring its rich heritage as well as embracing the robust opportunities of a new day, Loudoun County maintains the high quality of life it has achieved, shapes a

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 ELECTION DISTRICTS



1. Algonkian - George Washington University



2. Ashburn - Ashburn Library



3. Blue Ridge - Salamander Resort



4. Broad Run - One Loudoun



5. Catocin - Lucketts Community Center



6. Dulles - Dulles Airport



7. Leesburg - Historic Downtown



8. Sterling - Claude Moore Recreation Center

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

to the Board of Supervisors, other elected county officials include: the School Board, the Commonwealth's Attorney, Commissioner of the 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 chosen by the state legislature.

LOUDOUN'S ECONOMY

Loudoun's robust economy creates opportunities for employment, high income and an outstanding quality of life for the county's residents.

The Department of Economic Development works with the Board of Supervisors to foster a competitive business environment and build an economy that best serves Loudoun residents. In fiscal year 2019, the department worked with 680 companies, announced projects totaling \$6.5 billion dollars in new capital investment and created or retained 3,905 jobs.

As of September 2019, the county's unemployment rate declined to 2%, which is 1.5 percentage points below the U.S. unemployment rate of 3.5%. At the same time last year, the unemployment rate was 2.3%. With goals of increasing the commercial tax base and diversifying the county's industries, Loudoun is better able to withstand downturns in the national and global economies.

Workforce has been a key to that success, with nearly 60% of Loudoun's workforce possessing a bachelor's degree or higher. The county's median household income has been ranked highest in the nation since 2007 (currently \$139,915) and more than doubles the national median income of \$61,937.

The county's key industries include information and communications technology, health data analytics, cybersecurity, data centers, highly-specialized

manufacturing, agriculture and rural businesses.

Loudoun is an internationally renowned technology hub, attracting investment from some of the largest companies in the world. Nineteen percent of all county businesses are in the tech sector, and account for 15% of the county's employment. Loudoun's "Data Center Alley" is the world's largest concentration of data centers, with more than 13.5 million square feet currently in operation.

Loudoun also remains an agricultural powerhouse, leading Virginia in categories like grape production and wineries, hops production and breweries, honey bees and llamas, as well as farm ownership diversity (women, veterans, and people of Hispanic and Asian origin). The county's 1,200 farms have fueled a tourism industry worth more than \$1.85 billion annually.

Entrepreneurship is also key to Loudoun's success, with 86% of businesses employing fewer than 20 employees. Inc. Magazine recently recognized 29 Loudoun small businesses on its list of fastest growing companies in the U.S.

The planned 2020 completion of the Metro Silver Line into Loudoun will be a watershed moment for the county. Mixed-use, transit-oriented communities are developing near Loudoun's three Metro stations, providing the opportunity for a new urban core.

Additional information on the county's FY 2019 economic development activities can be found in the annual report online at biz.loudoun.gov/annualreport.



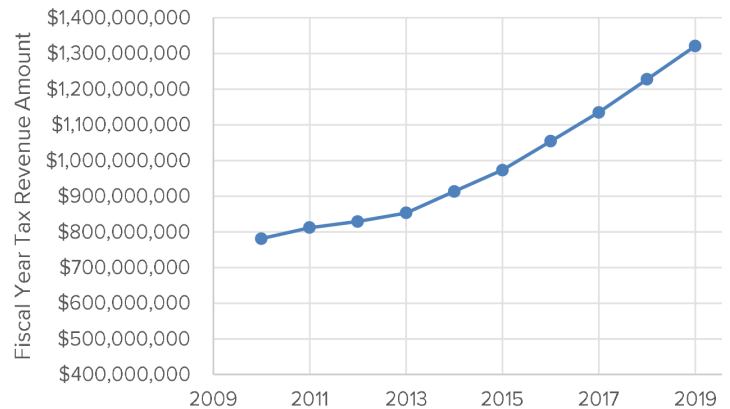
TAXES

The county's largest revenue source is property tax revenue. On a Government-wide basis, fiscal year 2019 was another year of revenue and tax base growth, with a property tax revenue increase of approximately \$101 million from fiscal year 2018. Property tax includes real property and personal property. Real property is assessed annually at 100% fair market value, with the date of value being January 1. The increase in personal property is due to the combination of increasing vehicle values and revenue derived from computer equipment and furniture and fixtures within the growing data centers located in the county.

