



# Loudoun County, Virginia

## Year Ended June 2014

Comprehensive Annual Financial Report

20

YEAR ENDED JUNE

14

*Loudoun County* VIRGINIA  
WHERE TRADITION MEETS INNOVATION

**COUNTY OF LOUDOUN, VIRGINIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the fiscal year ended**

**June 30, 2014**

**Prepared by:**

**Department of Management and Financial Services**  
**Division of Finance and Accounting**



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**COUNTY OF LOUDOUN, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
*FOR THE FISCAL YEAR ENDED JUNE 30, 2014*

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# **INTRODUCTORY SECTION**





## Loudoun County, Virginia

[www.loudoun.gov](http://www.loudoun.gov)

Office of the County Administrator

1 Harrison Street, S.E., 5th Floor, P.O. Box 7000, Leesburg, VA 20177-7000

Telephone (703) 777-0200 • Fax (703) 777-0325

January 7, 2015

The Honorable Members of the Board of Supervisors, and  
Citizens of the County  
County of Loudoun, Virginia  
1 Harrison Street, S.E., P.O. Box 7000  
Leesburg, Virginia 20177-7000

Dear Mr. Chairman, Members of the Board, and Citizens:

I am pleased to present the County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.

This report prepared by the Division of Accounting and Financial Analysis of the Department of Management and Financial Services, identifies the County's financial position and marks the County's financial activities over the past fiscal year. We believe the data contained in the report are accurate in all material aspects. The required disclosure statements are also set forth.

The Comprehensive Annual Financial Report marks the County's continued adherence to and refinement of the guidelines and goals set forth in the Board of Supervisors' Fiscal Policy. The purpose of the Fiscal Policy is to set forth those policies of the Board that establish guidelines for the fiscal stability of the County and establish guidelines for the County Administrator in insuring that fiscal stability. An effective Fiscal Policy (1) contributes significantly to the County's ability to insulate itself from fiscal crisis, (2) enhances short-term and long term financial credit ability by helping to achieve the highest credit and bond ratings possible, (3) promotes long-term financial stability by establishing clear and consistent guidelines, (4) directs attention to the total financial picture of the County rather than single issue areas, (5) promotes the view of linking long term financial planning with day-to-day operations, and (6) provides a framework for measuring the impact of government services against established fiscal parameters and guidelines. The summarized progress as reported in the Comprehensive Annual Financial Report has become an indicator of the relative success of these policies. During fiscal year 2014, Moody's Investors Services, Inc. affirmed the County's Aaa bond rating, Standard and Poor's (S&P) affirmed its AAA bond rating and Fitch Credit Rating Services affirmed its AAA bond rating. This represents the highest rating available for general obligation bonds from all three agencies.

The County concluded fiscal year 2014 in sound financial condition. In addition, the County initiated or continued a number of organizational and administrative initiatives designed to effectively manage the challenges that continued growth has brought to

Loudoun County. These initiatives include the continued commitment to improve the regional transportation network by bringing the Metrorail Silver Line into Loudoun County, and designating a recurring local revenue stream in fiscal year 2014 to support transportation projects. In fiscal year 2014, the Board of Supervisors adopted guidelines for the application of incentives aimed at recruiting new businesses and at assisting existing businesses to grow. An incentive fund was established to set aside funds to match grants available from the Commonwealth of Virginia. The incentive fund has since been applied in the retention of two high profile employers in the County. Administratively, several departmental reorganizational changes were made to improve the efficiency and effectiveness of the County government.

Population growth continues to be a dominant local trend affecting every area of the government's operations. During these challenging economic times, Loudoun County has continued to follow a policy of fiscal sustainability. In April, 2014, the County adopted a fiscal year 2015 plan that resulted in an overall increase of \$20.7 million in the general county government and an \$80.3 million addition in the school operating fund as compared to fiscal year 2014 appropriations.

It will take planning and commitment to meet the challenge of efficiently providing needed services for the current population, while developing the necessary infrastructure for the future and the tax base and resources to pay for that infrastructure. The 2014 County population is estimated to be 351,611. According to the Loudoun County Department of Planning and Zoning, by 2020 Loudoun's population is expected to be approximately 418,000, an increase of 19% from 2014. Loudoun is expected to experience one of the highest percentage growth rates in population and jobs in the Washington Metropolitan Area according to the Metropolitan Washington Council of Governments Round 8.3 Cooperative Forecasts as of October 2014.

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.

The County's financial health is reflected in the soundness of its current financial condition despite the economic down-turn, and it is anticipated that current financial management practices will continue the County's tradition of fiscal stability. The Board's emphasis on sound fiscal planning, budget development and financial management contributes to the present financial condition of the County and sets the parameters and tasks for next year.

Respectfully submitted,

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

Tim Hemstreet  
County Administrator



## Loudoun County, Virginia

[www.loudoun.gov](http://www.loudoun.gov)

Department of Management and Financial Services

1 Harrison Street, S.E., 4th Floor, P.O. Box 7000, Leesburg, VA 20177-7000

Telephone (703) 777-0563 • Fax (703) 777-0567

January 7, 2015

County Administrator  
Honorable Members of the Board of Supervisors, and  
Citizens of the County  
County of Loudoun, Virginia

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the County of Loudoun, Virginia, for the fiscal year ended June 30, 2014, was prepared by the County's Department of Management and Financial Services, Division of Accounting and Financial Analysis, in compliance with financial reporting model as required by Governmental Accounting Standards Board (GASB) 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. The data as presented is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of our various funds, and all disclosures necessary to enable the reader to understand the County's financial activity have been included. The reader is specifically directed to the section entitled "Management's Discussion and Analysis" for a summary of the County's financial activity.

Virginia statute, Section 15.2-2511 of the *Code of Virginia*, requires an annual audit be performed by independent certified public accountants in conformity with U.S. generally accepted accounting principles (GAAP). The accounting firm of Cherry Bekaert LLP was selected by the County's Board of Supervisors to perform the annual financial and compliance audit. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the revised Federal Single Audit Act of 1996 and related OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The independent auditors' report on the basic financial statements, required supplementary information and other supplementary information is included in the Financial Section of this Report. The independent auditors' report related specifically to the single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the auditors' report on internal control over financial reporting and on compliance and other matters, is included in a separate report.

### Profile of the Government

Loudoun County, established in 1757, is located in the northwestern tip of the Commonwealth of Virginia just west and north of Washington, DC and is considered to be part of the Northern Virginia and Washington Metropolitan areas. 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. A County Administrator is appointed by the Board of Supervisors to act as the Board's agent in the administration and operation of all departments and agencies within the County.

The County provides a full range of municipal services authorized by the Code of Virginia and by the Board of Supervisors. These services include public safety (law enforcement and traffic control, fire and rescue services, corrections and detention, and inspections); health and welfare (health, mental health, developmental services, substance abuse, and social services); education (elementary, secondary, and community college support); parks, recreation and culture (including libraries and museums); community development (planning, zoning, building & development, environmental management, economic development, and cooperative extension); public works (sanitation and maintenance); and general government administration (legislative, general and financial, elections, and judicial). A summary of the financial highlights of these operations for the fiscal year ended June 30, 2014 in the County's various funds is presented in "Management's Discussion and Analysis," which precedes the County's Financial Statements. In addition to General Government activities, the Board of Supervisors exercises, or has the ability to exercise, budgetary control over the County's School System; therefore, elementary and secondary education activities are included within the reporting entity as a discretely presented component unit.

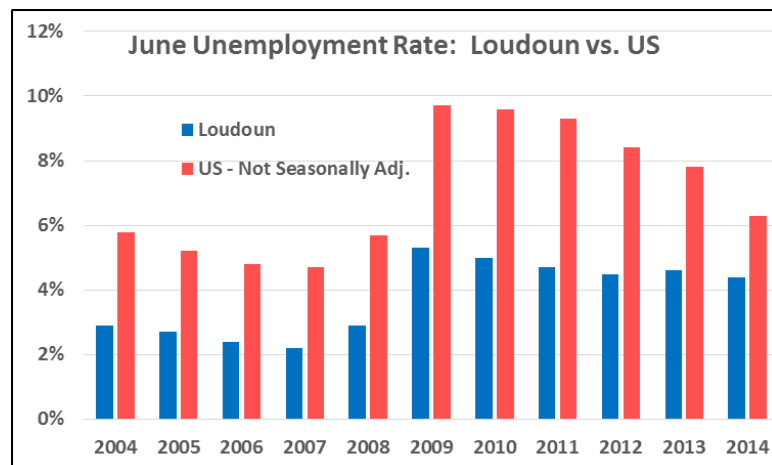
The Board of Supervisors is required to adopt a final budget no later than the close of the fiscal year. The annual budget serves as the foundation for the County's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual Fiscal Plan and Appropriations Resolution and adopted in the Budget by the County's Board of Supervisors. Activities of the General Fund, most Special Revenue Funds, and the Debt Service Fund are included in the annual Appropriations Resolution and adopted Fiscal Plan. Project length budgets are adopted for Capital Project Funds. 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 also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end, with the exception of the capital projects, grants and certain restricted funds; however, after review, they generally are re-appropriated as part of the following year's budget.

#### Local Economic Condition and Outlook

Loudoun County continues to combine financial strength and stability with planned progress and a high standard of living or "quality of life." The County, currently recognized as one of the fastest growing Counties in the nation, continues to provide quality service to its residents as it plans for Loudoun's future livability, while minimizing budgetary increases and tax burdens.

The County concluded fiscal year 2014 in sound financial condition despite the challenges facing the Washington D.C. metropolitan region's economy, which has grown slowly in the past year due to federal budget sequestration. The diversity of the County's economy, high skill level of its workforce, and the Board of Supervisors' ongoing efforts to facilitate business development enabled Loudoun's economy to grow at a healthy rate. These same factors, along with the financial strength of the long-term investors in the community, have enabled the County's commercial environment to withstand downturns in the national and international economies. According to the county's Department of Economic Development Annual Report for 2014, Loudoun is home to nearly 10,000 businesses including AOL, United Airlines, Orbital Sciences, Raytheon, Neustar and Verizon. Additionally, the county is considered a premier internet hub of the U.S. These factors are responsible for Loudoun's unemployment rate being consistently lower than the national average. The unemployment rate for Loudoun County was 4.4% in June 2014, significantly lower than the U.S. unemployment rate of 6.3%.

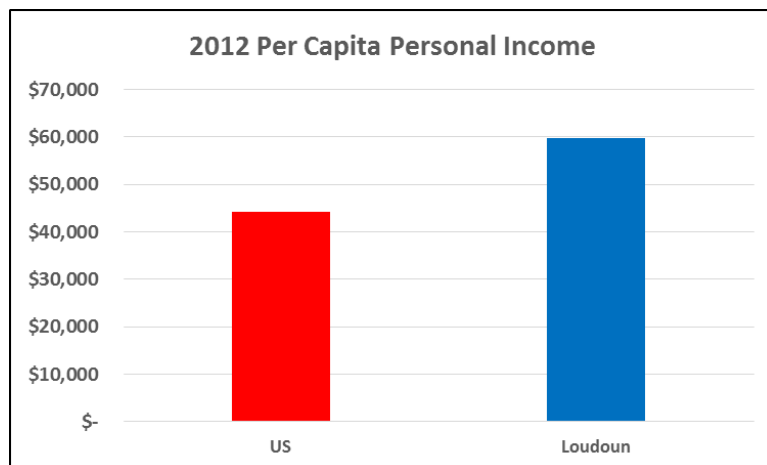


Source: U.S. Bureau of Labor Statistics

The County continues its policies of balancing residential growth, and the resulting demands for services with continued expansion of the revenue generating commercial sector. A study commissioned to assist in planning for the extension of Metrorail's Silver Line to Loudoun documented the attractiveness of the area for continued commercial and residential growth.

Loudoun's economic success in fiscal year 2014 is evidenced by several developments: The number of employed county residents increased by approximately 1.5%. The number of nonfarm payroll jobs within the county in December 2013 was 3% higher than a year earlier, with approximately 20% of this increase occurring in computer and electronic equipment manufacturing. The number of new residential dwelling units permitted in FY 2014 equaled FY 2013 and exceeded FY 2012 by more than 30%. The square feet of non-residential space permitted for construction in FY 2014 was only 5% less than the volume permitted during FY 2013 – both years were significantly above the levels of the immediately preceding years. In addition, the assessed values of both real and personal property continued to increase during 2013.

Income levels in Loudoun County continue to greatly exceed the U.S. average. The County's median household income has been ranked highest in the nation since 2007 among jurisdictions with populations above 65,000. The chart below provides a comparison of per capita personal income with the U.S. average.



In 2004 the Board of Supervisors adopted the current Economic Development Strategic Plan. The plan is community-wide and aligns public and private resources toward shared goals and priorities to enhance the commercial tax base. The Strategic Plan envisions an innovative, globally competitive economy known for its favorable business environment, exceptional quality of place and strong sense of community. In 2014 the Board of Supervisors continued its commitment to grow Loudoun's commercial business base with the approval of the Data Center Zoning Ordinance Amendment designed to streamline the process of siting these hi-tech facilities within the County. Loudoun is now home to nearly 6 million square feet of data center space. Several other developments during Fiscal 2014 also bode well for Loudoun's future. These include the opening of a major new resort hotel and spa in Middleburg, the announced merger of Orbital Sciences Corporation with ATK's Aerospace and Defense Groups with the new company to be headquartered in Loudoun, and the announcement that Frontier Airlines would commence service to 14 cities from Dulles International Airport in August 2014.

Education continues to be a priority program within the County's operations, and the benefits are demonstrated in excellent testing results of County students. The County School System has a very favorable teacher/pupil ratio and has obtained recognition for excellence in education.

The County faces the challenges of growth and development with confidence, based on a proven financial track record. The County's successes are shared accomplishments combining skill, experience and dedication of elected officials, appointed officials, County employees, and citizens. Faced with changing resources, especially in Federal spending, taxation, and State assistance, the County must continue to plan and manage these resources carefully. Loudoun County Government will continually fine tune processes to deliver services to ensure the citizens that every possible step has been taken to provide the services they want at the least possible cost.

#### Long-term Financial Planning

Recognizing the critical relationship of development and service demands, the County has sought to offset the negative fiscal impacts of residential development by encouraging a fiscally favorable balance between residential and non-residential development. The County has implemented an integrated approach to fiscal and land use planning. The strategy begins with the comprehensive plan, which establishes the development potential of the County by planning and balancing the residential and non-residential uses of the land.

The Board of Supervisors' Fiscal Policy provides accounting, budgeting, and financial management directives. The policy requires a fund balance Fiscal Reserve equal to 10% of operating revenues in the general and school funds. Any withdrawal of the fiscal reserve requires Board approval, must meet specific criteria identified in the fiscal policy, and include a plan to replenish the fiscal reserve over a period of not more than three years. The policy also places limits on how much long-term debt the County can incur to build public facilities. These debt guidelines are used in the development of the Capital Improvement Plan each year.

#### Major Initiatives

The construction of general government and school facilities remain priorities for the County. Three elementary schools opened in the fall of 2013. One additional elementary school, a middle school and a high school opened in the fall of 2014 along with additions and renovations to existing schools. The Board of Supervisors dedicated two cents of the tax rate to assist with the cost of transportation projects, several of which are under design. Additionally, the County has entered into agreements with the Virginia Department of Transportation (VDOT) to provide funding for projects that will be managed and constructed by VDOT. Beginning in FY 2014, additional regional funding for transportation projects is provided to the County annually through

House Bill 2313, which established revenue sources dedicated to transportation and transit to reduce traffic congestion in Northern Virginia.

Projects completed in FY 2014 include the Brambleton Public Safety Center, Kincora Fire and Rescue Station, renovations of the Middleburg Volunteer Station and the Sheriff's Office Administration Building along with the purchase of new Fire and Rescue vehicles and equipment. Many public safety and park and recreation projects are in development, including the E-911 Communications Center, the Ashburn Sheriff Station, and the Dulles South Multi-Purpose Center. In addition to construction costs, the County must plan for the additional operating costs to staff, operate, and maintain the new facilities. Additional government facilities and new schools are scheduled to be constructed and opened during the next several years.

The Board is committed to improving the regional transportation network by bringing the Metrorail Silver Line into Loudoun County. On July, 2012 the Board of Supervisors elected to participate as a Funding Partner in the Dulles Corridor Rapid Transit Project and committed to fund the project using a variety of funding sources. The Metrorail Service District, a special taxing district, was established to help fund construction. In May, 2014 the U.S. Secretary of Transportation approved Loudoun County's application for credit assistance for Loudoun's portion of the Dulles Metrorail Project. This is a low-interest loan of up to \$195.1 million through the Transportation Infrastructure Finance and Innovation Act (TIFIA). As part of Loudoun County's participation in the Dulles Rail Expansion Project, the County has entered into negotiations for a public-private partnership through the procurement process for the construction of three Metro parking garages. In response to approval of the Metrorail project, Moody's, one of the nation's top bond rating agencies, issued a "credit positive" statement for Loudoun in recognition of the expected new commercial and residential growth resulting from the extension of metro into the county.

In July, 2013, the County completed Phase One of the replacement of its existing tax and assessment software and its financial and procurement systems. The second phase of the implementation, which includes the replacement of its Human Resource, Payroll and the final portion of the tax software will be completed in 2015 and will involve significant staff resources across departments to assist in the development of these new systems and an analysis of current business processes.

#### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Loudoun, Virginia, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This Certificate of Achievement is a prestigious national award recognizing adherence to the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a governmental unit must publish a Comprehensive Annual Financial Report that clearly communicates the unit's financial story and whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and the applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The current report is designed and prepared to conform to the Certificate of Achievement Program requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

The County continues to maintain a strong financial position through responsible and progressive management of financial operations and through sound accounting and financial reporting practices.

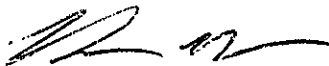
County Administrator  
Honorable Members of the Board of Supervisors, and  
Citizens of the County

The current accounting and financial reporting standards represent significant enhancements and enable increased efficiency in governmental accounting and financial reporting. The County continues to support the achievements in these areas by the Governmental Accounting Standards Board and the Government Finance Officers Association. These practices provide, in staff's opinion, a sound framework for a truly "comprehensive" annual financial report.

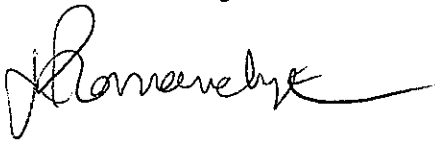
The timely preparation of this Comprehensive Annual Financial Report could not have been accomplished without the effort of the entire staff of this Department's Division of Accounting and Analysis within the Controller's Office. Special recognition goes to Accounting Manager, Lisa Cockrell and to the staff of the Financial Reporting division, for their technical expertise, review and dedicated service in the preparation of this Comprehensive Annual Financial Report. Their continued and diligent efforts towards upgrading the County's Financial Accounting and Management Information System, Fixed Asset Accounting and Control System, and many other ancillary financial systems, have led substantially to the improved quality of financial information being reported to management, the County Administrator, the Board of Supervisors.

It is only appropriate to express appreciation to all other members of the Controller's Office of the Department of Management and Financial Services, to the County's independent auditors and to all County agencies that assisted and contributed to the preparation of this Report. Thanks are also due to the members of the Board of Supervisors and the County Administrator for their interest and continued support in planning and implementing efficient yet effective financial operations for the County. This support and cooperation represents responsible and progressive financial management for the County. Staff will strive to maintain the direction set by the Board to maintain an equitable balance between available resources and the demand for high quality services.