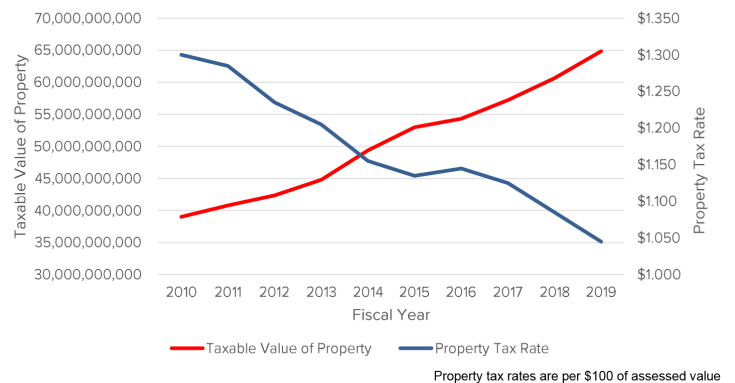
In April 2019, the Board set the calendar year 2019 real property tax rate at \$1.045 per \$100 of assessed value down from \$1.085 for calendar year 2018. Assessment data for real property appreciated 4.1 percent for 2019 over 2018, allowing the tax rate to be decreased while still providing sufficient revenue to support Loudoun County Public Schools and county departments that continue to feel the impact of the county's sustained population growth. Over the past decade, as the assessed real property tax values had appreciated the Board has reduced the property tax rates.

Computer Equipment Business Personal Property tax (BPPT) is a component of the Personal Property tax and experienced the largest growth in fiscal year 2019. It increased by more than 30 percent over the previous year, exceeding \$250 million.

Property Taxes (Real & Personal)



Property Tax and Taxable Value of Property



Top Ten Tax Payers

Rank	Business	Assessed Value	% of Taxable Assessed Value
1	Digital Loudoun 3 LLC	439,746,950	0.50%
2	Toll Road Investors Partnership II LLC	381,830,700	0.43%
3	Cyrusone LLC	352,823,590	0.40%
4	Digital Loudoun Parkway Center North LLC	339,144,380	0.39%
5	Chelsea GCA Realty Partnership LP	270,036,580	0.31%
6	Redwood ERC Ashburn LLC	264,781,990	0.30%
7	Equinix R P II LLC	220,934,560	0.25%
8	Solace Ashburn DFG LLC	203,165,420	0.23%
9	Dulles Town Center Mall LLC	183,844,810	0.21%
10	ICSP LLC	166,616,480	0.19%



LOUDOUN COUNTY GOVERNMENT BY THE NUMBERS

The general county government consists of 30 departments organized into functional areas:

General Government Administration

- 348 employees
- AAA bond rating
- 100% major computer availability
- 3,633 hours conducting disaster and emergency planning and response activities
- 742,202 sq. ft. office space leased & owned



Judicial Administration

- 126 employees
- 7,590 criminal cases concluded
- 19,787 civil cases concluded
- 55,256 deed book recordings
- 242,491 sq. ft. court space



Health & Welfare

- 598 employees
- 178,214 senior meals provided
- 4,036 vaccinations administered
- 551 households receiving assistance to meet their basic needs
- 55,600 companion service hours delivered to older and disabled adults
- 1,679 individuals receiving mental health outpatient services
- \$35,980 mean household income for new affordable dwelling unit (ADU) renters
- 101 households with new leased ADUs
- 19 group homes
- 1 homeless shelter
- 1 transition shelter
- 2 youth shelters



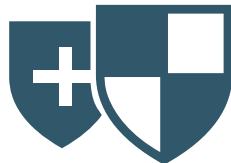
Parks, Recreation & Culture

- 572 employees
- 759,072 annual park and recreation center visits
- 5,725 adults participating in adult sports leagues
- 54,555 children participating in youth sports
- 313 athletic fields maintained
- 370,385 library program attendees
- 10 libraries
- 2 recreation centers
- 4 senior centers
- 7 community centers
- 3 adult day centers
- 52 parks



Public Safety

- 1,294 employees
- 1,619 volunteers
- 10:33 average response time for emergency calls
- 20,805 emergency medical incidents responded
- 7,642 fire incidents
- 21 fire & rescue stations
- 5 sheriff stations
- 212,000 sq. ft. jail space
- 1 animal shelter



Community Development

- 253 employees
- 2,297 residential building permits
- 901 new structures completed after January 1 of tax year
- 232 subdivision applications submitted
- 2,705 commercial building permits
- 192,834 building code inspections performed
- 3,905 jobs recruited or retained
- 1 landfill
- 9 recycling drop-off centers



The county's financial performance is measured each year against the county's budget. The Board of Supervisors is required to adopt a final budget no later than the date on which the fiscal year begins, July 1. 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 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.

FUND BALANCE & NET POSITION

GOVERNMENT WIDE

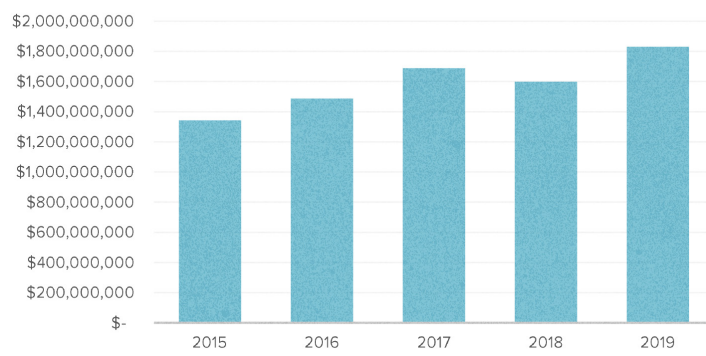
The Government-wide Statement of Net Position, along with the Statement of Activities, answers the question of whether the county is better or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to 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, the Loudoun County School Board, is a separate legal entity. 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 2019 with a positive net position of \$1.8 billion. This represents a 14.6% increase over the FY 2018 net position and continues the pattern of growth in net position over the past several years. In FY 2019, overall assets increased by \$522.7 million

due in part to an increase in cash and investments resulting from higher property tax collections primarily as a result of data center growth. Increased interest earned on investments, unspent bond proceeds, and \$189 million in capital assets from increases in projects under construction, donations of land, and the addition of buildings, equipment and infrastructure, also contributed to the increase in overall assets. Total liabilities increased by \$291.2 million due to an increase in the amount due to Schools, new debt issued during the fiscal year and the final drawdown of loan funds for the Metrorail extension. The increase was offset by decreases in the county's net pension liability.

Government Wide Net Position



FUND BALANCE & NET POSITION

GOVERNMENTAL FUNDS

The county presents two kinds of financial statements: the Government-wide statements discussed previously and the fund financial statements.

The Governmental fund financial statements provide information on a current resource basis only and focus in greater detail on the county's funds, and 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. As such, long-term assets and liabilities are not included.

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. Carryover funds eliminate the need for short-term borrowing between the start of the fiscal year and the receipt of revenue from taxes.

Loudoun's general fund balance has increased over time, indicating a healthy fiscal trend. The General Fund balance increased \$15.2 million from the prior fiscal year and \$89 million of the total \$376 million General Fund balance was unassigned and available to meet the county's current and future needs. Higher collections than projected in general property tax revenues, and lower than forecasted expenses contributed to the ending fund balance.