Respectfully submitted,



Ben Mays  
Director of Management and Financial Services



Janet Romanchyk  
Controller





Government Finance Officers Association


**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**County of Loudoun  
Virginia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

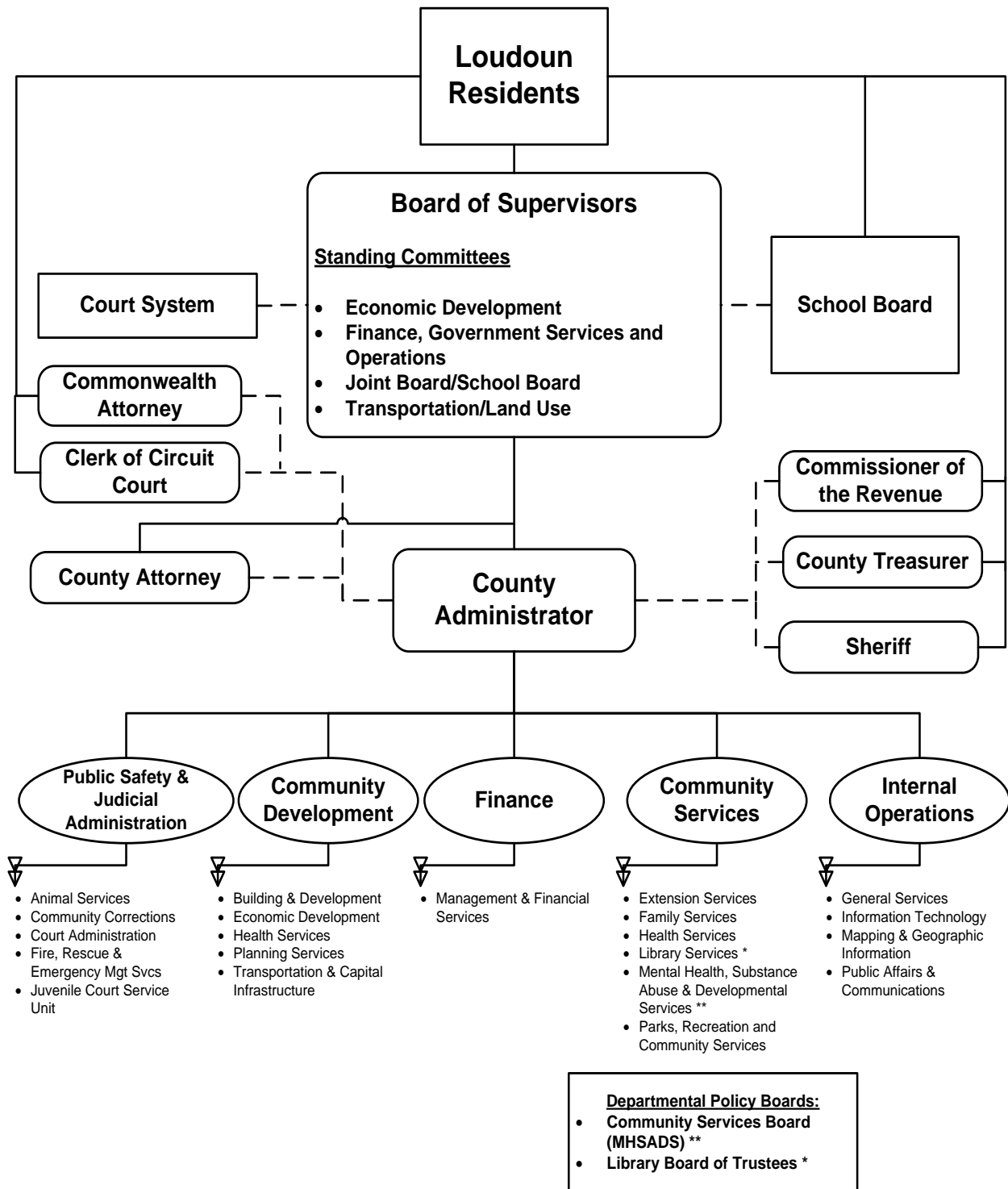
**June 30, 2013**



Executive Director/CEO



# LOUDOUN COUNTY ORGANIZATIONAL CHART



**COUNTY OF LOUDOUN, VIRGINIA**  
**Directory of Officials**  
**June 30, 2014**

**BOARD OF SUPERVISORS**

Scott K. York, Chairman  
Shawn M. Williams, Vice Chairman  
Suzanne M. Volpe  
Ralph M. Buona  
Janet S. Clarke  
Geary M. Higgins  
Matthew F. Letourneau  
Kenneth D. Reid  
Eugene A. Delgaudio

At Large  
Broad Run District  
Algonkian District  
Ashburn District  
Blue Ridge District  
Catoclin District  
Dulles District  
Leesburg District  
Sterling District

**SCHOOL BOARD**

Eric Hornberger, Chairman  
Jill Turgeon, Vice Chairman  
Debbie Rose  
Thomas E. Reed  
Kevin Kuesters  
Jennifer K. Bergel  
Jeff Morse  
Bill Fox  
Brenda Sheridan

Ashburn District  
Blue Ridge District  
Algonkian District  
At-Large Member  
Broad Run District  
Catoclin District  
Dulles District  
Leesburg District  
Sterling District

**CONSTITUTIONAL OFFICERS**

Robert S. Wertz, Jr.  
James E. Plowman  
Gary M. Clemens  
Michael L. Chapman  
H. Roger Zurn, Jr.

Commissioner of Revenue  
Commonwealth's Attorney  
Clerk of Circuit Court  
Sheriff  
Treasurer

**ADMINISTRATIVE OFFICERS - GENERAL GOVERNMENT**

Tim Hemstreet  
Linda Neri  
Leo P. Rogers  
Ben Mays

County Administrator  
Deputy County Administrator  
County Attorney  
Director of Management and Financial Services

**ADMINISTRATIVE OFFICERS - SCHOOL SYSTEM**

Dr. Edgar Hatrick  
Ned D. Waterhouse  
Sharon D. Ackerman  
Dr. Kimberly L. Hough  
E. Leigh Burden  
Dr. Mary V. Kealy  
Kevin L. Lewis  
Dr. Richard A. Contartesi

Superintendent  
Deputy Superintendent  
Assistant Superintendent for Instruction  
Assistant Superintendent for Personnel Services  
Assistant Superintendent for Business & Financial Services  
Assistant Superintendent for Pupil Services  
Assistant Superintendent for Support Services  
Assistant Superintendent for Technology Services

## COUNTY OF LOUDOUN

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 517 square miles in size, covering 330,880 acres of land area, with a current population of approximately 351,611 and is one of the fastest growing jurisdictions in the Washington Metropolitan Area.

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. 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.

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.

## **FINANCIAL SECTION**

# **INDEPENDENT AUDITORS' REPORT**

## **Report of Independent Auditor**

To the Honorable Members of the Board of Supervisors  
Loudoun County, Virginia

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia (the "County") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note I to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2013. Our opinions are not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and retirement schedules on pages 15-22, 65-66 and 67-69, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Introductory Section, Combining Financial Statements and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Financial Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Cheryl Behrman CP". The signature is written in a cursive, flowing style.

Tysons Corner, Virginia  
January 7, 2015



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**COUNTY OF LOUDOUN, VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014**

The following discussion and analysis of the County of Loudoun, Virginia's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS FOR FY 2014**

The assets of the total reporting entity, which includes the School Board component unit, exceeded liabilities and deferred inflows of resources by \$2.0 billion, an increase of \$194.9 million over FY 2013. Of this amount, \$247.0 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. (Exhibit I).

On a government-wide basis, the County had expenses net of program revenues of \$1.064 billion and general revenues of \$1.134 billion resulting in an increase in net position of \$70.1 billion over FY 2013. (Exhibit II)

The General Fund, on a financial resource basis, reported revenues in excess of expenditures and other financing sources and uses of \$3.2 million. (Exhibit V)

As of June 30, 2014, the County's total governmental funds reported combined fund balances of \$713.0 million, an increase of \$71.9 million. Approximately 50.2% or \$358.6 million is unrestricted and available to meet the County's current and future needs. (Exhibit III & Exhibit V)

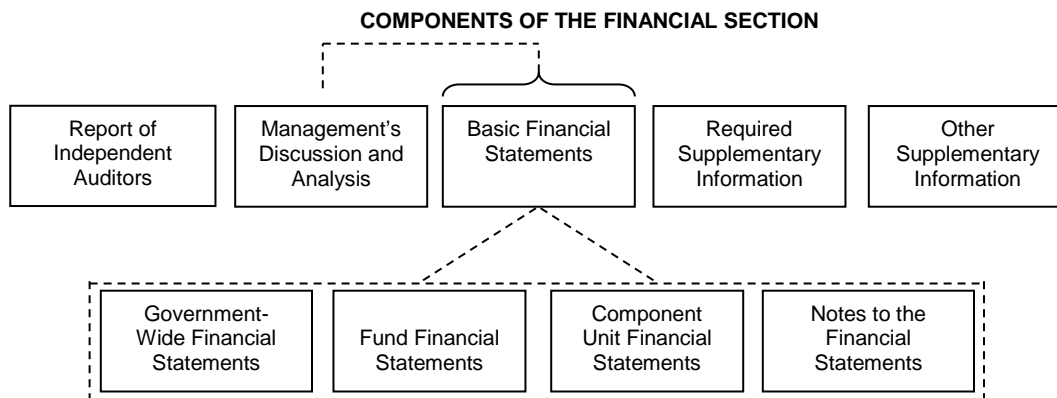
Total General Fund revenues, including other financing sources and uses, exceeded final budget expectations by \$63.1 million. General fund expenditure savings totaled \$27.0 million compared to final budget expectations. (Exhibit XIII)

On December 4, 2013, the County sold \$45.2 million of General Obligation Bonds. The proceeds of these bonds will be used to finance school construction for one Elementary and three High Schools.

On June 10, 2014, the County sold \$70.0 million in General Obligation Bonds to provide funding for a variety of ongoing and new school projects including construction of two Elementary schools, one Middle school, two High schools, three renovation projects and general government renovation projects and capital apparatus.

**USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT**

This Comprehensive Annual Financial Report consists of three sections: introductory, financial, and statistical. As the following chart shows, the financial section of this report has five components – *report of independent auditors, management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information.*



The County's financial statements present two kinds of statements, each with a different snapshot of the County's finances. The focus of the financial statements is on both the County as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the County's overall financial status. The fund financial statements provide information on a current financial resource basis only and focus on the individual parts of the County government, reporting the County's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year to year or government to government) and enhance the County's accountability. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE STATEMENTS

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which are the government-wide statements, report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's Net Position and changes in them. One can think of the County's Net Position – the difference between assets and deferred outflows and liabilities and deferred inflows – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's Net Position are one indicator of whether its financial health is improving. However, other nonfinancial factors will need to be considered, such as changes in the County's property tax base, condition of the County's transportation network, and population demographics in order to assess the overall health of the County.

In the Statement of Net Position and the Statement of Activities, we divide the County into the following:

Governmental activities – All of the County's basic services are reported here: Public safety (law enforcement and traffic control, fire and rescue services, corrections and detention, and inspections); health and welfare (health, mental health, disability services, and social services); education (elementary, secondary, and community college support); parks, recreation and cultural (including libraries and museums); community development (planning, zoning, housing, environmental management, and cooperative extension); limited public works (sanitation and waste removal and maintenance); and general government administration (legislative, general and financial, elections and judicial). Property taxes, other local taxes, and state and federal grants finance most of these activities.

Component unit – The County includes a separate legal entity in its report – the Loudoun County School Board. Although legally separate, the "component unit" is included because the County is financially accountable and provides operating and capital funding for the Loudoun County Public Schools.

## FUND FINANCIAL STATEMENTS

Traditional users of government financial statements find the fund financial statement presentation more familiar. The fund financial statements provide more information about the County's most significant funds – not the County as a whole.

The County has three kinds of funds:

Governmental funds – 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. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in an accompanying schedule to the governmental funds statement that explains the relationship (or differences) between them.

Proprietary funds – These funds are used to account for operations that are financed in a manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position, and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents.

The County's proprietary fund types consist of the Central Services Fund and the Self-Insurance Fund, both of which are considered to be Internal Service Funds. The operations of these funds are generally intended to be self-supporting and the results are included in the Governmental Activities in the entity-wide financial statements.

The Central Services Fund is used to account for the financing of goods or services provided among County departments on a cost-reimbursement basis and include such activities as central duplicating, telephone, mail, support, and vehicle services. The Self-Insurance Fund is used to account for the accumulation of resources to pay for losses incurred by the partial or total retention of risk of loss rather than transferring the risk to a third party through the purchase of commercial insurance, and includes such uninsured risks as health, workers' compensation, and vehicle self-insurance programs.

Fiduciary funds – The County is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiary. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

### Statement of Net Position:

The following table reflects the condensed Statement of Net Position (Exhibit I) in comparative format:

**Table 1**  
**Summary Statement of Net Position**  
**Comparison as of June 30, 2014 and 2013 (thousands)**

	Primary Government			Component Unit-Schools		
	FY 14	FY 13	Increase/ (Decrease)	FY 14	FY 13	Increase/ (Decrease)
Current and Other Assets	\$ 1,277,837	\$ 1,150,483	\$ 127,354	\$ 185,123	\$ 181,003	\$ 4,120
Capital Assets	1,045,248	1,035,997	9,251	1,492,455	1,365,976	126,479
<b>Total Assets</b>	<b>\$ 2,323,085</b>	<b>\$ 2,186,480</b>	<b>\$ 136,605</b>	<b>\$ 1,677,578</b>	<b>\$ 1,546,979</b>	<b>\$ 130,599</b>
Other Liabilities	\$ 72,177	\$ 41,800	\$ 30,377	\$ 103,404	\$ 80,875	\$ 22,529
Long-term Liabilities	1,202,589	1,190,717	11,872	159,959	176,656	(16,697)
<b>Total Liabilities</b>	<b>\$ 1,274,766</b>	<b>\$ 1,232,517</b>	<b>\$ 42,249</b>	<b>\$ 263,363</b>	<b>\$ 257,531</b>	<b>\$ 5,832</b>
Total deferred inflows of resources	\$ 455,572	\$ 431,341	\$ 24,231	\$ 0	\$ 0	\$ 0
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 807,212	\$ 756,587	\$ 50,625	\$ 1,469,383	\$ 1,345,039	\$ 124,344
Restricted	291,903	289,263	2,640	32,647	45,542	(12,794)
Unrestricted	(506,368)	(523,228)	16,860	(87,816)	(101,134)	13,218
<b>Total Net Position</b>	<b>\$ 592,747</b>	<b>\$ 522,622</b>	<b>\$ 70,125</b>	<b>\$ 1,414,215</b>	<b>\$ 1,289,447</b>	<b>\$ 124,768</b>

This overall change in both the County and School's Net Position relates to various reasons as outlined below:

The increase in the Primary Government's Current and Other Assets is due to a combination of factors. The first factor is the net increase in cash related accounts. Cash, cash equivalents and investments rose by \$87.3 million. Contributing to the increase in cash is an increase in unspent funds of \$84.0 million due to the reimbursement from bond funds for school projects. Net receivables increased by \$28.2 million, primarily due to taxes not yet due, offset by other modest increases and decreases in other accounts. The increase of \$9.3 million of net Capital Assets is due to increases in the projects under construction, and additions to Infrastructure offset by depreciation and the sale of land and donations of land. The increase in Long-term Liabilities is due primarily to new debt issued in 2014. Please refer to Note VIII and XIV of the notes to the financial statements for detailed information. Other Liabilities increased due to accrued accounts payables. The increase in Deferred Inflows of resources results from higher unavailable revenue from taxes not yet due offset by a modest reduction in prepaid taxes and the amortization of deferred gain on refunding debt.

The modest increase in the component unit-schools' Current and Other Assets is due primarily to the increase in accounts receivable of \$3.5 million and \$1.5 in the receivable for due from other governments, an amount derived from pending reimbursements from the state and federal government. The increase in Other Liabilities is due primarily to increases in accounts payable offset by decreases in other accrued liabilities with modest increases and decreases in other accounts. The decrease in Long Term Liabilities is primarily due to the reduction of \$20.7 million to the net obligation for other postemployment benefits (OPEB) due to plan changes, and modest increases in compensated absences, claims liabilities and capital leases. The increase in Capital Assets is due to donated land, the completion of projects and the increase in projects under construction. Please refer to Note VIII of the notes to the financial statements for detailed information.

## Statement of Activities

The following chart reflects the changes in Net Position (Exhibit II) in comparative format:

**Table 2**  
**Changes in Net Position**  
**Comparison for the years ended June 30, 2014 and 2013 (thousands)**

	FY 14	FY 13	Increase/ (Decrease)	FY 14	FY 13	Increase/ (Decrease)
<b>REVENUES</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 67,029	\$ 68,106	\$ (1,077)	\$ 17,723	\$ 18,642	\$ (919)
Operating Grants and Contributions	96,663	92,840	3,823	25,269	28,189	(2,920)
Capital Grants and Contributions	31,301	49,208	(17,907)	148,057	112,101	35,956
<b>General Revenues:</b>			0			0
Property Taxes	909,771	853,974	55,797	0	0	0
Other Taxes	156,603	143,980	12,623	0	0	0
Grants and Contributions not Restricted to Specific Programs	56,742	57,030	(288)	258,051	247,395	10,656
Other	11,070	4,055	7,015	7,454	6,827	627
Payment from County	0	0	0	566,207	553,641	12,566
<b>Total Revenues</b>	<b>\$ 1,329,179</b>	<b>\$ 1,269,193</b>	<b>\$ 59,986</b>	<b>\$ 1,022,761</b>	<b>\$ 966,795</b>	<b>\$ 55,966</b>
<b>EXPENSES</b>						
General Government Administration	\$ 70,124	\$ 61,913	\$ 8,211	\$ 0	\$ 0	\$ 0
Judicial Administration	13,095	13,584	(489)	0	0	0
Public Safety	160,559	157,521	3,038	0	0	0
Public Works	85,335	55,289	30,046	0	0	0
Health and Welfare	81,276	80,984	292	0	0	0
Parks, Recreation and Culture	49,077	49,452	(375)	0	0	0
Community Development	50,020	49,823	197	0	0	0
Education	715,185	666,323	48,862	897,994	917,386	(19,392)
Interest and Other Debt Service Charges	34,383	60,737	(26,354)	0	0	0
<b>Total Expenses</b>	<b>\$ 1,259,054</b>	<b>\$ 1,195,626</b>	<b>\$ 63,428</b>	<b>\$ 897,994</b>	<b>\$ 917,386</b>	<b>\$ (19,392)</b>
<b>Change in Net Position</b>	<b>\$ 70,125</b>	<b>\$ 73,567</b>	<b>\$ (3,442)</b>	<b>\$ 124,767</b>	<b>\$ 49,409</b>	<b>\$ (22,279)</b>
Net Position (Deficit) Beginning of Year	522,622	449,055	73,568	1,289,447	1,240,038	(30,472)
<b>Net Position End of Year</b>	<b>\$ 592,747</b>	<b>\$ 522,622</b>	<b>\$ 70,126</b>	<b>\$ 1,414,214</b>	<b>\$ 1,289,447</b>	<b>\$ 124,767</b>

## Revenues

For the fiscal year ended June 30, 2014, Primary Government revenues totaled \$1.3 billion, an increase of \$60.0 million from the prior fiscal year.

Property tax revenue, the County's largest revenue source, increased by \$55.8 million from the prior fiscal year due to the increase in real property taxes, personal property taxes collected from higher vehicle values and higher computer tax billings. Property tax revenue also includes monies received from the Commonwealth of Virginia for the Personal Property Tax Relief Act of 1998 (PPTRA). The increase in other local taxes is primarily due to higher sales taxes resulting from the Virginia General Assembly legislation HB2313 which included an incremental increase of State Sales Tax for transportation projects, and an increase in recordation taxes offset by a decrease in transient occupancy tax. The decrease in capital grants and contributions is due to lower donated land by developers and storm water management offset by the FY 2014 reimbursement for the Adult Detention Center. Other revenues increased by \$7.0 million due to higher interest earned, recovered costs, and other miscellaneous revenues received.

## Expenses

For the fiscal year ended June 30, 2014, expenses for governmental activities total \$1.3 billion.

Education continues to be one of the County's highest priorities and commitments. Of the total expenses, \$715.2 million represents education expenses and a transfer in anticipation of bond proceeds to schools for capital projects. Education expenses as part of governmental activities in fiscal year 2014 increased by \$48.9 million from the previous fiscal year. This increase is comprised of an increase in the transfer to the Component Unit-Schools for operating expenses of \$20.7 million and an increase in contributions for capital projects. The increase in general government is due to staffing enhancements added to support the County's

implementation of new financial systems. In addition, a reduction in the estimate for loss contingencies in FY 2013 reduced prior years' expenses when compared to FY 2014. Public Works expenses are primarily attributed to capital projects related to transportation. The decrease in interest and debt service costs is related to additional expenses of refunding debt during FY 2013. The remaining expense categories reflect modest increases or decreases.

### **Financial Analysis of the County's Funds**

For the fiscal year ended June 30, 2014, the governmental funds reflect a combined fund balance of \$731.7 million as illustrated below (refer to Exhibit III).

	Fiscal Year 2014				
	General	Capital Projects	Debt Service	Other Governmental	Total
Non-Spendable	\$ 4,196,375	\$ 0	\$ 0	\$ 2,950,698	\$ 7,147,073
Restricted	0	152,889,917	10,004,029	184,373,045	347,266,991
Committed	128,847,559	75,613,616	0	11,649,484	216,110,659
Assigned	27,788,140	0	52,619,588	962,847	81,370,575
Unassigned	62,038,432	0	0	(906,121)	61,132,311
<b>Total Fund Balances</b>	<b>\$ 222,870,506</b>	<b>\$ 228,503,533</b>	<b>\$ 62,623,617</b>	<b>\$ 199,029,953</b>	<b>\$ 713,027,609</b>

The General fund balance increased by 3,219,332 from the prior fiscal year. The fiscal year 2014 adopted fiscal plan included a net decrease of fund balance of \$35,734,872. Higher revenue collection in real property tax, personal property taxes and the sale of land along with lower than budgeted expenditures contributed to the addition to ending fund balance.

The Capital Projects fund balance increased by \$65,376,777 from the prior fiscal year. This increase is primarily attributable to the transfer of resources from the Transportation District and Public Facilities Funds for ongoing transportation capital projects. Debt Service fund balance increased \$1,213,094 from the proceeds of bonds sold during the year.

Other Governmental fund balances Increased by \$2,129,190 from the prior fiscal year. This increase is primarily due to the combination of (1) an increase in the Housing fund balance of \$5,917,008 to be used to provide affordable housing for county residents (2) an increase of \$2,473,070 in the Transportation District fund balance for future transportation projects, (3) an increase in the Comprehensive Services Act fund balance of \$1,604,822, and (4) a decrease of \$7,774,993 in the Public Facilities fund balance due to the planned use of fund balance for transportation projects.

### **General Fund Budgetary Highlights**

	Fiscal Year 2014		
	Original Budget	Amended Budget	Actual
<b><u>Revenues and Transfers In:</u></b>			
Taxes	\$ 980,450,762	\$ 980,450,762	\$ 1,020,458,179
Intergovernmental	88,952,350	90,459,666	90,654,135
Other	74,915,421	75,708,565	98,647,724
<b>Total Revenues and Transfers In</b>	<b>\$ 1,144,318,533</b>	<b>\$ 1,146,618,993</b>	<b>\$ 1,209,760,038</b>
<b><u>Expenditures and Transfers Out:</u></b>			
Expenditures	\$ 966,843,803	\$ 1,013,826,351	\$ 987,044,894
Transfers	213,209,602	219,697,330	219,495,812
<b>Total Expenditures and Transfers Out</b>	<b>\$ 1,180,053,405</b>	<b>\$ 1,233,523,681</b>	<b>\$ 1,206,540,706</b>
<b>Changes in Fund Balance</b>	<b>\$ (35,734,872)</b>	<b>\$ (86,904,688)</b>	<b>\$ 3,219,332</b>

The final amended budget for revenues and transfers in exceeded the original budget by \$2,300,460. This was primarily due to the anticipation of additional grant funding from the state and federal government and a payment from the County's component unit. The final amended budget appropriations, which include expenditures and transfers out, exceeded the original budget by \$53,470,276. This was due primarily to the re-appropriation of 2013 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 \$63,141,045 and actual expenditures and transfers out were \$26,982,975 less than amended amounts. Highlights of the comparison of amended budget to actual figures for the fiscal year ended June 30, 2014, include the following:

- Actual tax revenues exceeded amended budget amounts by \$40,007,417 primarily due to real property tax of \$11,281,745, personal property of \$30,452,303, and bank franchise taxes of \$2,002,805 offset by a decrease in sales tax of \$5,628,781. All other local taxes (e.g., consumer utility tax, business license taxes, motor vehicle licenses, taxes on recordation and wills, and hotel and motel room taxes) had modest positive or negative variances. The increase in personal property is due to the combination of increasing vehicle values in the county and revenue derived from computers in data centers located in the county.
- Actual intergovernmental revenues were greater than amended budget amounts by \$224,469 primarily due to modest increases and decreases in grants.
- Actual other revenues were greater than the amended budget amounts by \$22,909,159 primarily due to the sale of land in the amount of \$21,502,142. These proceeds on the sale have been designated for use in the County's capital improvement plan.
- Actual expenditures were \$26,982,975 less than amended budget amounts or 2.64%.
- Actual public safety expenditures were below budget by \$7,644,552 due to modest vacancy savings, a reduction in the internal service chargeback for vehicles to adjust for accumulated balances from prior years, and overall savings in materials and supplies and capital outlay.
- Expenditures in health and welfare were \$6,640,652 less than budget due to vacancy savings and reductions in professional services.
- Expenditures in Parks, Recreation and Cultural, and Community Development were under the final budget due to vacancy savings and in contractual services and other cost savings.
- Actual expenditures in all other functions of the general government were less than budgeted amounts due to cost savings.

#### **Capital Assets**

At the end of fiscal year 2014, the County Primary Government had invested \$1,045,248,449 in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$9,251,801. More detailed information on capital assets can be found in Note VIII of the notes to the financial statements.

**Table 3  
Governmental Funds  
Change in Capital Assets**

	<b>Balance At June 30, 2013</b>	<b>Net Additions/Deletions</b>	<b>Balance At June 30, 2014</b>
<b><u>Capital Assets:</u></b>			
Land	\$ 166,185,992	\$ (30,847,485)	\$ 135,338,507
Buildings	386,389,049	8,746,165	395,135,214
Improvements Other Than Buildings	38,298,863	0	38,298,863
Equipment	164,924,818	6,397,904	171,322,722
Infrastructure	499,849,576	21,941,076	521,790,652
Construction in Progress	54,970,169	29,739,935	84,710,104
Accumulated Depreciation	(274,621,819)	(26,725,794)	(301,347,613)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 1,035,966,648</b>	<b>\$ 9,251,801</b>	<b>\$ 1,045,248,449</b>

The Component Unit-Schools capital assets reflected in the following table totaled \$1,492,454,646, which represents a net increase of \$126,478,624.

**Schools  
Change in Capital Assets**

	<b>Balance At June 30, 2013</b>	<b>Net Additions/Deletions</b>	<b>Balance At June 30, 2014</b>
<b><u>Capital Assets:</u></b>			
Land	\$ 135,133,489	\$ 12,903,000	\$ 148,036,489
Buildings	1,422,331,612	47,142,997	1,469,474,609
Improvements Other Than Buildings	1,199,947	0	1,199,947
Equipment	127,596,298	4,346,259	131,942,557
Construction in Progress	77,656,428	100,579,998	178,236,426
Infrastructure	1,121	0	1,121
Accumulated Depreciation	(397,942,873)	(38,493,630)	(436,436,503)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 1,365,976,022</b>	<b>\$ 126,478,624</b>	<b>\$ 1,492,454,646</b>

During the fiscal year 2015 budget process, Loudoun County adopted a six-year Capital Improvement Program (CIP) that totals \$1.9 billion, with school construction and renovation projects totaling \$621.9 million and county construction projects totaling \$1.3 billion. The fiscal years 2015-2020 plan includes two new elementary schools for \$76.8 million; two new middle schools for \$117.4 million; two new high schools for \$255.0 million; renovation of one existing high school for \$12.2 million; design and construction of a new Technology Academy for \$114.6 million; an upgrade to the School Navel JROTC facility and the conversion of an existing school to a new Alternative school for \$45.9 million. Other capital projects include the Dulles Corridor Rapid Transit System for \$60.0 million, Metrorail Parking Garages for \$130.0 million, Route 606 Widening, Gloucester Parkway, Belmont Ridge Road and other road improvement and transportation projects for \$548.9 million; storm water management project for \$18.0 million; Consolidated Shops and Warehouse for \$37.6 million; capital project management support \$41.0 million; public safety capital improvements of \$198.9 million; health and welfare capital improvements of \$18.1 million; parks, recreation and cultural capital improvements of \$191.2 million and general government projects for \$37.3 million. Additional information is available in the FY2015 Adopted Fiscal Plan, Volume 2.

#### **Long Term Debt**

At the end of fiscal year 2014, the County had \$1,124,741,955 in outstanding general obligation bonds, premiums, loans, and capital leases. This represents a net increase of \$18,736,287 from last year. More detailed information on long term debt can be found in Note XIV of the notes to the financial statements.

In fiscal year 2014, Moody's Investors Services, Inc. reaffirmed the County's bond rating of Aaa, Fitch Credit Rating Services and Standard and Poor's (S&P) maintained the County's bond rating of AAA. These are the highest ratings available from each of these firms.

#### **Economic Factors**

Loudoun County's economic and demographic conditions in many ways benefit from the relative stability, high income, and low unemployment characteristics of the Washington, D.C. region. Today, thanks in part to the diversity of Loudoun's business base and the financial strength of the long-term investors in the community; Loudoun County's commercial environment has been able to withstand downturns in the national and international economies. Employment growth currently is outpacing the region, as is growth in wages. The assessed value of commercial properties increased strongly from 2013 to 2014, with the taxable real property assessment increasing by 8%. Loudoun County's unemployment rate, at 4.4% in June 2014, has consistently been well below the national rate.

While Loudoun remains a beautiful community with a thriving rural economy, growth has brought a five-fold increase in population since 1980. Since the late 1990s, Loudoun County has experienced success in attracting office, light industrial and retail businesses, which sparked commercial construction activity at an unprecedented scale. As a result, Loudoun has transformed from strictly a bedroom community to a highly desirable employment center.

In order to maintain the strength of our economy, the Loudoun County Department of Economic Development developed a strategy to focus direct marketing and assistance to industry clusters where the county has a competitive advantage. This advantage is demonstrated by Loudoun's current and growing business base including access to the right mix of brainpower, supportive institutions, suppliers, and business-related infrastructure. During FY 2014 Loudoun continued to show sustained growth in employment and wages paid by Loudoun businesses, along with continued commercial development that is bringing hundreds of thousands of square feet in data center, flex, mixed-use and retail buildings.



The department's analysis has shown that Loudoun currently has high concentrations, compared to national levels, in several key industry clusters: information communications technology; federal government and defense contractors; and airport-related businesses. The county also has identified areas of emerging strength, with the potential for future expansion – firms in life sciences and health information technology, cyber security, and big data. The department has also launched a strategic attraction campaign aimed at international companies, particularly European-based businesses and those in the industry clusters listed above.

Also reflecting the county's commitment to business is the development of thriving business partnerships including the Economic Development Advisory Commission, the Rural Economic Development Council, Small Business Development Center, George Mason University's Mason Enterprise Center and the Loudoun Chamber of Commerce. These are serious efforts, joining together some of the smartest and most innovative leaders, harnessing their collective time, energy and brainpower to continue to move the county and its business community forward.

#### **Currently Known Facts Likely to Impact Future Financial Condition**

During the 2013 legislative session, House Bill 2313 was enacted that established three revenue sources dedicated to transportation and transit for Northern Virginia. The Northern Virginia Transportation Authority (NVTA) is responsible for managing these revenues. HB2313 requires NVTA to distribute 30% of the proportional dedicated revenues collected to be distributed for urban or secondary road construction, capital improvements that reduce congestion, or other projects that have been approved in the regional transportation plan. The remaining 70% of the dedicated proportional revenue collected provides funding for regional transportation projects. The FY 2015 budget for NVTA approves \$27,500,000 of project improvements in the County from the 70% regional funds and \$14,380,781 of projects in the County from the 30% local funds.

#### **Impact of New Accounting Pronouncement**

The Governmental Accounting Standards Board adopted Statement No. 65, "Items Previously Reported as Assets and Liabilities". This Statement improves financial reporting by establishing accounting and financial reporting standards that reclassify certain items as deferred outflows of resources or deferred inflows of resources that had previously been reported as assets and liabilities. This Statement became effective for the fiscal year ended June 30, 2014. The County reclassified two items previously reported as liabilities. Additional information is provided in the Notes to the Financial Statements; Summary of Significant Accounting Policies.

#### **Contacting The County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. In future years, a comparative analysis of government-wide data will be presented. Questions concerning this report or requests for additional financial information should be directed to Ben Mays, Chief Financial Officer, County of Loudoun, Virginia, 1 Harrison Street, SE, 4<sup>th</sup> Floor – MSC #41, Leesburg, VA 20176. The telephone number is (703) 777-0290 and the County's web site is at [www.loudoun.gov](http://www.loudoun.gov).

# **BASIC FINANCIAL STATEMENTS**



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**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit School Board</b>	<b>Total Reporting Entity</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 662,989,041	\$ 93,451,238	\$ 756,440,279
Restricted Cash and Investments	102,358,401	64,980,949	167,339,350
Receivables, Net:			
Taxes:			
Delinquent	22,218,477	-	22,218,477
Not Yet Due	436,745,229	-	436,745,229
Accounts	1,924,539	3,949,352	5,873,891
Due from Other Governments	44,344,151	19,264,739	63,608,890
Advances to Employees	-	1,247	1,247
Inventory	534,702	1,056,254	1,590,956
Prepaid Items	1,213,791	2,419,486	3,633,277
Notes and Loans Receivable, Net	5,508,213	-	5,508,213
Capital Assets:			
Non-depreciable	282,456,502	326,272,915	608,729,417
Depreciable, Net	762,791,947	1,166,181,731	1,928,973,678
Capital Assets, Net	<u>1,045,248,449</u>	<u>1,492,454,646</u>	<u>2,537,703,095</u>
Total Assets	<u>2,323,084,993</u>	<u>1,677,577,911</u>	<u>4,000,662,904</u>
<b>LIABILITIES</b>			
Accounts Payable	38,848,837	39,482,652	78,331,489
Accrued Interest Payable	9,392,960	238,923	9,631,883
Accrued Liabilities	12,162,611	59,231,393	71,394,004
Unearned Revenue:			
Other	5,206,497	4,413,719	9,620,216
Other Liabilities	6,566,486	37,190	6,603,676
Long-term Liabilities:			
Due Within One Year:			
Compensated Absences	1,332,540	3,063,456	4,395,996
Claims Liabilities	5,968,868	13,570,112	19,538,980
Bonds Payable	88,395,000	-	88,395,000
Bonds Premium	8,722,269	-	8,722,269
Leases Payable	10,950,000	8,723,975	19,673,975
Due in More Than One Year:			
Compensated Absences	23,117,743	18,719,810	41,837,553
Claims Liabilities	3,739,092	678,622	4,417,714
Landfill Closure and Postclosure Care Costs	20,855,175	-	20,855,175
Net OPEB Obligation	22,833,637	100,855,960	123,689,597
Bonds Payable	859,695,000	-	859,695,000
Bonds Premium	53,534,686	-	53,534,686
Leases Payable	103,445,000	14,347,377	117,792,377
Total Liabilities	<u>1,274,766,401</u>	<u>263,363,189</u>	<u>1,538,129,590</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes Not Yet Due	436,745,229	-	436,745,229
Unavailable Revenue - Prepaid Taxes	8,941,115	-	8,941,115
Deferred Gain on Refunding Debt	9,885,251	-	9,885,251
Total Deferred Inflows of Resources	<u>455,571,595</u>	<u>-</u>	<u>455,571,595</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	807,212,078	1,469,383,294	1,435,368,414 A
Restricted for:			
Debt Service	10,004,029	-	10,004,029
Capital Projects	98,470,152	32,615,988	131,086,140
Permanent Fund-Nonexpendable	-	31,506	31,506
Public Facilities and Services	125,160,340	-	125,160,340
Affordable Housing	26,170,875	-	26,170,875
Transportation	27,359,900	-	27,359,900
Library Services	4,181,549	-	4,181,549
Other Purposes	556,269	-	556,269
Unrestricted	(506,368,195)	(87,816,066)	247,042,697 A
Total Net Position	<u>\$ 592,746,997</u>	<u>\$ 1,414,214,722</u>	<u>\$ 2,006,961,719</u>

A

The sum of the columns does not equal the Total Reporting Entity column by a difference of \$841,226,958 because the debt related to the School Board Component Unit is reflected in the Primary Government's governmental activities column reducing unrestricted net position. The assets are reflected in the School Board Component Unit column as Net Investment in Capital Assets. The Total Reporting Entity column matches the asset with the debt and reports the net amount on the Net investment in Capital Assets line.