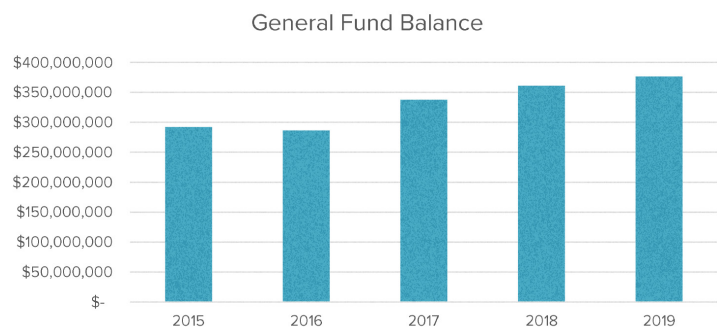
In addition to the General Fund, the County has 22 special revenue funds reported in the CAFR as Non-Major Governmental Funds. A Special Revenue Fund is a fund established to collect revenue for a specific project or

purpose and provides an extra level of accountability and transparency to taxpayers and others that the funds are being used for their intended purpose. Please refer to the CAFR for detail on these Special Revenue Funds.

Governmental fund balances are listed in five categories:

- **Non-Spendable:** funds that cannot 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 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 2019, the fiscal reserve increased by \$12.9 million to a total of \$205 million.



Governmental Funds | Financial Analysis of Fund Balance | Fiscal Year 2019

	General	Capital Projects	Debt Service	Non-Major Governmental	Total
Non-Spendable	\$ 791,889	\$ -	\$ -	\$ -	\$ 791,889
Restricted	-	381,139,256	-	164,553,073	545,692,329
Committed	239,793,705	194,631,780	-	21,279,359	455,704,844
Assigned	46,912,547	12,319,724	37,778,614	10,982,025	107,992,910
Unassigned	88,986,551	-	-	-	88,986,551
Total Fund Balances	\$ 376,484,692	\$ 588,090,760	\$ 37,778,614	\$ 196,814,457	\$ 1,199,168,523

FISCAL YEAR 2019 FINANCIAL RESULTS

GENERAL FUND SUMMARY

The General Fund is the primary tax and operating fund for county governmental activities used to account for all county revenues and expenditures which are not accounted for in other funds and which are used for the general operating functions of county agencies.

The charts shown here report only on the General Fund and are presented on a current financial resource, non-GAAP basis. More detailed GAAP basis financial statements can be found in the county's CAFR.

77.5% of the county's General Fund revenues come from property taxes on real and personal property.

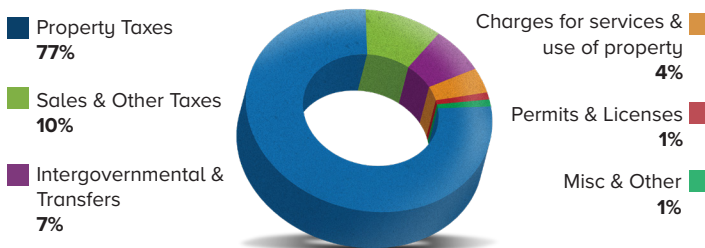
For FY 2019, actual revenues and transfers-in exceeded amended budget amounts by \$67 million, or 4.2%, while actual expenditures and transfers out were less than the amended budget amounts by \$37.4 million, or 2.2%. General property tax and other local tax revenues exceeded the revised budget by approximately \$56.8

million due to an increase in personal property taxes of \$57.8 million, interest revenue of \$2.3 million and higher business license and bank franchise taxes offset by a \$9.6 million decrease in real property taxes.