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

Functions/Programs Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total Reporting Entity
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component	
					Governmental Activities	Unit School Board	
<b>Primary Government:</b>							
General Government Administration	\$ 70,124,315	\$ 1,353,242	\$ 1,286,409	\$ -	\$ (67,484,664)		\$ (67,484,664)
Judicial Administration	13,095,288	1,523,323	2,034,909	-	(9,537,056)		(9,537,056)
Public Safety	160,559,061	15,573,927	18,049,352	9,084,517	(117,851,265)		(117,851,265)
Public Works	85,334,726	5,968,154	6,478,794	21,941,076	(50,946,702)		(50,946,702)
Health and Welfare	81,275,904	7,948,274	30,395,625	-	(42,932,005)		(42,932,005)
Parks, Recreation and Culture	49,076,706	15,780,946	7,530,873	-	(25,764,887)		(25,764,887)
Community Development	50,019,751	18,881,378	30,806,399	275,212	(56,762)		(56,762)
Education	715,184,760	-	80,338	-	(715,104,422)		(715,104,422)
Interest and Other Debt Service Charges	34,383,474	-	-	-	(34,383,474)		(34,383,474)
<b>Total Primary Government</b>	<b>\$ 1,259,053,985</b>	<b>\$ 67,029,244</b>	<b>\$ 96,662,699</b>	<b>\$ 31,300,805</b>	<b>\$ (1,064,061,237)</b>		<b>\$ (1,064,061,237)</b>
<b>Component Unit:</b>							
School Board	\$ 897,994,046	\$ 17,722,817	\$ 25,269,020	\$ 148,057,525		\$ (706,944,684)	\$ (706,944,684)
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes					909,770,674	-	909,770,674
Local Sales and Use Taxes					81,669,562	-	81,669,562
Consumer Utility Taxes					21,415,296	-	21,415,296
Business License Taxes					29,209,497	-	29,209,497
Franchise License Taxes					761,526	-	761,526
Motor Vehicle Licenses					6,304,760	-	6,304,760
Bank Franchise Taxes					3,102,805	-	3,102,805
Taxes on Recordation and Wills					9,417,841	-	9,417,841
Hotel and Motel Room Taxes					4,722,338	-	4,722,338
Payment from County					-	566,207,402	566,207,402
Interest and Investment Earnings					3,262,087	-	3,262,087
Grants and Contributions Not Restricted to Specific Programs					56,742,228	258,050,788	314,793,016
Revenue from Use of Money and Property					-	2,026,055	2,026,055
Miscellaneous					7,807,943	5,427,706	13,235,649
Total General Revenues					1,134,186,557	831,711,951	1,965,898,508
Change in Net Position					70,125,320	124,767,267	194,892,587
Net Position at Beginning of Year					522,621,677	1,289,447,455	1,812,069,132
Net Position at End of Year					\$ 592,746,997	\$ 1,414,214,722	\$ 2,006,961,719

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>General</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 770,483,642	\$ -	\$ -	\$ 3,031,753	\$ 773,515,395
Restricted Cash and Investments	66,050,880	55,363,877	22,579,182	20,405,249	164,399,188
Receivables, Net:					
Taxes:					
Delinquent	17,614,088	-	-	4,604,389	22,218,477
Not Yet Due	436,745,229	-	-	-	436,745,229
Accounts	1,472,629	22,162	-	131,389	1,626,180
Due from Other Governments	39,771,984	1,572,700	-	2,999,467	44,344,151
Interfund Receivables	-	199,989,561	40,058,813	180,472,760	420,521,134
Inventory	-	-	-	425,069	425,069
Prepaid Items	317,725	-	-	896,066	1,213,791
Notes and Loans Receivable, Net	3,878,650	-	-	1,629,563	5,508,213
Total Assets	<u>\$ 1,336,334,827</u>	<u>\$ 256,948,300</u>	<u>\$ 62,637,995</u>	<u>\$ 214,595,705</u>	<u>\$ 1,870,516,827</u>
<b>LIABILITIES</b>					
Liabilities:					
Accounts Payable	\$ 7,298,806	\$ 27,460,350	\$ 4,850	\$ 2,124,721	\$ 36,888,727
Accrued Liabilities	6,961,912	973,095	-	3,604,996	11,540,003
Unearned Revenue:					
Property Taxes	4,561,913	-	-	109,128	4,671,041
Other	2,657,529	11,322	-	2,537,645	5,206,496
Interfund Payables	470,734,532	-	-	2,522,823	473,257,355
Due to Component Unit	171,605,657	-	-	2,067,109	173,672,766
Other Liabilities	4,134,758	-	9,528	2,422,200	6,566,486
Total Liabilities	<u>667,955,107</u>	<u>28,444,767</u>	<u>14,378</u>	<u>15,388,622</u>	<u>711,802,874</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes Not Yet Due	436,745,229	-	-	-	436,745,229
Unavailable Revenue - Prepaid Taxes	8,763,985	-	-	177,130	8,941,115
Total Deferred Inflows of Resources	<u>445,509,214</u>	<u>-</u>	<u>-</u>	<u>177,130</u>	<u>445,686,344</u>
<b>FUND BALANCES (Deficits):</b>					
Non-spendable	4,196,375	-	-	2,950,698	7,147,073
Restricted	-	152,889,917	10,004,029	184,373,045	347,266,991
Committed	128,847,559	75,613,616	-	11,649,484	216,110,659
Assigned	27,788,140	-	52,619,588	962,847	81,370,575
Unassigned	62,038,432	-	-	(906,121)	61,132,311
Total Fund Balances	<u>222,870,506</u>	<u>228,503,533</u>	<u>62,623,617</u>	<u>199,029,953</u>	<u>713,027,609</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u><u>\$ 1,336,334,827</u></u>	<u><u>\$ 256,948,300</u></u>	<u><u>\$ 62,637,995</u></u>	<u><u>\$ 214,595,705</u></u>	<u><u>\$ 1,870,516,827</u></u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014**

**Amounts reported for governmental activities in the Statement of Net Position (Exhibit I) are different because:**

Total Fund balances - governmental funds		\$ 713,027,609
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	1,283,003,368	
Less accumulated depreciation	<u>(266,315,842)</u>	1,016,687,526
Delinquent taxes and other long-term assets not available to pay for current period expenditures are deferred in the governmental funds.		4,671,040
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Compensated absences	(24,450,283)	
Landfill closure and postclosure care costs	(20,855,175)	
Net OPEB Obligation	(22,833,637)	
Governmental bonds payable	(948,090,000)	
Governmental leases payable	(114,395,000)	
Unamortized bond premium	(62,256,955)	
Unamortized deferred amount on refunding	<u>(9,885,251)</u>	(1,202,766,301)
Interest on long-term liabilities is not accrued in the governmental funds, but is rather recognized as an expenditure when due.		(9,392,960)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.		70,520,083
Net Position of Governmental Activities		<u><u>\$ 592,746,997</u></u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
General Property Taxes	\$ 894,491,847	\$ -	\$ -	\$ 18,469,875	\$ 912,961,722
Other Local Taxes	125,966,332	761,526	-	29,875,767	156,603,625
Permits and Licenses	23,900,439	-	-	920	23,901,359
Fines and Forfeitures	2,249,057	-	-	-	2,249,057
Use of Money and Property	2,832,465	1,713	229,587	198,322	3,262,087
Charges for Services	29,819,922	3,607,851	-	45,845	33,473,618
Gifts and Donations	167,316	7,000	-	44,134,006	44,308,322
Miscellaneous	1,741,705	1,241,029	2,398,993	32,571	5,414,298
Recovered Costs	8,224,189	32,641	-	1,542,024	9,798,854
Intergovernmental - Commonwealth	84,267,915	13,255,068	-	4,055,868	101,578,851
Intergovernmental - Federal	6,386,220	-	-	10,491,264	16,877,484
Total Revenues	<u>1,180,047,407</u>	<u>18,906,828</u>	<u>2,628,580</u>	<u>108,846,462</u>	<u>1,310,429,277</u>
<b>EXPENDITURES</b>					
Current Operating:					
General Government Administration	71,290,404	-	-	-	71,290,404
Judicial Administration	12,157,824	-	-	235,442	12,393,266
Public Safety	154,029,218	-	-	2,478,891	156,508,109
Public Works	15,800,814	52,561,338	-	13,374,925	81,737,077
Health and Welfare	64,369,800	-	-	15,965,373	80,335,173
Parks, Recreation and Culture	46,945,535	-	-	108,686	47,054,221
Community Development	38,934,547	-	-	14,878,940	53,813,487
Education	583,516,752	-	6,000,000	112,765,008	702,281,760
Capital Outlay	-	31,217,412	-	1,327,837	32,545,249
Debt Service:					
Principal Payments	-	-	97,475,000	-	97,475,000
Interest and Service Charges	-	-	45,564,372	-	45,564,372
Total Expenditures	<u>987,044,894</u>	<u>83,778,750</u>	<u>149,039,372</u>	<u>161,135,102</u>	<u>1,380,998,118</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>193,002,513</u>	<u>(64,871,922)</u>	<u>(146,410,792)</u>	<u>(52,288,640)</u>	<u>(70,568,841)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	8,189,134	135,507,559	138,246,388	62,547,503	344,490,584
Transfers Out	(219,495,812)	(5,258,860)	(435,854)	(123,289,673)	(348,480,199)
Issuance Premium	-	-	9,813,352	-	9,813,352
Issuance of Bonds and Leases	-	-	-	115,160,000	115,160,000
Sale of Capital Assets	21,523,497	-	-	-	21,523,497
Total Other Financing Sources (Uses)	<u>(189,783,181)</u>	<u>130,248,699</u>	<u>147,623,886</u>	<u>54,417,830</u>	<u>142,507,234</u>
Net Change in Fund Balances	3,219,332	65,376,777	1,213,094	2,129,190	71,938,393
Fund Balances at Beginning of Year	219,651,174	163,126,756	61,410,523	196,900,763	641,089,216
<b>Fund Balances at End of Year</b>	<u><u>\$ 222,870,506</u></u>	<u><u>\$ 228,503,533</u></u>	<u><u>\$ 62,623,617</u></u>	<u><u>\$ 199,029,953</u></u>	<u><u>\$ 713,027,609</u></u>

See accompanying notes to the financial statements.



**COUNTY OF LOUDOUN, VIRGINIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Amounts reported for governmental activities (Exhibit II) are different because:**

Net change in fund balances - total governmental funds		\$ 71,938,393
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Expenditures for capital assets	42,695,285	
Less current year depreciation	<u>(25,357,944)</u>	17,337,341
In the Statement of Activities, only the gain (loss) on capital assets is reported while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital asset.		(30,875,503)
Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.		21,941,076
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unearned revenue related to taxes		(3,191,048)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal payments	97,475,000	
Net debt proceeds and issuance premium	(124,973,352)	
Current year amortization of bond premium	8,762,065	
Current year amortization of deferred amount of refunding	<u>1,724,027</u>	(17,012,260)
Expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences liability	573,657	
Change in landfill closure/post-closure liability	2,203,410	
Change in Net OPEB Obligation	4,826,894	
Change in accrued interest liability	<u>694,806</u>	8,298,767
Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue of the internal service funds is reported with governmental activities.		1,688,554
<b>Change in Net Position of Governmental Activities</b>		<u><u>\$ 70,125,320</u></u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF NET POSITION  
PROPRIETARY - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

**ASSETS**

## Current Assets:

Restricted Cash and Investments	\$ 1,180,000
Receivables, Net	298,359
Interfund Receivables	52,736,221
Inventory	109,633
Total Current Assets	<u>54,324,213</u>

## Noncurrent Assets:

## Capital Assets:

Non-depreciable	1,172,517
Depreciable, Net	<u>27,388,406</u>
Total Noncurrent Assets	<u>28,560,923</u>
Total Assets	<u>82,885,136</u>

**LIABILITIES**

## Current Liabilities:

Accounts Payable	1,960,110
Due to Component Unit	74,375
Claims Liabilities	5,968,868
Accrued Liabilities	622,608
Total Current Liabilities	<u>8,625,961</u>

## Noncurrent Liabilities:

Claims Liabilities	<u>3,739,092</u>
Total Noncurrent Liabilities	<u>3,739,092</u>
Total Liabilities	<u>12,365,053</u>

**NET POSITION**

Net Investment in Capital Assets	28,560,923
Unrestricted	<u>41,959,160</u>
Total Net Position	<u>\$ 70,520,083</u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY - INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<b>Operating Revenues:</b>	
Charges for Services	\$ 53,860,226
Use of Property	57,788
Miscellaneous	263,785
Total Operating Revenues	<u>54,181,799</u>
<b>Operating Expenses:</b>	
Personnel Services	1,152,587
Other Services and Charges	7,299,542
Materials and Supplies	794,642
Depreciation	5,099,259
Claims	42,404,664
Total Operating Expenses	<u>56,750,694</u>
<b>Operating Loss</b>	(2,568,895)
<b>Non-Operating Revenues:</b>	
Gain on Sale of Capital Assets	<u>267,834</u>
<b>Net Loss Before Operating Transfers</b>	(2,301,061)
Transfers In	<u>3,989,615</u>
<b>Change in Net Position</b>	1,688,554
<b>Net Position at Beginning of Year</b>	<u>68,831,529</u>
<b>Net Position at End of Year</b>	<u><u>\$ 70,520,083</u></u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Cash Flows from Operating Activities**

Receipts from Customers	\$ 53,978,782
Payments to Suppliers for Goods and Services	(5,530,389)
Payments for Interfund Services	(52,736,221)
Claims Paid	(41,664,283)
Payments to Employees	(2,131,594)
Net Cash Used in Operating Activities	<u>(48,083,705)</u>

**Cash Flows from Non-capital Financing Activities:**

Transfers In	3,989,615
Net Cash Provided by Non-capital Financing Activities	<u>3,989,615</u>

**Cash Flows from Capital and Related Financing Activities:**

Additions to Capital Assets	(6,429,014)
Proceeds from Sale of Capital Assets	748,703
Net Cash Used in Capital and Related Financing Activities	<u>(5,680,311)</u>

**Net Decrease in Cash and Cash Equivalents**

(49,774,401)

Cash and Cash Equivalents at Beginning of Year

50,954,401

**Cash and Cash Equivalents at End of Year**\$ 1,180,000**Reconciliation of Operating Loss to Net Cash Used In Operating Activities:****Operating Loss**\$ (2,568,895)**Adjustment Not Affecting Cash:**

Depreciation	5,099,259
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**(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:**

Receivables, Net	(203,017)
Interfund Receivables	(52,736,221)
Inventory	845
Prepaid Items	528,465
Accounts Payable	1,960,110
Due to Other Funds	74,375
Claims Liabilities	740,381
Accrued Liabilities	(979,007)
Total Adjustments	<u>(45,514,810)</u>

**Net Cash Used in Operating Activities**\$ (48,083,705)**Non-Cash Capital Related Financing Activities:**

Gain on Sale of Capital Assets	\$ 267,834
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See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Pension Trust Funds</b>	<b>Private Purpose Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 8,111	\$ 15,505,646
Cash with Fiscal Agents	-	-	60,000
Investments, at Fair Value:			
Investments in Pooled Funds	58,555,804	-	-
Total Assets	<u>58,555,804</u>	<u>8,111</u>	<u>15,565,646</u>
<b>LIABILITIES</b>			
Accounts Payable and Funds Held in Trust for Others	28,740	-	15,565,646
<b>Total Liabilities</b>	<u>28,740</u>	<u>-</u>	<u>\$ 15,565,646</u>
<b>NET POSITION</b>			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 58,527,064</u>	<u>\$ 8,111</u>	

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Pension Trust Funds</b>	<b>Private Purpose Trust Fund</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 11,042,123	\$ -
Total Contributions	<u>11,042,123</u>	<u>-</u>
Investment Earnings:		
Net Appreciation in Fair Value of Investments	3,986,614	-
Interest	550,415	-
Total Investment Earnings	<u>4,537,029</u>	<u>-</u>
Less Investment Expense:		
Investment Management Fees	(29,062)	-
Net Investment Income	<u>4,507,967</u>	<u>-</u>
Total Additions	<u>15,550,090</u>	<u>-</u>
<b>DEDUCTIONS</b>		
Benefits	2,785,876	-
Administrative Expense	367,828	-
Total Deductions	<u>3,153,704</u>	<u>-</u>
<b>Change in Net Position</b>	12,396,386	-
<b>Net Position at Beginning of Year</b>	46,130,678	8,111
<b>Net Position at End of Year</b>	<u>\$ 58,527,064</u>	<u>\$ 8,111</u>

See accompanying notes to the financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**COUNTY OF LOUDOUN, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2014**

**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County of Loudoun, Virginia (the County), have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles for state and local governmental entities. Significant accounting policies of the County are described below.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**(A) REPORTING ENTITY**

The County is a political subdivision of the Commonwealth of Virginia (the State), governed by a nine member elected Board of Supervisors and an appointed County Administrator. As required by GAAP, the financial statements present the government (the Primary Government) and its component unit, the Loudoun County Public School Board (the Schools). The County of Loudoun, Virginia, reporting entity is determined upon the evaluation of certain criteria established by GASB.

Component Units - Component Units are entities for which the Primary Government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the Primary Government. The County has no component units that meet the requirements for blending. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize they are legally separate from the government. The Loudoun County School Board, described below, is the only component unit of the County.

The Loudoun County School Board - The Schools are responsible for elementary and secondary education within the County's jurisdiction. Members of the Schools' governing board (the School Board) are elected. They were most recently elected in November 2011 and assumed their responsibilities on January 1, 2012. The Schools are fiscally dependent upon the County because the County's Board of Supervisors approves the School's budget, levies taxes (if necessary), and issues bonds for School capital projects and improvements.

Loudoun County Public Schools issues a publicly available Comprehensive Annual Financial Report. A copy of that report may be obtained from the Schools website, <http://www.loudoun.k12.va.us/page/1079>.

**(B) BASIS OF PRESENTATION**

The financial statements of the County report activities of the Primary Government and its component unit, the Loudoun County School Board. These statements include the following components.

Government-wide Financial Statements – The financial statements are prepared using full accrual basis of accounting for all of the government's activities. This approach includes not just current assets and liabilities, but also capital assets, long-term liabilities, and deferred inflows of resources (such as buildings, general obligation debt, and property taxes not yet due). Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Primary Government and its component units. *Governmental Activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from legally separate *component units* for which the Primary Government is financially accountable.

Statement of Net Position – The Statement of Net Position displays the financial position of the Primary Government and its discretely presented component units. Governments report all capital assets in the government-wide Statement of Net Position and report depreciation expense – the cost of “using up” capital assets – in the Statement of Activities. The Net Position of a government is broken down into three categories: (1) Net Investment in capital assets; (2) restricted; and (3) unrestricted.

Statement of Activities – The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other



items not properly included among program revenues are reported instead as *general revenues*. The County does not allocate indirect expenses to the governmental functions.

**Fund Financial Statements** - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- General Fund – This fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted in another fund.
- Capital Projects Fund - This fund is used to account for the purchase and/or construction of major capital facilities, including buildings, land, major equipment and other long-lived improvements for the general government. Financing is provided primarily by bond issues, State and Federal grants, and transfers from the General Fund.
- Debt Service Fund – This fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on long-term general obligation debt of governmental funds.

All other non-major governmental funds are reported in a single column captioned "Other Governmental Funds" and consist of special revenue funds, a capital asset replacement fund, and permanent funds.

Proprietary funds are used to account for operations that are financed in a manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position, and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents. The County's proprietary funds consist solely of its internal service funds (the Central Service Funds and the Self-Insurance Fund). These funds are included in the governmental activities for government-wide reporting purposes. All significant interfund activity has been eliminated. The excess revenue or expenses for these funds are allocated to the appropriate functional activity. The operations of these funds are generally intended to be self-supporting.

Additionally, the government reports the following Fiduciary funds:

- Pension Trust Funds – The Volunteer Fire and Rescue trust fund is used to account for the activities of the Public Safety Retirement System, which accumulates resources for pension benefit payments to qualified public safety personnel. The OPEB trust fund is used to account for the assets held in trust by the county for other post-employment benefits.
- Private-Purpose Trust Fund - These funds are used to account for the assets received and disbursed by the County acting in a trustee capacity or as an agent for individuals, private organizations or governments. The War Memorial Trust Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the purchase, maintenance and improvement of war memorials.
- Agency Funds – These funds are used to account for monies received, held and disbursed on behalf of certain welfare recipients, certain developers, certain employee benefits, and certain inmates at the time of incarceration.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes.

Amounts reported as *program revenue* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's internal service funds are charges to the County departments on a cost-reimbursement basis for goods or services provided, and include such activities as central duplicating, telephone, mail, support, and fleet management services. Revenue for the self-insurance fund is derived primarily from payroll deduction for health insurance premiums, which are set annually and are shared by employees of the Primary Government and the Primary Government, and prescription rebates from other agencies. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, insurance claims, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Budgetary Comparison Schedules** – Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Governments provide budgetary comparison information in their annual reports, including the government's original budget to the comparison of final budget and actual results.

The County's General Fund budgetary comparison schedules are reported as required supplementary information following the notes to the financial statements. All other budgetary comparison schedules are reported as other supplementary information.

(C) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to the timing when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds within fiduciary fund financial statements are reported using the accrual basis of accounting; however, there is no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Accordingly, real and personal property taxes are recorded as unearned revenues and property taxes receivable when billed, net of allowances for uncollectible amounts of \$2,947,439 as of June 30, 2014. Real and personal property taxes recorded at June 30, and received within the first 60 days after year-end, are included in tax revenues with the related amount reduced from unearned revenues. Sales and utility taxes, which are collected by the Commonwealth of Virginia or utility companies and subsequently remitted to the County, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally one to two months preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting of Federal, State and other grants for the purpose of specific programs are recognized when earned or at the time of the specific reimbursable expenditure. Revenues from general purpose grants are recognized during the period to which the grants apply. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt, which is recognized when due.

A summary reconciliation of the difference between the total governmental fund balances and total net position for governmental activities as shown in the government-wide Statement of Net Position is presented in an accompanying reconciliation to the governmental funds' balance sheet. The asset, liability, and deferred inflow elements, which comprise the reconciliation differences, stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. A summary reconciliation of the difference between net changes in governmental fund balances and change in net position for governmental activities as shown on the government-wide Statement of Activities is presented in a reconciliation to the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances. The revenue and expense elements, which comprise the reconciliation differences, stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

The property tax calendar is as follows:

	<u>Real Property</u>	<u>Personal Property</u>
Lien Date	Jan 5 / Jul 5	Jun 5 / Nov 5
Assessment Date	Jan 1	Jan 1
Levy Date	Apr 1	Mar 1
Due Date and Collection Date	Jun 5 / Dec 5	May 5 / Oct 5

(D) CASH AND TEMPORARY INVESTMENTS

The County's cash and cash equivalents are considered to be cash on hand, temporary investments including amounts in demand deposits as well as short-term investments with a maturity date generally within three months of the date acquired by the County, or those investments that are callable at any time without penalty.

All County investments are stated at fair value.

The County invests in an externally managed investment pool, the State Treasurer's Local Government Investment Pool (LGIP), which is not SEC-registered. The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP, which is managed as a "2a-7 like pool". The portfolio securities are valued by the amortized cost method with maturities of thirteen months or less. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

All interest is credited to the General Fund, unless law or Board of Supervisors Action, requires allocation. Allocation, when required, is based on the monthly interest rate earned on funds invested with the LGIP. For the Capital Projects and Debt Service Funds, interest income on cash held with fiscal agents and trustees is recorded within these respective funds.

The County records short-term investments at cost, which approximates fair value.

Bond proceeds are deposited in the Virginia State Non-Arbitrage Program (SNAP). Values of shares in SNAP reflect fair value.

At the fund level, pooled cash held for Component Unit is reflected as an amount due to the component unit, which is

reclassified at the reporting entity level.

(E) DUE TO/DUE FROM OTHER FUNDS (INTERFUND BALANCES)

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" or "interfund receivables/payables".

(F) INVENTORIES

Inventories are valued at the lower of cost or market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed.

(G) PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

(H) NONCURRENT NOTES AND LOANS RECEIVABLE

Noncurrent portions of long-term notes and loans receivables, net of allowances, are offset equally by nonspendable fund balance, which indicates that they do not constitute expendable available financial resources, and therefore, are not available for appropriation.

(I) CAPITAL ASSETS

Capital assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as land, buildings, intangibles (software licenses, easements), road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the Primary Government, as well as the School Board, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	45
Building Improvements	15 - 25
Infrastructure	20 - 60
Vehicles	5 - 20
Office Equipment	5 - 10
Computer Equipment	5
Intangibles	5 - 20

(J) COMPENSATED ABSENCES

1. Primary Government Employees - In 1994, the Primary Government adopted a policy under which employees can accumulate and be paid-out upon employment separation, a maximum of 364 hours of earned but unused annual (vacation) leave. Employees with accrued balances in excess of 364 hours may utilize their accumulated balances in excess of 364 hours by the end of the leave year. Annual leave hours accrued in excess of 364 hours by each employee during each year are calculated at the end of the leave year, with the Primary Government converting those excess hours into additional sick leave hours. As of June 30, 2014, \$19,055,351 of earned but unused annual leave was accrued as compensated absences.

In 2004, the Primary Government adopted a policy under which non-exempt employees will receive payment at year-end for unused exchange time, with the exception of exchange time earned during the last two full pay periods of the leave year, which will carry over to the following year. Non-exempt employees will receive payment of all exchange time leave balances upon separation from County employment. Exempt, non-senior staff carry-over exchange time earned not to exceed their authorized bi-weekly hours plus exchange time earned during the last two pay periods of the leave year. Exempt, non-senior staff will receive payment of exchange time leave balances not to exceed their authorized bi-weekly hours upon separation from County employment. As of June 30, 2014, \$165,783 of unused exchange time was accrued as compensated absences.

Effective July 1, 2001, employees with 10 years of service are compensated for unused sick leave when they leave County employment. Employees meeting these criteria will be compensated for 25% of unused sick leave to a maximum amount of \$10,000 per individual. As of June 30, 2014, \$5,229,149 of unused sick leave was accrued as compensated absences.

2. School System Employees - School employees, other than teachers, are allowed to accumulate a

maximum of 480 hours of vacation leave, which will be paid-out upon employment separation. Teachers do not accumulate annual leave. As of June 30, 2014, \$11,816,889 of accumulated vacation leave was accrued as compensated absences.

Additionally, all School employees with ten or more years of service are compensated for a portion of earned, but unused sick leave upon employment separation to a maximum amount of \$15,200 per individual. As of June 30, 2014, \$9,966,377 of unused sick leave was accrued as compensated absences.

(K) LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds, using the proportionate to stated interest requirements method.

In the fund financial statements, governmental funds recognize bond premiums during the current period. The face amount of debt issues is reported as other financing sources. Premiums received on debt issuances are also reported as other financing sources.

(L) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflow of resources*, represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has three items that qualify for reporting in this category. Unearned revenue in the amount of \$436,745,229 is for revenues from property taxes not yet due and unearned revenue in the amount of \$8,941,115 for prepaid taxes are reported in the governmental funds Balance Sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. A deferred gain on refunding in the amount of \$9,885,251 is reported in the government-wide Statement of Net Position. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

(M) FUND BALANCE FLOW ASSUMPTIONS

The Board of Supervisors adopted Fiscal Policy establishes the spending order of fund balance when both restricted and unrestricted fund balance are available. For the General Fund and Special Revenue Funds, when an expenditure is incurred, restricted fund balance is to be spent first, then committed fund balance, then assigned fund balance, and lastly unassigned fund balance. For Capital Funds and Debt Service Funds, when an expenditure is incurred, assigned fund balance is to be spent first, then committed fund balance, and lastly restricted fund balance.

(N) FUND BALANCE POLICIES

In the fund financial statements, governmental funds report fund balance for amounts that are not available for appropriation or are subject to externally enforceable legal restrictions as either nonspendable or restricted. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance)

Committed fund balance includes amounts to be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors through a Resolution prior to the end of the fiscal year. Once adopted, the limitation remains in place until a similar action is taken to remove or revise the limitation.

Amounts in assigned fund balance classification are intended to be used by the government for a specific purpose but does not meet the criteria to be classified as committed. The Board of Supervisors has authorized the County Administrator or his/her designee to assign fund balance through the adoption of the Fiscal Policy. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unassigned fund balance represents the residual fund balance remaining after nonspendable, restricted, committed, and assigned fund balance is deducted. '

(O) ACCOUNTING PRONOUNCEMENTS

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012. The County has implemented this statement in fiscal year, 2014.

In March 2012, GASB issued Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62. *Codification of*

*Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* This statement is effective for periods beginning after December 15, 2012. The County has implemented this statement in fiscal year 2014.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local government pension plans. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of the Statement and to defined contribution plans that provide postemployment benefits other than pensions. This Statement is effective for periods beginning after June 15, 2013. The County has implemented this statement in fiscal year 2014.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement is effective for periods beginning after June 15, 2014. The County will be implementing this statement in fiscal year 2015.

In January, 2013, GASB issued Statement No. 69, *Governmental Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards, related to government combinations and disposals of government operations including a variety of transactions such as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. The County has implemented this statement in fiscal year 2014.

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to enhance the comparability and disclosure of financial statements among governments by requiring consistent reporting by governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement is effective for periods beginning after June 15, 2013. The County has implemented this statement in fiscal year 2014.

In November, 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68*. The objective of this Statement is to address the amounts associated with contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The County will be implementing this Statement in fiscal year 2015 simultaneously with the provisions of Statement 68.

## **NOTE II – LEGAL COMPLIANCE – FUND DEFICITS**

Budgets are prepared and adopted on a basis consistent with GAAP. Annual appropriation resolutions and budgets are adopted for the Primary Government's General and Debt Service Funds and the School's Operating and Debt Service Funds. The legal level of budgetary control for the General Fund is at the departmental level. The following Primary Government's Special Revenue Funds also have legally adopted budgets: Route 28 Special Improvements, Comprehensive Services Act, Legal Resource Center, Federally Forfeited Property, Hotel and Motel Room Tax, Hamilton Sewer Service District, Community Development Authority, Rental Assistance Program, Dulles Industrial Park Water and Sewer, Greenlea District, State and Federal Grants, Public Facilities, Sheriff's Fund, Animal Shelter, Housing, Transportation District, Uran Holocaust, Horton Program for the Arts, Symington, and EMS Transport. The proposed budget also includes a recommended program of capital expenditures to be financed from current operations and a separate six year capital improvement plan. All annual appropriations lapse at fiscal year-end with the exception of the Capital Project Funds, for which project length budgets are adopted.

At June 30, 2014, the following funds had deficit fund balances::

Route 28 Special Improvement - Deficit fund balance of \$141,775 is due to prepaid revenue (2<sup>nd</sup> half 2014 taxes) that was collected and remitted to the Commonwealth of Virginia.

Aldie Sewer Service District – Deficit fund balance of \$462 is due to an uncollectable portion of special assessment property tax. This taxing district will be closed in the next fiscal year and the deficit balance will be eliminated.

Community Development Authority – Deficit fund balance of \$6,123 is due to prepaid revenue (2<sup>nd</sup> half of 2014 special assessment tax) that was collected and remitted to the Community Development Authority.

Dulles Industrial Park Water and Sewer – Deficit fund balance of \$3,405 is due to prepaid revenue (2<sup>nd</sup> half of 2014 special assessment tax) that was collected and remitted for the Dulles Industrial Park Water and Sewer special tax district.

Encumbrances represent goods or services that have been contracted and are funded however, these goods or services have not been received or performed. Encumbrances do not constitute an expenditure. The budget of any funds encumbered at the end of the fiscal year carries over into the next fiscal year.

## **NOTE III - BANK DEPOSITS AND INVESTMENTS**

### **Investment Policy**

In accordance with the Code of Virginia, the County's Investment Policy (Policy), as approved by the Finance Board on March 16, 2010, permits investments in U.S. Government obligations, obligations of the Commonwealth of Virginia or political subdivisions thereof, prime

quality commercial paper, bankers' acceptances, repurchase agreements, certificates of deposit (non-negotiable only), mutual funds, and the State Treasurer's LGIP.

The Policy is written encompassing the General Operating Fund, Special Revenue and Trust funds, and the Proffer funds. The County retirement fund and bond funds are covered under the County's Fiscal Policy.

The primary objective of the Policy is the safety of principal by minimizing credit risk and interest rate risk. The Policy establishes limitations on the holdings of investments of non-U.S. Treasury obligations. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each security is as follows:

Investment Type	Maximum Diversification	Limits Within Investment Type
LGIP	75% of Portfolio	
U.S. Treasury Obligations	100% of Portfolio	
U.S. Government Agencies	50% of Portfolio	
Repurchase Agreements	60% of Portfolio	Maximum of 60% of total portfolio with one institution.
Bankers' Acceptances (BA's)	40% of Portfolio	Thomson Reuters Bank Insight/Highline rating of 30 or better or one of the following: Fitch Individual Bank Rating of B or better, S& P Short Term Local Issuer A-1 or better, or Moody's Short Term P-1 or better
Commercial Paper (CP)	35% of Portfolio, maximum 5% any one issuer within total portfolio at time of purchase	Rating of A-1, P-1, or better.
Certificates of Deposit - Commercial Banks	90% of Portfolio	Thomson Reuters Bank Insight/Highline rating of 30 or better or one of the following: Fitch Individual Bank Rating of B or better, S& P Short Term Local Issuer A-1 or better, or Moody's Short Term P-1 or better. All banks must comply with the Virginia Public Deposit Act. Maximum 50% of the total portfolio in any one institution
Certificates of Deposit - Savings and Loans Associations	10% of Portfolio	No more than \$100,000 in any one institution.
Money Market funds (Open Ended Investments funds)	50% of Portfolio	

Although permitted by state code, the County limits its exposure to interest rate risk and credit risk by disallowing investment in derivatives, bank notes, corporate notes, mortgage backed securities, asset backed securities, non-prime commercial paper, or stocks of other political subdivisions. The County also excludes any foreign related investments in its portfolio.

The County limits exposure to interest rate risk by limiting the maturity of investments purchased. The General Fund portfolio can invest up to 15% of the portfolio out to a maximum of 24 months, with the remaining 85% of the portfolio invested out to a maximum of 13 months. Based on market conditions and expected cash flow, an additional 10% of the portfolio may be invested with a maximum of 5 years (60 months). The Proffer fund can invest up to 20% of the portfolio in assets maturing out to a maximum of 24 months, with the remaining 80% of the Proffer portfolio having maturities within 13 months. Based on market conditions and expected cash flow, an additional 10% of the portfolio may be invested with a maximum maturity of 5 years (60 months).

#### Credit Risk:

As required by state statute, the Policy requires that commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from Standard & Poor's and no less than "P-1" from Moody's. Investments made with any banks, including certificates of deposit or bankers' acceptances, should be rated 30 or higher on Thomson Reuters Bank Insight/Highline and be a qualified Virginia depository for certificates of deposit. If a Thomson Reuters Bank Insight/Highline rating of 30 is not met, Banks are required to have one of the following: Fitch Individual Bank rating of B or better, S& P Short Term Local Issuer rating of A-1 or better, or Moody's Short Term rating of P-1 or better.

Although state statute does not impose credit standards on repurchase agreement counterparties, bankers' acceptances or money market mutual funds, the County has established stringent credit standards for these investments to minimize portfolio risk.

As of June 30, 2014, the Portfolio was invested as follows:

- 6.40% of the portfolio was invested in "Aaa" or better rated obligations
- 14.08% was invested in "A-1", "P-1", or better short term commercial paper/bankers' acceptances
- 55.28% was invested in "AAAm" rated state run pooled money market fund
- 24.24% was invested in fully collateralized bank certificates of deposit and 100% FDIC insured bank accounts.

Credit ratings presented in this paragraph are from Standard & Poor's, Moody's Investor Service, or Fitch Ratings.

#### Concentration of Credit Risk

As of June 30, 2014, the portion of the County's portfolio, excluding the Virginia LGIP and U.S. Government guaranteed obligations, that exceed 5% of the total portfolio are as follows:

Issuer	% of Portfolio
Capital One Bank (fully collateralized money market funds and business checking account paper).	5.32%

### Interest Rate Risk

The County invests using a passive style of management whereby securities are bought with the intention of holding them until maturity and with the assumption that all securities will not be called.

The County may purchase securities whereby the interest rate increases on a periodic basis as detailed in the securities prospectus. The incremental steps are fixed amounts that have increased over time with no direct correlation to a market index. All these securities are callable, yet assumed to be held thru maturity.

The County may also purchase callable securities, with limited or extended lock-in provisions ensuring yield for specific time frames as specified in the securities prospectus. Early call provisions may expose the County to current market conditions, which may be less favorable especially in a downward interest rate environment. Yields on callable bonds are typically higher as buyers assume more market rate risk if a call provision is exercised.

As of June 30, 2014, the following securities were held that had call features:

Fund	Maturity Date	Issue	Fair Value	Par/Cost	Yield	Step Features
General Fund	1/11/2018	FHLB	3,964,560	4,000,000	1.000	5yr, non call 6 months, qtrly thereafter
	6/19/2018	FHLB	4,952,230	5,000,000	0.875	5 yr step increase, non call 3 months, qtrly thereafter
	6/27/2018	FHLB	4,996,765	5,000,000	1.467	5 yr step increase, non call 3 months, qtrly thereafter
	5/21/2019	FHLB	4,999,385	5,000,000	2.103	5 yr step increase, non call 6 months, qtrly thereafter
	5/28/2019	FHLB	2,994,110	3,000,000	1.041	5 yr step increase, non call 6 months, qtrly thereafter
	8/30/2016	FNMA	4,000,000	4,000,000	0.550	2.25 yr non-call 6 months, qtrly thereafter
	8/16/2017	FNMA	5,003,935	5,000,000	1.044	5 yr step increase non call 1 year, qtrly thereafter
	12/26/2017	FNMA	4,000,872	4,000,000	1.044	5 yr step increase non call 1 year, annually thereafter
	2/28/2018	FNMA	4,996,295	5,000,000	1.194	5 yr step increase, non call 1 year, qtrly calls for 2.5 yrs, non call thereafter
Proffer Fund	6/19/2018	FHLB	4,952,230	5,000,000	1.156	5 yr step increase, non call 3 months, qtrly thereafter
	5/28/2019	FHLB	4,990,183	5,000,000	1.041	5 yr step increase, non call 6 months,, qtrly thereafter

On June 30, 2014, the County had the following investments and maturities (refer to Cash and Cash Equivalents in Exhibit I, Exhibit X, and Schedule 50):

Investment Type	Carrying Value	Maturity				
		Less Than 3 Months	Between 3-6 Months	Between 6-13 Months	Between 13-24 Months	Between 24-60 Months
Bank Deposits	\$ (15,313)	\$ (15,313)	\$ -	\$ -	\$ -	\$ -
Money Market Funds (LGIP)	511,461,459	511,461,459	-	-	-	-
Certificates of Deposit - Commercial Banks	109,829,468	23,061,377	32,657,609	43,951,799	6,550,000	3,608,683
U.S. Government Agencies	49,984,000	-	-	-	-	49,984,000
Commercial Paper (CP's)	109,846,462	14,986,611	34,962,860	59,896,991	-	-
<b>Total Deposits and Investments</b>	<b>\$ 781,106,076</b>	<b>\$ 549,494,134</b>	<b>\$ 67,620,469</b>	<b>\$ 103,848,790</b>	<b>\$ 6,550,000</b>	<b>\$ 53,592,683</b>

The School Activity Funds' cash of \$6,434,934 and Employee Benefits Distribution Fund cash of \$60,000 is not under the control of the County Treasurer's Office; is not pooled with the Reporting Entity cash and investments, and therefore, it is not included in the above presentation. These deposits were covered by Federal Depository Insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

### Custodial Credit Risk

The Code of Virginia and Policy requires all deposit and investment securities be held by a third party in the County's name, who may not otherwise be a counterparty to the investment transaction.

As of June 30, 2014, all of the County's securities, other than bank certificates of deposit, were held in a highly rated bank's safekeeping department in the County's name.

The County invests in an externally managed investment pool, the State Treasurer's LGIP, which is not SEC-registered. The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. It is managed as a "2a-7 like pool". The portfolio securities are valued by the amortized cost method with maturities of thirteen months or less. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

All County deposits are held in Qualified Virginia Depositories, as required by the Virginia Public Deposit Act and our investment policy. The County also requires stricter guidelines on depositories, requiring a Thomson Reuters Bank Insight/Highline National rating of 30 or higher or one of the following: Fitch Individual Bank Rating of B or better, Standard & Poor's Short Term Local Issuer A-1 or better, or Moody's Short Term P-1 or better. These ratings are issued and reviewed regularly.

The Primary Government and component unit's OPEB trust fund participants in the Virginia Pooled OPEB Trust. Funds of participating jurisdictions are pooled and invested in the name of the Virginia Pooled OPEB Trust. The Board of Trustees of the Virginia Pooled OPEB Trust establishes investment objectives, risk tolerance, and asset allocation policies in light of market and economic conditions and generally prevailing prudent investment practices. At June 30, 2014, the Primary Government's share in this pool was \$39,426,003 as reported on the face of the OPEB trust fund statement as found in Schedule 31 of the CAFR. At June, 2014, the Component Unit-School's share in this pool was \$91,481,634 as reported on the face of the Component Unit trust fund schedule 48.

The Primary Government is the administrator of a noncontributory, single employer, defined benefit Length of Service Retirement Plan. The Plan was established and is maintained to provide retirement benefits to vested participants in the Plan at the time of their retirement from Fire and Rescue Volunteer Services. Investments are selected, monitored and evaluated by the LOSAP Committee of Loudoun County and investment services are provided by RBC Wealth Management. The County has a written policy establishing investment guidelines, and exercises prudent investing principals with a goal of achieving a long-term rate of return of 5.5%. Plan contributions are currently held in a trust account with Comerica. Investments are held in debt securities, 69.2% of portfolio and income yield of 5.63%; equity securities, 19.0% of portfolio and income yield of 3.66%; short term investments of 11.8% of portfolio and income yield of 0.04%. On June 30, 2014, the market value of investments totaled \$19,129,801.