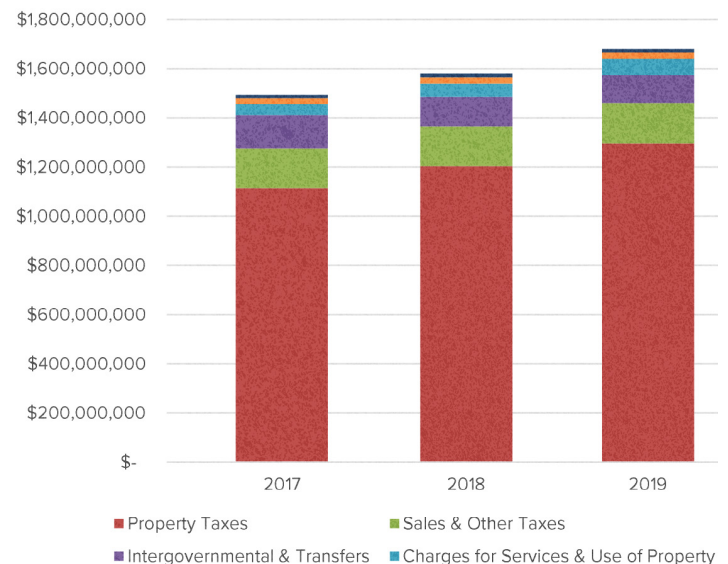
Computer Equipment Business Personal Property tax (BPPT) revenue, a component of the Personal Property tax, has experienced the largest growth.

This trend in real and personal property tax revenue increase is demonstrated in the revenue growth from 2017 to 2019.

FY 2019 REVENUES BY SOURCE

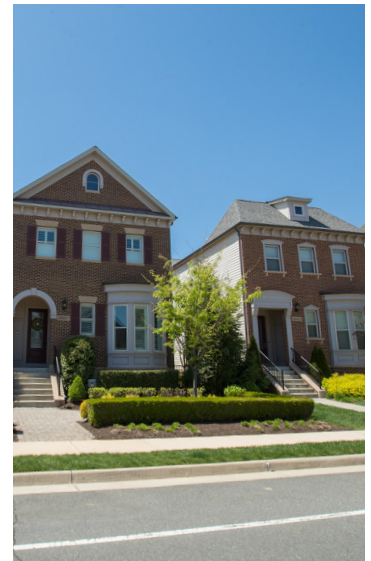


General Fund Revenue 2017-2019



General Fund Revenues	Adopted	Revised	Actuals	Variance
General Property Taxes	\$ 1,243,808,300	\$ 1,243,808,300	\$ 1,296,127,650	\$ 52,319,350
Other Local Taxes	159,571,250	159,571,250	164,062,365	4,491,115
Permits and Licenses	23,331,298	23,447,736	25,850,493	2,402,757
Fines and Forfeitures	1,755,201	1,755,201	1,929,794	174,593
Use of Money and Property	8,529,467	8,531,817	24,414,454	15,882,637
Charges for Services	40,373,930	44,980,310	41,509,071	(3,471,239)
Payment from Component Unit	-	6,881,758	6,881,758	-
Other Local Revenue	9,725,281	12,874,169	12,443,235	(430,934)
Intergovernmental Revenue	93,474,697	103,535,989	99,188,573	(4,347,416)
Transfers from Other Funds	7,198,600	8,004,132	7,986,566	(17,566)
Total	\$ 1,587,768,024	\$ 1,613,390,662	\$ 1,680,393,959	\$ 67,003,297

General Property Taxes	Adopted	Revised	Actuals	Variance
Real Property Taxes	\$ 856,082,300	\$ 856,082,300	\$ 846,491,162	\$ (9,591,138)
Real and Personal Public Service				
Corp. Property Tax	30,709,750	30,709,750	31,714,206	1,004,456
Personal Property Taxes	348,358,250	348,358,250	406,148,443	57,790,193
Machine and Tools Taxes	1,500,000	1,500,000	2,336,432	836,432
Penalties and Interest	7,158,000	7,158,000	9,437,407	2,279,407
Total	1,243,808,300	1,243,808,300	1,296,127,650	52,319,350



FISCAL YEAR 2019 FINANCIAL RESULTS

GENERAL FUND SUMMARY

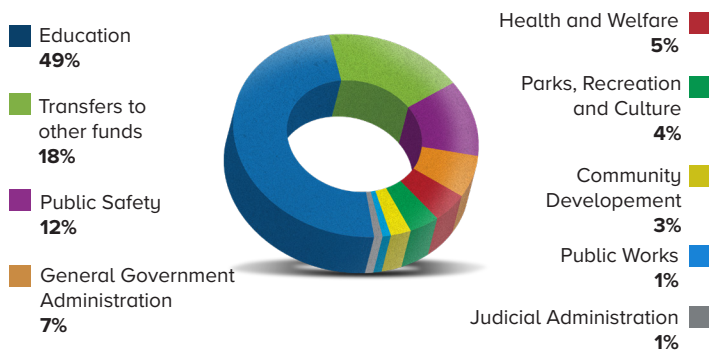
General Fund Expenditures

Education continues to be one of the county's highest priorities and commitments and represents 49% of general fund expenditures.