#### Restricted cash and investments

Restricted cash and investments consist of the following amounts:

	<b>Governmental Activities</b>	<b>Component Unit - Schools</b>
<b>General Fund:</b>		
General Obligation Bond Proceeds	\$ 2,830,093	\$ -
Unspent Lease Proceeds	-	1,760,162
<b>Total General Fund</b>	<b>2,830,093</b>	<b>1,760,162</b>
<b>Capital Projects Funds:</b>		
General Obligation Bond Proceeds	55,363,877	63,220,787
<b>Debt Service Fund:</b>		
Bond Covenants	10,004,029	-
Bond Proceeds held by SNAP for Debt Service and Capital Projects	12,575,153	-
<b>Total Debt Service</b>	<b>22,579,182</b>	<b>-</b>
<b>Other Governmental Funds:</b>		
Transportation District Funds	20,352,814	-
Capital Asset Preservation Funds	52,435	-
<b>Total Other Governmental Funds</b>	<b>20,405,249</b>	<b>-</b>
<b>Internal Service Funds:</b>		
Self Insurance Fund	1,180,000	-
<b>Total Restricted Cash and Investments</b>	<b>\$ 102,358,401</b>	<b>\$ 64,980,949</b>

#### NOTE IV – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables at June 30, 2014 are as follows:

	<b>Taxes</b>	<b>Accounts</b>	<b>Due from Other Governments</b>	<b>Total Receivables</b>
<b><u>Governmental Activities:</u></b>				
General Fund	\$ 457,306,756	\$ 1,472,629	\$ 39,771,984	\$ 498,551,369
Capital Projects Fund	-	22,162	1,572,700	1,594,862
Other Governmental Funds	4,604,389	131,389	2,999,467	7,735,245
Internal Service Funds	-	298,359	-	298,359
Gross Receivables	461,911,145	1,924,539	44,344,151	508,179,835
Less: allowance for uncollectibles	(2,947,439)	-	-	(2,947,439)
<b>Total Governmental Activities</b>	<b>\$ 458,963,706</b>	<b>\$ 1,924,539</b>	<b>\$ 44,344,151</b>	<b>\$ 505,232,396</b>
<b><u>Component Unit - Schools:</u></b>				
General Fund	\$ -	\$ 2,645,661	\$ 12,763,676	\$ 15,409,337
Special Revenue Fund	-	827,864	6,501,063	7,328,927
Capital Improvements Fund	-	100,000	-	100,000
Internal Service Funds	-	375,827	-	375,827
<b>Total Component Unit - Schools</b>	<b>\$ -</b>	<b>\$ 3,949,352</b>	<b>\$ 19,264,739</b>	<b>\$ 23,214,091</b>

Payables at June 30, 2014 are as follows:



	Vendors	Accrued Interest	Salaries and Benefits	Total Payables
<b>Governmental Activities:</b>				
General Fund	\$ 7,298,806	\$ -	\$ 6,961,912	\$ 14,260,718
Capital Projects Fund	27,460,350	-	973,095	28,433,445
Debt Service Fund	4,850	9,392,960	-	9,397,810
Other Governmental Funds	2,124,721	-	3,604,996	5,729,717
Internal Service Funds	1,960,110	-	622,608	2,582,718
<b>Total Governmental Activities</b>	<b>\$ 38,848,837</b>	<b>\$ 9,392,960</b>	<b>\$ 12,162,611</b>	<b>\$ 60,404,408</b>
<b>Component Unit - Schools:</b>				
General Fund	\$ 7,596,910	\$ -	\$ 54,324,929	\$ 61,921,839
Capital Improvements Fund	30,356,067	-	248,732	30,604,799
Special Revenue Fund	409,470	-	2,496,839	2,906,309
Debt Service Funds	-	238,923	-	238,923
Capital Asset Replacement Fund	242,149	-	10,541	252,690
Internal Service Funds	878,056	-	2,150,352	3,028,408
<b>Total Component Unit - Schools</b>	<b>\$ 39,482,652</b>	<b>\$ 238,923</b>	<b>\$ 59,231,393</b>	<b>\$ 98,952,968</b>

#### **NOTE V – INTERFUND BALANCES**

Payments and receipts for all expenditure payments and revenue collections are transacted through the General Fund on behalf of all funds of the County. As a result, the interfund payables primarily represents the portions of expenditure payments to be paid by certain other funds to the General Fund and interfund receivables primarily represents the portion of revenue collections to be received by certain other funds from the General Fund. The composition of interfund balances as of June 30, 2014 is as follows:

	Interfund Receivables	Interfund Payables
<b>Governmental Activities</b>		
General Fund		\$ 470,734,532
Capital Projects Fund	199,989,561	
Debt Service Fund	40,058,813	
Other Governmental Funds	180,472,760	2,522,823
Proprietary Funds	52,736,221	
<b>Total</b>	<b>\$ 473,257,355</b>	<b>\$ 473,257,355</b>

#### **NOTE VI – INTERFUND TRANSFERS**

The primary purpose of interfund transfers is to provide funding for operations, debt service, and capital projects. Transfers move revenue from the fund that statute or budget requires to collect it to the fund that statute or budget requires to expend it and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization. Interfund transfers for the year ended June 30, 2014 consist of the following:

Transfers	Transfers In					Total
	General Fund	Capital Projects Fund	Debt Service Fund	Non-major Funds	Internal Service Funds	
General Fund	\$ -	\$ 25,798,337	\$ 137,601,395	\$ 52,106,465	\$ 3,989,615	\$ 219,495,812
Capital Projects Fund	4,613,867	-	644,993	-	-	5,258,860
Debt Service Fund	435,854	-	-	-	-	435,854
Non-major Funds	3,139,413	109,709,222	-	10,441,038	-	123,289,673
<b>Total Primary Government</b>	<b>\$ 8,189,134</b>	<b>\$ 135,507,559</b>	<b>\$ 138,246,388</b>	<b>\$ 62,547,503</b>	<b>\$ 3,989,615</b>	<b>\$ 348,480,199</b>

Transfers	Transfers In					Total
	General Fund	Capital Projects Fund	Debt Service Fund	Non-major Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 3,662,419	\$ 3,662,419
<b>Total Component Unit - Schools</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,662,419</b>	<b>\$ 3,662,419</b>

During the year ending June 30, 2014, the County made the following one-time transfers:

- 1) The General Fund returned \$1,395,755 to the Transportation District Fund and transferred \$6,750,000 to fund transportation

- related projects.
- 2) One time transfers to the Capital Projects fund to finance capital construction include \$12,840,221 from the General Fund, \$4,316,093 from the Public Facilities Fund and \$19,120,129 from the Transportation District Fund.
  - 3) House Bill 2313 enacted during the 2013 Virginia General Assembly session established revenue sources dedicated to transportation and transit for Northern Virginia and designated the Northern Virginia Transportation Authority as the organization responsible for managing the revenue sources. Guidelines require certain transportation related revenues to flow through a dedicated fund. The County has elected to use the Transportation District Fund for these revenues. Accordingly, the following transfers were made: \$34,238,000 from the General Fund to the Transportation District Fund; \$9,946,000 from the Public Facilities Fund to the Transportation District Fund and \$44,184,000 from the Transportation District Fund to the Capital Projects Fund.

#### **NOTE VII - NONCURRENT NOTES AND LOANS RECEIVABLE - PRIMARY GOVERNMENT**

Noncurrent notes and loans receivable consisted of the following at June 30, 2014.

Notes and Loans Receivable	\$ 6,767,261
Allowance for Uncollectibles	(1,259,048)
<b>Net Notes and Loans Receivable</b>	<b><u>\$ 5,508,213</u></b>

Of the gross amount of notes and loans receivable, \$2,739,540 represents loans made to volunteer fire and rescue companies in the County for the purchase of equipment or the renovation and expansion of the companies' facilities. \$612,161 represents loans to towns and Loudoun Water, formerly known as the Loudoun County Sanitation Authority (LCSA), for the expansion of sewage services. Sewage connection fees are used to repay these loans. The remaining \$3,415,560 represents loans to individuals/families under the Affordable Housing Project and Public Employee Home Ownership Grant.

#### **NOTE VIII – CAPITAL ASSETS**

Capital assets activity for the Primary Government for the year ended June 30, 2014 is as follows:

	Primary Government				
	Balance July 1, 2013	Additions/ Increases	Retirements/ Decreases	Transfers	Balance June 30, 2014
<b><u>Capital Assets Not Being Depreciated:</u></b>					
Land	\$ 166,185,992	\$ -	\$ (17,944,485)	\$ (12,903,000)	\$ 135,338,507
Infrastructure - Ponds	57,647,811	4,760,080	-	-	62,407,891
Construction in Progress	54,970,169	38,486,100	-	(8,746,165)	84,710,104
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 278,803,972</b>	<b>\$ 43,246,180</b>	<b>\$ (17,944,485)</b>	<b>\$ (21,649,165)</b>	<b>\$ 282,456,502</b>
<b><u>Depreciable Capital Assets:</u></b>					
Buildings	\$ 386,389,049	\$ -	\$ -	\$ 8,746,165	\$ 395,135,214
Improvements Other Than Buildings	38,298,863	-	-	-	38,298,863
Equipment	164,924,818	10,638,200	(4,240,296)	-	171,322,722
Infrastructure	442,201,765	17,180,996	-	-	459,382,761
<b>Total Depreciable Capital Assets</b>	<b>\$ 1,031,814,495</b>	<b>\$ 27,819,196</b>	<b>\$ (4,240,296)</b>	<b>\$ 8,746,165</b>	<b>\$ 1,064,139,560</b>
<b><u>Less Accumulated Depreciation for:</u></b>					
Buildings	\$ (67,650,764)	\$ (9,221,276)	\$ -	\$ -	\$ (76,872,040)
Improvements Other Than Buildings	(15,497,491)	(1,569,295)	-	-	(17,066,786)
Equipment	(103,531,372)	(11,964,798)	3,731,409	-	(111,764,761)
Infrastructure	(87,942,192)	(7,701,834)	-	-	(95,644,026)
<b>Total Accumulated Depreciation</b>	<b>\$ (274,621,819)</b>	<b>\$ (30,457,203)</b>	<b>\$ 3,731,409</b>	<b>\$ -</b>	<b>\$ (301,347,613)</b>
<b>Depreciable Capital Assets, Net</b>	<b>\$ 757,192,676</b>	<b>\$ (2,638,007)</b>	<b>\$ (508,887)</b>	<b>\$ 8,746,165</b>	<b>\$ 762,791,947</b>
<b>Total Capital Assets</b>	<b>\$ 1,035,996,648</b>	<b>\$ 40,608,173</b>	<b>\$ (18,453,372)</b>	<b>\$ (12,903,000)</b>	<b>\$ 1,045,248,449</b>

The Primary Government incurred an impairment loss of \$7,123,494 on the transfer of land to the component unit.

Primary government capital assets, net of accumulated depreciation, at June 30, 2014 are comprised of the following:

General Capital Assets, Net	\$ 1,016,687,526
Internal Service Fund Capital Assets, Net	28,560,923
<b>Total Capital Assets, Net</b>	<b><u>\$ 1,045,248,449</u></b>

Depreciation was charged to governmental functions as follows:

General government administration	\$ 4,779,727
Judicial administration	796,610
Public safety	8,819,049
Public works	9,149,815
Health and welfare	1,466,361
Parks, recreation and culture	4,122,058
Community development	1,323,583
<b>Total Depreciation</b>	<b>\$ 30,457,203</b>

Capital asset activity for the Schools for the year ended June 30, 2014 is as follows:

	Component Unit - Schools				
	Balance July 1, 2013	Additions/ Increases	Retirements/ Decreases	Transfers	Balance June 30, 2014
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 135,133,489	\$ 12,903,000		\$ -	\$ 148,036,489
Construction in Progress	77,656,428	147,506,623	\$ (46,926,625)	-	178,236,426
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 212,789,917</b>	<b>\$ 160,409,623</b>	<b>\$ (46,926,625)</b>	<b>\$ -</b>	<b>\$ 326,272,915</b>
<b>Depreciable Capital Assets:</b>					
Buildings	\$ 1,422,331,612	\$ 47,142,997	\$ -	\$ -	\$ 1,469,474,609
Improvements Other Than Buildings	1,199,947	-	-	-	1,199,947
Equipment	127,596,298	7,005,954	(2,659,695)	-	131,942,557
Infrastructure	1,121	-	-	-	1,121
<b>Total Depreciable Capital Assets</b>	<b>\$ 1,551,128,978</b>	<b>\$ 54,148,951</b>	<b>\$ (2,659,695)</b>	<b>\$ -</b>	<b>\$ 1,602,618,234</b>
<b>Less Accumulated Depreciation for:</b>					
Buildings	\$ (295,684,405)	\$ (32,243,525)	\$ (101)	\$ -	\$ (327,928,031)
Improvements Other Than Buildings	(921,605)	(45,242)	54	-	(966,793)
Equipment	(101,336,667)	(8,821,476)	2,616,772	-	(107,541,371)
Infrastructure	(196)	(56)	(56)	-	(308)
<b>Total Accumulated Depreciation</b>	<b>\$ (397,942,873)</b>	<b>\$ (41,110,299)</b>	<b>\$ 2,616,669</b>	<b>\$ -</b>	<b>\$ (436,436,503)</b>
<b>Depreciable Capital Assets, Net</b>	<b>\$ 1,153,186,105</b>	<b>\$ 13,038,652</b>	<b>\$ (43,026)</b>	<b>\$ -</b>	<b>\$ 1,166,181,731</b>
<b>Total Capital Assets, restated</b>	<b>\$ 1,365,976,022</b>	<b>\$ 173,448,275</b>	<b>\$ (46,969,651)</b>	<b>\$ -</b>	<b>\$ 1,492,454,646</b>

Construction in progress and construction commitments are composed of the following:

	Program Authorization	Transferred to Fixed Assets by June 30, 2014	Construction In Progress At June 30, 2014	Construction Commitments At June 30, 2014	Remaining to Be Committed At June 30, 2014
General Government Administration	\$ 216,914,944	\$ 106,775,084	\$ 28,890,985	\$ 7,792,346	\$ 73,456,528
Judicial Administration	30,939,792	30,939,792	-	-	-
Public Safety	238,018,971	104,563,730	32,043,365	13,377,105	88,034,770
Public Works	713,956,680	127,717,934	14,591,157	7,573,640	564,073,951
Health and Welfare	4,957,233	4,467,330	-	-	489,903
Parks, Recreation and Culture	128,785,195	36,310,513	9,184,597	20,452,021	62,838,063
<b>Total Primary Government</b>	<b>\$ 1,333,572,815</b>	<b>\$ 410,774,383</b>	<b>\$ 84,710,104</b>	<b>\$ 49,195,112</b>	<b>\$ 788,893,215</b>

At June 30, 2014, the Schools had contractual commitments of \$87,403,573 in the Capital Improvements Fund for construction of various projects.

#### **NOTE IX - ENCUMBRANCES**

The County uses encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Encumbrances represent the estimated amount of expenditures that will ultimately result if unperformed contracts and open purchase orders are completed. Encumbrances for the capital projects funds do not lapse until the completion of the projects and are reported as committed fund balance unless restricted by debt covenants, which are reported as restricted fund balance. Funding for all other encumbrances lapses at year end and requires reappropriation by the Board. These encumbrances are reported as either committed fund balance, if contractual obligations exist, or assigned fund balance. Funds with significant encumbrance balances are as follows:

General Fund	\$ 9,005,783
Capital Projects Fund	49,195,112
Internal Service Funds	1,783,044
Other Governmental Funds	2,641,358
<b>Total</b>	<b>\$62,625,297</b>

#### **NOTE X - RISK MANAGEMENT**

The County General Government's property and liability including automobile and public officials' liability are administered through the Virginia Association of Counties (VACo). These coverages have variable per occurrence limits in place by coverage type ranging from \$1 million to \$50 million. The general liability and automobile coverage each have a \$250,000 deductible, \$2 million per occurrence limit along with a \$10 million aggregate limit. The County is also insured for constitutional officers and law-enforcement liability risk through the State Division of Risk Management. These programs have a \$1 million per occurrence limit through the state plan as well as an excess policy for an additional \$3 million through VACo. These policies insure the County Sheriff's Department, other County enforcement agencies, and all elected constitutional officers and their employees against certain types of claims. Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the County's previous commercial insurance programs.

The Loudoun County School Board's property and liability insurance program is provided through membership in the Virginia Association of Counties Group Self-Insurance Risk Pool. Member jurisdictions contribute to the pool based on their risk exposures and past claims experience. The property coverage program consists of blanket replacement cost business real and personal property insurance, boiler and machinery insurance, comprehensive crime and employee dishonesty insurance, and automobile physical damage insurance. The business real and personal property insurance carries a \$5,000 deductible per occurrence with the balance of the property coverages carrying a \$2,500 deductible per occurrence. The liability insurance program consists of first dollar insurance for general liability, school board legal professional liability, automobile liability, and excess liability for a total limit of \$11 million per occurrence (no annual aggregate, deductible or retention applies). Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the Schools' previous commercial insurance programs.

In 1989, the County received a Certificate as a Qualified Self-Insurer from the Virginia Workers Compensation Commission. At that time, the County began to self-insure general government workers' compensation. The County has excess coverage limiting claims against the self-insurance fund to \$900,000. A reserve for pending claims and incurred but not reported claims has been accrued as a liability within the self-insurance fund as an estimate based on information received from the County's outside actuary, AON Hewitt Consulting.

In 1990, the School Board received a Certificate as a Qualified Self-Insurer from the Virginia Workers' Compensation Commission. At that time, the Schools began to self-insure statutory workers' compensation and employer's liability coverages. At the same time, the Schools purchased excess workers' compensation and employer's liability insurance from a commercial carrier. The excess insurance is currently provided through Virginia School Boards Association. It provides statutory coverage and limits individual claims against the self-insurance program with a specific retention level of \$500,000 per occurrence. A reserve for pending claims and incurred but not reported claims has been accrued as a liability within the self-insurance funds as an estimate based on information received from AON Hewitt Consulting. Workers' Compensation claims that arose from incidents occurring prior to the self-insured program are covered under the Schools' previous commercial insurance carrier.

The County General Government and Component Unit - Schools contract with a third-party administrator to adjust workers' compensation claims, provide underwriting services, and recommend reserve levels, including claims reported but not settled. Claims not closed as of January 1, 1990, remain with the Virginia Municipal Group Self-Insurance Association. The following table shows the amounts that have been accrued for workers' compensation as a liability within the self-insurance fund. The General Government's administrator is Healthsmart Casualty Claims Solutions, and the Component Unit - Schools' administrator is PMA Companies.

	WORKERS' COMPENSATION		
	Primary Government	Component Unit - Schools	Total
<b>Fiscal Year 2014</b>			
Unpaid Claims Beginning of Fiscal Year	\$ 6,391,035	\$ 4,197,538	\$ 10,588,573
Incurred Claims (Including IBNR)	2,191,573	3,094,422	5,285,995
Claim Payments	(1,900,978)	(2,778,390)	(4,679,368)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 6,681,630</b>	<b>\$ 4,513,570</b>	<b>\$ 11,195,200</b>
<b>Fiscal Year 2013</b>			
Unpaid Claims Beginning of Fiscal Year	\$ 5,786,437	\$ 3,150,510	\$ 8,936,947
Incurred Claims (Including IBNR)	2,441,908	3,588,819	6,030,727
Claim Payments	(1,837,310)	(2,541,792)	(4,379,102)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 6,391,035</b>	<b>\$ 4,197,537</b>	<b>\$ 10,588,572</b>

On October 1, 1994, the County General Government and Component Unit - Schools began to self-insure health care for all eligible employees and retirees by contracting with providers for administrative services only. Services under these contracts include claims adjudication, disease management and lifestyle programs, and wellness initiatives. The Board of Supervisors and School Board have the authority to modify the provisions of the County and School's active and post-employment benefits program. Eligibility requirements were modified in September 2009 for both active employees and retirees.

Eligible employees for the County General Government include regular staff working twenty (20) or more hours per week, and long-term temporary employees working thirty-seven and one half (37.5) or more hours per week. In accordance with the Affordable Care Act (ACA) beginning in 2015 any employee who works an average of thirty (30) or more hours within a designated "measurement period" will be eligible to enroll in a county-sponsored health plan. Effective July 1, 2014 group coverage for Medicare eligible retirees transitioned to Cigna Medicare Surround and Cigna RX which coordinates with Medicare. Eligible retirees include retirees who have ten (10) years of County employment and who immediately begin drawing a retirement annuity from the Virginia Retirement System. Effective January 1, 2013, employees were designated into OPEB groups based on years of service and/or age. Employees less than 35 years of age as of January 1, 2013 must have fifteen (15) years of County employment at retirement to be eligible for retiree health. Other cost savings measures including caps on employer cost sharing, eligibility for new hires, implementation of a Retirement Health Savings Plan and a 10% aggregate cost shift to retirees were put into place to mitigate OPEB costs going forward as well as to reduce the County's Annual Required Contribution (ARC). Employer contribution rates for County employees vary depending on budgeted hours. Employer contribution rates for retirees vary based on the type of retirement, years of service, plan type, and coverage level.

CIGNA Healthcare is contracted as the third-party administrator for the medical plans. The County and Schools offer two (2) medical plan options, a Point of Service (POS) Plan and an Open Access Plus (OAP) Plan. Additionally, the County offers a Consumer Driven Health Plan (CDHP) with Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA). In-network services for the POS are covered at 100% with a \$15 office visit co-pay for Primary Care Physicians, and a \$30 office visit co-pay for Specialists. Participants may choose to receive services out-of-network, subject to a \$500 deductible and 20% co-insurance. Services for the OAP are covered at 90% in-network co-insurance, subject to a \$200 deductible and, 70% out-of-network, subject to a \$500 deductible. The CDHP option also provides both in and out-of-network benefits. The CDHP includes a \$1,500 deductible, 10% in-network coinsurance, and 30% out-of-network co-insurance along with an Employer HSA/HRA contribution. Express Scripts is the third-party administrator for prescription drug benefits. Prescription drug coverage is included with all medical plans utilizing a three tier co-pay structure and mail-order option. Delta Dental of VA is the third-party administrator for dental benefits providing coverage for preventative, restorative, major services and orthodontia benefit utilizing a co-insurance structure. Restorative and major services are subject to a \$50 deductible. Davis Vision is the third-party administrator for routine vision care benefits utilizing a co-pay structure for exams and materials.

The County and Schools purchase specific stop-loss insurance from Connecticut General Life Insurance Company (CIGNA) limiting claims against the self-insurance program to \$350,000 per occurrence for individual claims for the County and \$380,000 for Schools. The following table shows the amounts that have been accrued as a liability within the self-insurance fund based upon an estimate from the County's outside actuary, AON Hewitt Consulting.

	HEALTH INSURANCE		
	Primary Government	Component Unit - Schools	Total
<b>Fiscal Year 2014</b>			
Unpaid Claims Beginning of Fiscal Year	\$ 2,576,544	\$ 9,056,542	\$ 11,633,086
Incurred Claims (Including IBNR)	40,213,090	124,237,286	164,450,376
Claim Payments	(39,763,304)	(123,558,664)	(163,321,968)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 3,026,330</b>	<b>\$ 9,735,164</b>	<b>\$ 12,761,494</b>
<b>Fiscal Year 2013</b>			
Unpaid Claims Beginning of Fiscal Year	\$ 2,193,099	\$ 6,922,980	\$ 9,116,079
Incurred Claims (Including IBNR)	36,166,987	120,468,903	156,635,890
Claim Payments	(35,783,542)	(118,335,341)	(154,118,883)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 2,576,544</b>	<b>\$ 9,056,542</b>	<b>\$ 11,633,086</b>

The Board of Supervisors has the authority to modify the provisions of the County's active and post-employment benefits program. As of June 30, 2014, 463 retirees or individuals who qualify for disability retirement, met the eligibility requirements and are enrolled in the program. During fiscal year 2014, expenditures of \$3,737,963 were recorded for retirement health care benefits. These amounts are not accrued over the employees' time of service, but are expensed as incurred.

#### **NOTE XI – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS**

##### **1. Plan Description**

The Loudoun County OPEB Trust Fund is a single-employer defined benefit healthcare plan (the Plan) administered by the County. The Plan provides healthcare insurance for eligible retirees and their family through the County's group health insurance plan, which covers both active and retired members. Retired employees of the County who participate in the retiree medical plans pay a percentage, based on the type of retirement, years of service and type of coverage, of 90 percent of the full active premium rate to continue coverage. In order to participate, the retirees must be a full-time employee who retires directly from the County, and is eligible to receive an early retirement benefit from the VRS. In addition, they must immediately begin receiving a retirement annuity from VRS.

##### **2. Funding Policy**

The contribution requirements of plan members of the County are established and may be amended by the Board of Supervisors. The contributions are based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits.

The County participates in the Virginia Pooled OPEB Trust Fund, which was established as an investment vehicle for participating employers to accumulate assets to fund OPEB. Plan assets for purposes of GAAP are usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, in which (a) contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer or plan administrator, for the payment of benefits in accordance with the terms of the plan. The Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League and the Virginia Association of Counties Finance Program, 1108 East Main Street, Richmond, Virginia 23219.

##### **3. Annual OPEB Cost and Net OPEB Obligation**

The County is required to contribute the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current employer contribution rates for the County and the Schools are 138.49% and 97.13%, respectively.

The annual OPEB cost and net OPEB obligation for the Primary Government is based on an estimated discount rate of 6.5% including an inflationary component of 2.5%. The annual OPEB cost and net OPEB obligation for the Component Unit – Schools is based on a blended rate of 5.5% between the unfunded rate of 4.0% and the funded rate of 7.0%. Both the Primary Government and Component Unit are amortizing the initial unfunded actuarial liability on an open basis over 30 years based on a level percent of payroll method. The remaining amortization period is 30 years. The annual OPEB cost and net OPEB obligation for 2014 for the Primary Government and Component Unit is as follows:

	Primary Government	Component Unit - Schools
Discount Rate	6.50%	7.25%
Annual Required Contribution (ARC)	\$ 6,865,000	\$ 22,183,000
Interest on Net OPEB Obligation	1,797,935	7,262,000
Adjustment to Annual Required Contribution	(1,728,891)	(5,492,000)
<b>Annual OPEB Cost (expense)</b>	<b>\$ 6,934,044</b>	<b>\$ 23,953,000</b>
Actual Contributions	(9,603,263)	(23,266,040)
(Decrease) Increase in net OPEB Obligation	(2,669,219)	686,960
Net OPEB Obligation, Beginning of Year	27,660,531	121,535,936
Changes in Assumptions		(21,366,936)
Retirement Health Savings	(2,157,675)	
<b>Net OPEB Obligation, End of Year</b>	<b>\$ 22,833,637</b>	<b>\$ 100,855,960</b>
Actual Contribution Rate	138.49%	97.13%

The Primary Government and the Component Unit – School's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB Obligation for fiscal year 2014 and the preceding two fiscal years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Contributed	Net OPEB Obligation
<b>Primary Government</b>			
6/30/2014	\$ 6,934,044	138.49%	\$ 22,833,637
6/30/2013	\$ 11,473,875	99.41%	\$ 27,660,531
6/30/2012	\$ 11,469,215	83.72%	\$ 27,593,184
<b>Component Unit - Schools</b>			
6/30/2014	\$ 23,953,000	97.13%	\$ 100,855,960
6/30/2013	\$ 35,522,858	49.74%	\$ 121,535,936
6/30/2012	\$ 36,075,263	64.36%	\$ 103,682,000

The projection of future benefit payment for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, also presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

For the year ended June 30, 2014, the Primary Government and the Component Unit – Schools' OPEB funding progress are as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
<b>Primary Government</b>						
7/1/2013	\$ 28,757,000	\$ 65,842,000	\$ 37,085,000	43.68%	\$ 165,086,213	22.46%
7/1/2011 **	15,055,000	111,771,000	96,716,000	13.47%	163,737,000	59.07%
7/1/2009 **	3,061,877	125,234,991	122,173,114	2.44%	169,779,501	71.96%
7/1/2007 **	-	138,900,336	138,900,336	0.00%	149,394,123	92.98%
<b>Component Unit - Schools</b>						
7/1/2013	\$ 52,500,000	\$ 351,778,821	\$ 299,278,821	14.92%	\$ 365,332,000	81.92%
7/1/2011 **	35,159,000	313,999,000	278,840,000	11.20%	365,332,000	76.33%
7/1/2009 **	7,183,273	341,943,541	334,760,268	2.10%	433,438,915	77.23%
7/1/2007 **	-	348,055,997	348,055,997	0.00%	363,466,341	95.76%

\*\* Required Supplementary Information – Unaudited

The County implemented GASB 45 in FY 2008; therefore, six years of data is not available but will be accumulated over time. The most recent actuarial valuation was completed on July 1, 2013 and for the financial reporting purposes, the actuarial valuation will be performed at least biennially.

4. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The ARC for FY 2014 was determined as part of July 1, 2013 actuarial valuation using the Projected Unit Credit actuarial cost method. Under this method, benefits are projected for life and their present value is determined. The present value is divided into equal parts, which are earned over the period from date of hire to the full eligibility date.

Because the Schools is prefunding its benefits, the actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on program assets and on Schools' investments.

Trend rate for medical benefits (including prescription drugs) for Pre-Medicare rates of 7.0 percent initially, reduced by decrements to an ultimate rate of 5 percent after seven years (7%, 6.5%, 6%, 5.5%, 5%, 5%, 5%) and Post Medicare rates of 6.5 percent initially, reduced by decrements to an ultimate rate of 5 percent after eight years (6.5%, 6.25%, 6%, 5.75%, 5.5%, 5.25%, 5%) including an inflation component of 2.5 percent.

Schools' investment rate of return and the annual healthcare cost trend rate both included a 3.25 percent wage inflation assumption. The UAAL is amortized as a level percentage of pay over an open period of 30 years.

**NOTE XII - OPERATING LEASES**

The County has various long-term non-cancelable operating lease agreements for property and equipment, which expire through fiscal year 2019. Total costs for such leases were \$7,741,272 for fiscal year 2014. Property leases generally provide renewal options and increases based on the Consumer Price Index. The Component Unit-Schools has no operating lease agreements as of June 30, 2014. Non-cancelable operating leases include the following minimum annual rental payments as of June 30, 2014:

<b>Fiscal Year</b>	<b>Primary Government</b>
2015	\$3,766,599
2016	4,104,417
2017	4,082,104
2018	3,825,894
2019	2,834,089
<b>Total</b>	<b>\$18,613,103</b>

**NOTE XIII - CAPITAL LEASES**

Capital leases for property and equipment include the following minimum annual lease payments as of June 30, 2014.

<b>Fiscal Year</b>	<b>Primary Government</b>	<b>Component Unit-Schools</b>
2015	\$ 15,898,228	\$ 8,990,417
2016	14,754,910	6,931,270
2017	14,416,827	5,114,736
2018	13,018,811	2,562,426
2019	12,229,908	-
2020-2024	44,379,922	-
2025-2029	30,089,708	-
2030-2031	7,097,589	-
<b>Subtotal</b>	<b>\$ 151,885,903</b>	<b>\$ 23,598,849</b>
Less: Amounts representing interest	(37,490,903)	(527,497)
<b>Capital Lease Obligations</b>	<b>\$ 114,395,000</b>	<b>\$ 23,071,352</b>

Capital leases payable as of June 30, 2014, are composed of the following individual items:

Date Issued	Final Maturity	Interest Rate	Issued Amount	Balance at June 30, 2014	Type of Project Financed (the assets acquired secured the related capital lease)
<b>Primary Government</b>					
12/10/08	Oct 2028	4.69%	46,240,000	34,865,000	Public Safety Facilities
06/17/09	Oct 2019	2.97%	36,000,000	21,600,000	Capital Vehicles / Computer Equipment
11/19/09	Oct 2016	2.55%	7,745,000	3,315,000	Capital Vehicles / Computer Equipment
03/15/10	Feb 2030	3.43%	985,000	825,000	Public Safety Facilities
06/16/10	Oct 2030	3.84%	7,140,000	6,060,000	Landfill Facilities
06/28/11	May 2031	3.89%	36,240,000	32,795,000	Government Office Facilities
11/01/12	Dec 2023	1.68%	14,935,000	14,935,000	Public Safety Facility
<b>Total Primary Government</b>			<b>\$ 149,285,000</b>	<b>\$ 114,395,000</b>	
<b>Component Unit - Schools</b>					
09/29/10	Sep 2014	1.58%	8,144,000	2,036,000	School Equipment
07/20/11	Jul 2015	1.41%	7,000,000	3,549,002	School Equipment
08/27/12	Aug 2016	1.14%	9,926,000	7,486,350	School Equipment
07/24/13	Jul 2017	0.99%	10,000,000	10,000,000	School Equipment
<b>Total Component Unit - Schools</b>			<b>\$ 35,070,000</b>	<b>\$ 23,071,352</b>	

Assets acquired under capital leases by major asset class for the Primary Government at June 30, 2014, are as follows:

<b>Primary Government</b>		
<b>Major Asset Class</b>	<b>Issued Amount</b>	<b>Balance at June 30, 2014</b>
Buildings	\$ 105,540,000	\$ 89,480,000
Computer Equipment	32,216,400	18,348,673
Vehicles	11,528,600	6,566,327
<b>Total Primary Government</b>	<b>\$ 149,285,000</b>	<b>\$ 114,395,000</b>

#### **NOTE XIV – LONG TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations of the Primary Government and Schools for the year ended June 30, 2014:

	Balance at June 30, 2013	Additions	Reductions	Balance at June 30, 2014	Amounts Due Within One Year
<b>Primary Government</b>					
Compensated Absences	\$ 25,023,940	\$ 1,148,038	\$ 1,721,695	\$ 24,450,283	\$ 1,332,540
Claims Payable	8,967,579	42,404,663	41,664,282	9,707,960	5,968,868
Landfill Closure and Postclosure Care	23,058,585	-	2,203,410	20,855,175	-
Other Postemployment Benefits	27,660,531	-	4,826,894	22,833,637	-
General Obligation Bonds	919,900,000	115,160,000	86,970,000	948,090,000	88,395,000
Unamortized Bond Premium	61,205,668	9,813,352	8,762,066	62,256,955	8,722,269
Capital Leases	124,900,000	-	10,505,000	114,395,000	10,950,000
<b>Total Primary Government</b>	<b>\$ 1,190,716,303</b>	<b>\$ 168,526,053</b>	<b>\$ 156,653,347</b>	<b>\$ 1,202,589,010</b>	<b>\$ 115,368,677</b>
<b>Component Unit - Schools</b>					
Compensated Absences	\$ 20,929,772	\$ 3,130,097	\$ 2,276,603	\$ 21,783,266	\$ 3,063,456
Claims Payable	13,254,079	127,331,708	126,337,053	14,248,734	13,570,112
Other Post-Employment Benefits	121,535,936	23,953,000	44,632,976	100,855,960	-
Capital Leases	20,936,587	10,000,000	7,865,235	23,071,352	8,723,975
<b>Total Component Unit-Schools</b>	<b>\$ 176,656,374</b>	<b>\$ 164,414,805</b>	<b>\$ 181,111,867</b>	<b>\$ 159,959,312</b>	<b>\$ 25,357,543</b>

Long-term obligations of governmental activities are generally liquidated by the General Fund, except for claims liabilities, which are liquidated by the internal service fund. See Note XI for additional information on Other Post-Employment Benefits liability.



Bonds and loans payable as of June 30, 2014, are as follows:

<u>General Obligation Bonds:</u>	<u>Balance at June 30, 2014</u>
\$10,000,000 School Construction Bonds, Series 1997A, due in annual installments of \$500,000 through 2017, interest from 5.10% to 6.10%. The proceeds of these bonds were used for new school and technology construction.	\$2,000,000
\$10,105,000 Public Improvement Bonds, Series 1998B, due in annual installments of \$30,000 to \$1,910,000 through 2016, interest from 4.00% to 5.25%. The proceeds of these bonds were used for the refunding of outstanding bonds originally issued in 1989, 1993, and 1996.	3,165,000
\$20,235,000 School Construction Bonds, Series 1999A, due in annual installments of \$1,010,000 to \$1,015,000 through 2020, interest from 4.10% to 5.23%. The proceeds of these bonds were used for new school and technology construction.	6,060,000
\$3,020,000 School Construction Bonds, Series 2000A, due in annual installments of \$150,000 to \$155,000 through 2021, interest from 5.10% to 6.35%. The proceeds of these bonds were used to finance the design, construction, and equipping of a gymnasium and addition to an existing elementary school in the County.	1,050,000
\$12,060,000 School Construction Bonds, Series 2001A, due in annual installments of \$600,000 to \$605,000 through 2021, interest from 4.10% to 5.60%. The proceeds of these bonds were used to finance the design, construction, and equipping of an elementary school in the County.	4,800,000
\$66,525,000 School Construction Bonds, Series 2004B, due in annual installments of \$3,325,000 to \$3,330,000 through 2024, interest from 4.10% to 5.60%. The proceeds of these bonds were used to finance the design, construction, and equipping of public schools and a school administration building in the County.	36,575,000
\$158,085,000 Refunding Bonds, Series 2005A, due in annual installments of \$670,000 to \$21,610,000 through 2021, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1994, 1996, 1997, 1998, 1999, 2000, 2001, 2002, and 2003.	42,085,000
\$122,365,000 Public Improvement Bonds, Series 2005B, due in annual installments of \$4,935,000 to \$8,315,000 through 2025, interest from 2.627% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, and equipping of public schools, a fire/sheriff station, public libraries, and park and recreation facilities in the County.	4,940,000
\$60,000,000 Public Improvement Bonds, Series 2005C, due in annual installments of \$1,750,000 to \$3,700,000 through 2025, interest from 3.50% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, and equipping of public schools, fire/sheriff stations, a public library, and park and recreation facilities in the County.	5,550,000
\$15,225,000 School Construction Bonds, Series 2006A, due in annual installments of \$760,000 to \$765,000 through 2026, interest from 4.10% to 5.10%. The proceeds of these bonds were used to finance the design, construction, renovation, and equipping of public schools in the County.	9,880,000
\$85,000,000 Public Improvement Bonds, Series 2006B, due in annual installments of \$3,805,000 to \$5,075,000 through 2025, interest from 4.25% to 5.00%. The proceeds of these bonds were used to finance the acquisition, construction, renovation, and equipping of public schools, fire/sheriff stations, and park and recreation facilities in the County.	11,430,000
\$4,800,000 School Construction Bonds, Series 2007A, due in annual installments of \$240,000 through 2027, interest from 4.10% to 5.10%. The proceeds of these bonds will be used to finance the design, construction, and equipping of an elementary school in the County.	3,360,000
\$184,000,000 Public Improvement Bonds, Series 2007B, due in annual installments of \$8,675,000 to \$10,175,000 through 2026, interest from 4.50% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, and equipping of public schools, fire/sheriff stations, public facilities, and transportation projects in the County.	43,375,000
\$12,290,000 School Construction Bonds, Series 2008A, due in annual installments of \$615,000 through 2028, interest from 4.10% to 5.10%. The proceeds of these bonds will be used to finance the design, construction, and equipping of an elementary school and a middle school in the County.	9,215,000
\$168,000,000 Public Improvement Bonds, Series 2009A, due in annual installments of \$1,000,000 to \$11,045,000 through 2028, interest from 2.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools, a public library, park and recreation facilities, fire/sheriff stations, public facilities, and a transportation project in the County.	122,820,000