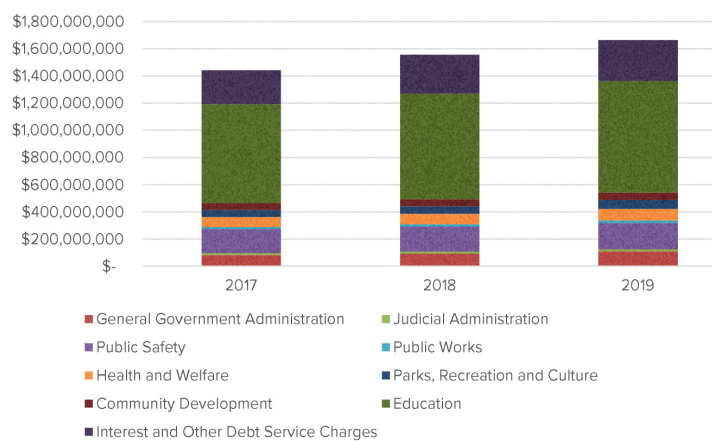
Education expenditures as part of governmental funds in fiscal year 2019 increased by \$54.2 million from the previous fiscal year primarily due to an increase in the transfer to the LCPS for operating expenses with a nominal

increase in contributions for capital projects. The county holds bond proceeds for the LCPS and reimburses as projects are constructed. General Fund expenditures overall were lower than budget by \$37.4 million due to vacancy savings, lower than budgeted internal service charges for vehicle fuel and maintenance, unspent grant funds, and overall savings in material and supplies, contractual services, and utilities. Overall, expenditure savings were 2.2% of the Revised Budget, similar to previous years.

FY 2019 Expenditures by Activity



General Fund Expenditures 2017-2019



General Fund Expenditures	Adopted Budget	Amended Budget	Actuals	Variance
General Government Administration	\$ 95,072,581	\$ 98,369,750	\$ 107,640,994	\$ (9,271,244)
Judicial Administration	15,871,762	16,185,735	16,089,312	96,423
Public Safety	200,621,829	209,655,511	194,279,634	15,375,877
Public Works	21,751,204	24,187,882	20,308,544	3,879,338
Health and Welfare	85,220,245	93,357,677	83,237,457	10,120,220
Parks, Recreation and Culture	67,653,492	69,931,819	65,024,002	4,907,817
Community Development	57,532,887	65,821,322	53,898,123	11,923,199
Education	823,022,048	823,051,387	823,022,048	29,339
Transfers to Other Funds	247,916,837	302,015,778	301,678,254	337,524
Total	\$ 1,614,662,885	\$ 1,702,576,861	\$ 1,665,178,368	\$ 37,398,493



CAPITAL IMPROVEMENTS

The county's Capital Improvement Plan (CIP) provides a six year forecast of the county and school land, facility and equipment needs and the plan to replace, improve, expand and develop infrastructure, facilities or other large county assets. The plan prioritizes the following key areas:

- An efficient and effective transportation network
- Expanding infrastructure to support education for our children
- Safe and secure neighborhood activities for our residents

By the end of FY 2019, the government invested approximately \$1.4 billion in capital assets, while the Component-Unit Schools had \$2.0 billion in capital assets. This represents an increase of \$69.9 million over FY 2018 for the general Government, and \$119.2 million for the schools.

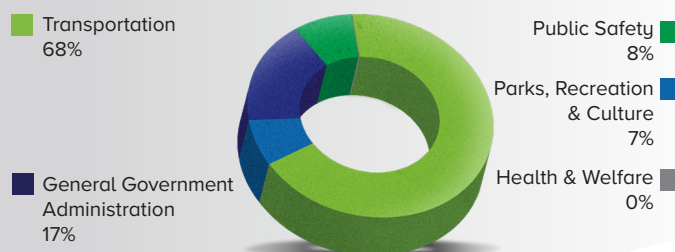
The county's CIP budget continues to grow in complexity. The priority projects in the CIP include transportation, public safety and public school projects. During the fiscal year 2019 budget process, the county developed the \$2.4 billion, six-year (FY 2019 – FY 2024) CIP, with school construction and renovation projects totaling \$484.3 million, transportation projects totaling \$1.3 billion and county construction projects totaling \$625.4 million. Transportation projects consist of nearly 50% of total CIP expenditures, the largest expenditure category in the capital budget. The Board of Supervisors dedicates two cents of the real property tax rate per annum to assist with the cost of local transportation projects. As of FY 2019, there were 48 active transportation and transit projects in various phases of design and construction. The \$2.4 billion Amended FY 2019-FY 2024 plan is principally funded with \$394.9 million in local tax funding, \$15.2 million in proffers, \$168.9 million in grants, \$533.1 million in NVTa funding and \$1.289 billion funded with long term debt.

County projects completed in FY 2019 include: Route 7/Route 659 Interchange and Widening to Gloucester Parkway; Route 772 (Ashburn Station) Connector Bridge; Route 606 Widening; Kirkpatrick Fire and Rescue Station; Ashburn Sheriff Station; and Brambleton Library. School projects completed in FY 2019 include Goshen Post Elementary (ES-28), Waxpool Elementary (ES-31), Willard Middle (MS-7), and Lightridge High (HS-9).

Percentage of School Projects by Type



Percentage of County Projects by Function



PROJECTS INCLUDED IN THE CIP

School projects

- Elementary school projects including new schools as well as classroom additions totaling \$141.1 million
- New middle school for \$100.3 million
- One new high school and renovations to existing schools, and the installation of artificial turf fields and track resurfacing, tennis courts lighting and weight room expansions, totaling \$93.8 million
- School projects including school bus acquisition and replacement, a staff training center, a bus service center and security improvements to school facilities throughout the county totaling \$149 million

Countywide capital projects

- Construction of Prentice Drive/ Lockridge Rd. West for \$93.3 million
- Construction of Shellhorn Road for \$118.8 million
- Construction of Westwind Drive for \$51.3 million
- Construction of Arcola Blvd. for \$63.5 million
- Route 15 North Bypass for \$83.3 million
- Various segments of Northstar Blvd for \$128.8 million
- Various segments of Evergreen Mills Road for \$82.9 million
- Metro capital contribution for \$128.4 million
- Other transportation projects for \$545.5 million
- Stormwater management project for \$39.8 million
- Capital project management support: \$57.1 million
- Public Safety capital improvements of \$154.6 million
- Health and Welfare capital improvements of \$2.4 million
- Parks, Recreation and Cultural capital improvements of \$140.6 million
- General Government projects for \$230.9 million

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 estimated market value of taxable property. For fiscal year 2019, the county's debt ratio is only 1.78%, which is positive given the growth challenges incumbent on the county. Additionally, the county has an annual debt issuance guideline of \$225 million, which serves as a planning tool to manage how rapidly the county incurs debt.

In August 2018, the county sold \$97.4 million in Public Facility Lease Revenue Bonds, Series 2018, through the Loudoun County Economic Development Authority (EDA), to provide funding for the design, construction, and equipping of Metro parking garages and facilities for the DC United Major League Soccer team. In June 2019, the county sold \$170.4 million of General Obligation Bonds, Series 2019A, to provide funding for the design, construction, renovation, and equipping of various school facilities, public safety facilities, an animal shelter, and transportation projects. In June 2019, the county sold \$24.8 million of Public Facility Lease Revenue Bonds, Series 2019A & 2019B, through the EDA, to provide funding for the design, construction, renovation and equipping of government office space, computer system upgrades and transportation projects.

Net debt per capita as a percentage of income is not to exceed 8%, and during fiscal year 2019 it stood at 5.31%. Debt service expenditures as a percentage of governmental fund expenditures should not exceed 10%. The county paid \$193 million towards its debt, 8.01% of expenditures. At the end of fiscal year 2019, the county had \$1.78 billion in outstanding general obligation bonds, premiums, loans, and capital leases. This represents a net increase of \$204.6 million from FY 2018.

In fiscal year 2019, 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 2019 Fitch Credit Rating Services reaffirmed the AA+ rating on the county's Transportation Infrastructure Finance and Innovation Act (TIFIA) bonds. The AAA bond ratings allow the county to borrow at the best rates the market can provide and ensure that our citizens' tax revenues are efficiently used.

The rating agencies referenced the following attributes of the county:

- Strong operating performance
- Consistently solid financial performance
- Solid economic growth
- Sizeable and diverse tax base
- Strong budgetary performance and financial management
- Very strong liquidity
- Manageable debt burden
- Solid reserve levels

Services



Animal Services



Claiborne Parkway



2020 AND BEYOND

As Loudoun County continues to grow, providing services that meet the needs of county residents and businesses is paramount.

A new Board of Supervisors, comprised of incumbent and newly selected officials was elected in November 2019. This Board will come together in January 2020 to review current strategic initiatives and establish new initiatives.

Priorities that are expected to continue into 2020 and beyond include the following:

Census: The U.S. Census will take place in 2020. In an effort to make sure that everyone living in Loudoun County is counted in the 2020 census, the Board of Supervisors established the local Complete Count Committee to raise awareness about the 2020 census and to help increase the response rate to the census questionnaire.

Human Services Strategic Plan: In FY 2020 and beyond, Loudoun County's newly-established Human Services Strategic Plan Advisory Committee is working to create a healthy, thriving, safe and inclusive community by implementing Loudoun County's first community-wide human services strategic plan. The plan aims to meet critical human service needs, such as affordable health care, child care and housing. Some of the plan strategies are already underway, including the establishment of a coalition of Loudoun County's behavioral health providers and the creation of a youth engagement forum. The committee is comprised of 16 members from human services agencies, organizations and interest areas from across the county.

Metrorail Connectivity: The Countywide Transportation Plan and the Metro rail completion are also areas of focus for 2020 and beyond. As construction of the Metrorail Silver Line Project continues to progress, road, pedestrian,

and transit connections to Metro will need to be completed. The success of Metrorail in the county depends upon economic development opportunities around the stations. These opportunities depend, in turn, on access to the stations. The county's transit service routes also will be modified to incentivize the use of Metrorail.

Unmet Housing Needs: The county is developing an Unmet Housing Needs Strategic Plan to define how the County will address unmet housing needs in a systematic and comprehensive way. This plan will design a specific strategic, comprehensive action plan and tool kit to preserve, increase the supply of, and provide access to housing that is affordable to low and moderate income households, the workforce, older adults, persons with disabilities, and the homeless of our community.

Youth Services: In an effort to take a holistic approach to youth services in Loudoun, the county has established a Youth Net Committee that includes more than 20 individuals representing government, nonprofits, faith-based organizations, philanthropy, business and youth. The goal is to create a more formalized and structured public-private approach to youth services in Loudoun. This coordinated, community-based effort is designed to help Loudoun's young people become more engaged, resourceful and resilient.

Zoning Ordinance Rewrite: The Zoning Ordinance is the primary implementation tool for the 2019 Comprehensive Plan. To maintain consistency between the county's visionary and regulatory planning documents, the Zoning Ordinance needs to be rewritten. A comprehensive evaluation and update of the ordinance has not taken place since January 2003. The content and structure of the Zoning Ordinance will be revised, based on modern best practices in land use regulation.



Affordable Housing Program



Brambleton Library

Ashburn Metro Station



Loudoun County

VIRGINIA

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