General Obligation Bonds:Balance at June 30, 2014

\$131,030,000 Refunding Bonds, Series 2009B, due in annual installments of \$1,080,000 to \$30,935,000 through 2020, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1999, 2001, 2002, 2003, 2004, 2005, 2006, and 2007.	115,485,000
\$89,120,000 Refunding Bonds, Series 2010A, due in annual installments of \$95,000 to \$20,075,000 through 2026, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1998, 2001, 2004, 2005, 2006, and 2007.	88,875,000
\$70,630,000 Public Improvement Bonds, Series 2010B, due in annual installments of \$3,310,000 to \$3,945,000 through 2029, interest from 3.00% to 5.25%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools and fire/sheriff stations in the County.	54,855,000
\$53,510,000 Public Improvement Bonds, Series 2011A, due in annual installments of \$2,395,000 to \$3,195,000 through 2030, interest from 2.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools, fire/rescue stations, and park and recreation facilities in the County.	43,940,000
\$5,000,000 Qualified School Construction Bonds, Series 2011-2, due in annual installments of \$260,000 to \$265,000 through 2030, interest of 4.25%. The proceeds of these bonds will be used to finance the design, construction, and equipping of an elementary school in the County.	4,480,000
\$64,500,000 Public Improvement Bonds, Series 2012A, due in annual installments of \$2,760,000 to \$4,085,000 through 2031, interest from 2.625% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools and the construction and equipping of fire/rescue stations in the County.	56,330,000
\$99,725,000 Public Improvement and Refunding Bonds, Series 2013A, due in annual installments of \$2,540,000 to \$13,135,000 through 2032, interest from 4.0% to 5.0%. The proceeds of these bonds will be used to finance the acquisition, construction, renovating and equipping of public schools, fire/rescue apparatus, and improvements to public facilities and for advance refunding of outstanding bonds originally issued in 2005 and 2006.	96,515,000
\$67,985,000 Refunding Bonds, Series 2013B, due in annual installments of \$1,790,000 to \$21,580,000 through 2021, interest from 0.18% to 2.51%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 2005.	66,145,000
\$45,200,000 Public Improvement Bonds, Series 2013C, due in annual installments of \$2,260,000 through 2033, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools.	45,200,000
\$69,960,000 Public Improvement Bonds, Series 2014A, due in annual installments of \$3,375,000 to \$3,725,000 through 2033, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, improvements and equipping of public schools and the construction and equipping of fire/rescue stations in the County.	69,960,000

**Total General Obligation Bonds****\$948,090,000**

Annual requirements to amortize long-term debt and related interest to maturity for the Primary Government are presented below:

<b>Primary Government Debt Service</b>		
<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>
2015	\$ 88,395,000	\$ 39,830,936
2016	87,280,000	35,754,143
2017	84,980,000	32,093,197
2018	80,115,000	28,768,461
2019	76,085,000	25,463,383
2020-2024	305,715,000	82,163,200
2025-2029	170,270,000	27,261,537
2030-2034	55,250,000	4,310,782
<b>Total General Obligation Bonds Payable</b>	<b>\$ 948,090,000</b>	<b>\$ 275,645,639</b>

Advance Refunding:

The County defeases certain general obligation and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2014, \$479,320,000 of bonds outstanding are considered defeased.

## **NOTE XV - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require the County to place a final cover on its Woods Road landfill site, as well as other sites opened in the future when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care cost will be paid only near or after the date that the landfill stops accepting waste, GAAP requires that the County record a portion of these closure and postclosure care costs as a long-term liability in each period based on landfill capacity used as of each fiscal year end. The \$20,855,175 liability for landfill closure and postclosure care cost at June 30, 2014 represents the estimated liability based on the usage of 76.0% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care in the amount of \$5,951,280 as the remaining estimated capacity is used. The estimated remaining life of the Loudoun County Landfill Disposal Unit is 6.1 years. The liability accrued at June 30, 2014 is based on what it would cost to perform all closure and postclosure care in 2014. Actual cost may differ from this estimate due to inflation, changes in technology or changes in regulation.

## **NOTE XVI – CONTINGENT LIABILITIES**

Various claims and lawsuits are pending against the County. With respect to pending litigation, neither management nor the County Attorney can predict the outcome of certain of those matters at this time or the ultimate liability should the County not be successful in defending its position. In actions for monetary damages, other than taxation matters, the County may have coverage through self-insurance plans managed by the Commonwealth of Virginia. However, it is possible that in the near term, losses may be realized on claims in excess of amounts included as other liabilities on the statement of Net Position.

The County has received a number of Federal and State grants. Although the County has been audited in accordance with the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, these grants remain subject to financial and compliance audits by the grantors or their representatives. Such audits could result in requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. The amount of expenditures that may be disallowed as a result of audits at some future date cannot be determined at this time; however, County management believes such amounts, if any, will not have a material effect on the financial position or results of operations of the County.

## **NOTE XVII- DEFERRED COMPENSATION PLAN**

The Primary Government offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the "Plan"). The Plan is available to all employees and permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

The Plan's investments are not reported on the Primary Government's balance sheet as such funds are held in a trust, over which the Primary Government has limited oversight.

## **NOTE XVIII - RETIREMENT PLANS**

### **(A) DEFINED BENEFIT PENSION PLAN**

#### **1. Plan Description**

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent and Cost-Sharing, Multiple-Employer Pension Plan

Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Members earn one month of service credit for each month they are employed and they and their employer are paying contributions to VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as service credit in their plan.

Within the VRS Plan, the System administers three different benefit plans for local government employees – Plan 1, Plan 2, and, Hybrid. Each plan has a different eligibility and benefit structure as set out in the table below:

<b>VRS PLAN 1</b>	<b>VRS PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<b>About VRS Plan 1</b> VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of	<b>About VRS Plan 2</b> VRS Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership	<b>About the Hybrid Retirement Plan</b> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election

January 1, 2013.	date is before July 1, 2010, and they were not vested as of January 1, 2013.	<p>window. (See "Eligible Members")</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>
<p><b>Eligible Members</b> Employees are in VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b> VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible VRS Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under VRS Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 1 or ORP.</p>	<p><b>Eligible Members</b> Employees are in VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b> VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible VRS Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under VRS Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 2 or ORP.</p>	<p><b>Eligible Members</b> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• State employees*</li> <li>• School division employees</li> <li>• Political subdivision employees*</li> <li>• Judges appointed or elected to an original term on or after January 1, 2014</li> <li>• Members in VRS Plan 1 or VRS Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014</li> </ul> <p><b>*Non-Eligible Members</b> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Members of the State Police Officers' Retirement System (SPORS)</li> <li>• Members of the Virginia Law Officers' Retirement System (VaLORS)</li> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees</li> </ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under VRS Plan 1 or VRS Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select VRS Plan 1 or VRS Plan 2 (as applicable) or ORP.</p>
<p><b>Retirement Contributions</b> Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016.</p>	<p><b>Retirement Contributions</b> Same as VRS Plan 1.</p>	<p><b>Retirement Contributions</b> A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable</p>

<p>Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>		<p>compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<p><b>Creditable Service</b> Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p><b>Creditable Service</b> Same as VRS Plan 1.</p>	<p><b>Creditable Service</b> <b><u>Defined Benefit Component:</u></b> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><b><u>Defined Contributions Component:</u></b> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>
<p><b>Vesting</b> Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b> Same as VRS Plan 1.</p>	<p><b>Vesting</b> <b><u>Defined Benefit Component:</u></b> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. VRS Plan 1 or VRS Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><b><u>Defined Contributions Component:</u></b> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p>

		<ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distribution is not required by law until age 70½.</p>
<p><b>Calculating the Benefit</b> The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p> <p>An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p><b>Calculating the Benefit</b> See definition under VRS Plan 1.</p>	<p><b>Calculating the Benefit</b> <b><u>Defined Benefit Component:</u></b> See definition under VRS Plan 1</p> <p><b><u>Defined Contribution Component:</u></b> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p><b>Average Final Compensation</b> A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> Same as VRS Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b>Service Retirement Multiplier</b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.</p>	<p><b>Service Retirement Multiplier</b> Same as Plan1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p>	<p><b>Service Retirement Multiplier</b> The retirement multiplier is 1.0%.</p> <p>For members that opted into the Hybrid Retirement Plan from VRS Plan 1 or VRS Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p>
<p><b>Normal Retirement Age</b> Age 65.</p>	<p><b>Normal Retirement Age</b> Normal Social Security retirement age.</p>	<p><b>Normal Retirement Age</b> <b><u>Defined Benefit Component:</u></b> Same as VRS Plan 2.</p> <p><b><u>Defined Contribution Component:</u></b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Unreduced Retirement Eligibility</b> Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at</p>	<p><b>Earliest Unreduced Retirement Eligibility</b> Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they</p>	<p><b>Earliest Unreduced Retirement Eligibility</b> <b><u>Defined Benefit Component:</u></b> Members are eligible for an unreduced retirement benefit when they reach normal Social Security</p>

<p>least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p> <p>Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.</p>	<p>reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.</p>	<p>retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p><b><u>Defined Contribution Component:</u></b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Reduced Retirement Eligibility</b> Members may retire with a reduced benefit as early as age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p>	<p><b>Earliest Reduced Retirement Eligibility</b> Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b> <b><u>Defined Benefit Component:</u></b> Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.</p> <p><b><u>Defined Contribution Component:</u></b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><b><u>Eligibility:</u></b> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce</li> </ul>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><b><u>Eligibility:</u></b> Same as VRS Plan 1</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> Same as VRS Plan 1</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> <b><u>Defined Benefit Component:</u></b> Same as VRS Plan 2.</p> <p><b><u>Defined Contribution Component:</u></b> Not applicable.</p> <p><b><u>Eligibility:</u></b> Same as VRS Plan 1 and VRS Plan 2.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> Same as VRS Plan 1 and VRS Plan 2.</p>

<p>Transition Act or the Transitional Benefits Program.</p> <ul style="list-style-type: none"> <li>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.</li> </ul>		
<p><b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p> <p>Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p><b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p> <p>Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p><b>Disability Coverage</b> Eligible political subdivision and school division (including VRS Plan 1 and VRS Plan2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.</p> <p>State employees (including VRS Plan 1 and VRS Plan2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.</p> <p>Hybrid members (including VRS Plan 1 and VRS Plan 2 opt-ins) covered under VSDP or VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>
<p><b>Purchase of Prior Service</b> Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.</p>	<p><b>Purchase of Prior Service</b> Same as VRS Plan 1.</p>	<p><b>Purchase of Prior Service</b> <b><u>Defined Benefit Component:</u></b> Same as VRS Plan 1.</p> <p><b><u>Defined Contribution Component:</u></b> Not applicable.</p>

The system issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2013-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

## 2. Funding Policy

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and the School Board for their respective employees are required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the *Code of Virginia* and approved by the VRS Board of Trustees. The County contribution rate was 64.12% and the School Board contribution was 37.26% for the fiscal year ended June 30, 2014 of the annual covered payroll.



Component Unit-Schools (professional employees) must disclose their current contribution rate (for FY 2014 it was 11.66% of covered payroll) and the required contributions to the teacher cost-sharing pool in dollars and the percentage of that amount actually contributed for the current year and each of the two preceding years.

3. Annual Pension Cost

For the fiscal year ended June 30, 2014, the County's annual pension cost of \$28,068,850 and Schools' annual pension cost of \$6,213,302 for VRS was equal to the required and actual contributions.

Three-Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<b>Primary Government</b>			
6/30/2014	\$ 28,068,850	100%	\$ -
6/30/2013	\$ 27,412,511	100%	\$ -
6/30/2012	\$ 22,527,794	100%	\$ -
<b>Component Unit - Schools</b>			
6/30/2014	\$ 6,213,304	100%	\$ -
6/30/2013	\$ 6,266,475	100%	\$ -
6/30/2012	\$ 6,133,882	100%	\$ -

The FY 2014 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for local general government employees, 3.75% to 6.20% per year for teachers, and 3.50% to 4.75% per year for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases also include an inflation component of 2.50%.

The actuarial value of the County's and Schools' assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's unfunded actuarial accrued liability (UAAL) is being amortized as level percentage of projected payroll on a closed basis and Schools' UAAL is being amortized as level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2013 for the Unfunded Actuarial Accrued liability (UAAL) for the County was 30 years and for Schools was 20 years.

4. Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the County's plan was 78.71% funded. The actuarial accrued liability for benefits was \$526,025,324, and the actuarial value of assets was \$414,043,147, resulting in an unfunded actuarial accrued liability (UAAL) of \$111,982,177. The covered payroll (annual payroll of active employees covered by the plan) was \$174,646,575, and the ratio of the UAAL to the covered payroll was 64.12%. Schools' plan was 83.01% funded. The actuarial accrued liability for benefits was \$110,598,341, and the actuarial value of assets was \$91,804,050, resulting in an unfunded actuarial accrued liability (UAAL) of \$18,794,291. The covered payroll (annual payroll of active employees covered by the plan) was \$50,435,705, and the ratio of the UAAL to the covered payroll was 37.26%.

The schedule of funding progress, presented as required supplemental information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

(B) VOLUNTEER FIRE AND RESCUE RETIREMENT SYSTEM

1. Plan Description

The Primary Government is the administrator of a noncontributory, single employer, defined benefit Length of Service Retirement Plan (the Plan). The Plan covers voluntary fire and rescue service members, who are not Primary Government employees, but who serve voluntarily with one of the Primary Government's volunteer fire and rescue companies. The Plan provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of credited service. Members who retire at or after age 55 with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to \$12 per month for each year of credited service earned after November 1, 2003 with a maximum benefit of \$300 per month, \$10 per month for each year of credited service earned prior to November 1, 2003, with a maximum benefit of \$250 per month. The Plan has a total of 1,902 members; no member is in retirement status, 569 are former members with vested benefits, resulting in 1,333 active Plan participants for the year. The Loudoun County Board of Supervisors maintains the authority to establish and amend the benefit provisions of the Plan. Benefits and refunds are recognized when due and payable

in accordance with the terms of the plan. The Plan does not issue a stand-alone financial report. All required statements and disclosures are contained in these financial statements, (see also Required Supplemental Information and Other Supplemental Information / Fiduciary Funds).

2. Funding Status and Progress

The Loudoun County Board of Supervisors maintains the authority to establish and amend the funding policy of the Plan. The Plan's funding policy provides for the periodic Primary Government contributions at actuarially determined rates to accumulate sufficient assets to pay benefits when due. Plan members are not required to and do not contribute to the Plan. Beginning in fiscal year 2012, the County contracted with PenFlex, Inc. to provide administrative and actuarial services for the Plan, and with RBC Wealth Management to provide investment services for the Plan. Plan contributions are currently held in a trust account with Comerica.

For the year ended June 30, 2012 through June 30, 2014, the funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Asstes (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
7/1/2014	\$ 19,101,061	\$ 18,784,140	\$ -	101.69%	N/A	N/A
7/1/2013**	\$ 15,498,436	\$ 17,121,392	\$ 1,622,956	90.52%	N/A	N/A
7/1/2012**	\$ 14,180,560	\$ 15,887,640	\$ 1,707,080	89.26%	N/A	N/A

\*\* Required Supplementary Information – Unaudited

The schedule of funding progress, presented as required supplemental information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

3. Annual Pension Cost

The Primary Governments' contributions to the Plan of \$2,770,837 were in excess of the annual required contribution and annual pension cost of \$840,686 for fiscal year 2014. The County made a one-time contribution of \$1,930,151 to pay off the remaining total unfunded liability. The annual and required contribution was determined through a July 1, 2013 actuarial valuation using the Attained Age Normal Frozen Initial Liability cost method. The amortization method used is a fifteen year, level dollar method and is a closed amortization period. The actuarial assumptions included 5.5% investment rate of return and inflation component of 2.5%. The actuarial value of assets is equal to the fair market value of the assets.

Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2014	\$ 840,686	330%	\$ -
June 30, 2013	\$ 830,205	100%	\$ -
June 30, 2012	\$ 787,679	100%	\$ -
June 30, 2011	\$ 765,362	100%	\$ -
June 30, 2010	\$ 682,708	100%	\$ -
June 30, 2009	\$ 701,629	100%	\$ -

4. Financial Statements

Statement of Net Position		Statement of Changes in Pension Trust Net Position	
<b>Assets</b>		Contributions - Employer	\$ 2,770,837
Cash and Cash Equivalents	\$ 19,129,801	Interest	1,214,206
Accounts Receivable	0	Less: Benefits	(267,223)
<b>Total Assets</b>	<b>19,129,801</b>	Administration Expense	(115,195)
<b>Liabilities</b>		<b>Change in Net Position</b>	<b>3,602,625</b>
Accounts Payable	28,740		
<b>Total Liabilities</b>	<b>28,740</b>	Net Position at Beginning of Year	15,498,436
<b>Net Position Held in Trust</b>	<b>\$ 19,101,061</b>	<b>Net Position at End of Year</b>	<b>\$ 19,101,061</b>

NOTE XIX - UNEARNED REVENUE

Unearned revenue, representing uncollected delinquent tax billings of \$3,208,596, uncollected delinquent business license tax billings of \$1,462,445, grants of \$8,169,859 not available for funding of current expenditures, advanced meal payments of \$859,967, and miscellaneous revenue of \$590,389 totaled \$14,291,256 for both Primary Government and Schools as of June 30, 2014. Certain uncollected business license tax billings that are reflected as delinquent tax receivables are being disputed and may not be collected. The miscellaneous revenue amount includes other local taxes, charges for services, donations, advanced tuition payments, and miscellaneous recoveries.

Property taxes deferred as a result of land use assessments and tax relief for the elderly and handicapped are not reflected in the financial statements since collection is contingent upon occurrence of certain events prescribed by statute. These contingent amounts represent approximately \$30.5 million at June 30, 2014.

#### **NOTE XX – FUND BALANCE CLASSIFICATION**

Specific purpose details for fund balance classifications displayed in the aggregate for governmental funds as of June 30, 2014 are as follows:

<b><u>FY 2014</u></b>	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Nonspendable:</b>					
Inventories	\$ -	\$ -	\$ -	\$ 425,069	\$ 425,069
Notes and Loans	3,878,650	-	-	1,629,563	5,508,213
Prepays	317,725	-	-	896,066	1,213,791
<b>Subtotal Nonspendable</b>	<b>\$ 4,196,375</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,950,698</b>	<b>\$ 7,147,073</b>
<b>Restricted for:</b>					
Alterations to General Govt Bldgs	\$ -	\$ -	\$ -	\$ 800,000	\$ 800,000
Fire / Sheriff Stations Construction	-	26,050,002	-	3,351,595	29,401,597
Animal Shelter	-	-	-	248,356	248,356
Radio Communications System	-	-	-	85,060	85,060
Road, Transportation, and Pedestrian Projects	-	61,115,639	-	43,621,369	104,737,008
Health and Welfare Programs	-	233,901	-	2,882,810	3,116,711
Housing Assistance Programs	-	-	-	26,170,996	26,170,996
Library Improvements, Materials, and Equipment	-	-	-	4,181,549	4,181,549
Parks and Library Construction	-	40,431,811	-	20,105,982	60,537,793
Community Development and Transit Projects	-	2,627,541	-	82,925,328	85,552,869
Bond Covenants	-	-	10,004,029	-	10,004,029
School Land Acquisition	-	22,431,023	-	-	22,431,023
<b>Subtotal Restricted</b>	<b>\$ -</b>	<b>\$ 152,889,917</b>	<b>\$ 10,004,029</b>	<b>\$ 184,373,045</b>	<b>\$ 347,266,991</b>
<b>Committed to:</b>					
Fiscal Reserve	\$ 120,157,060	\$ -	\$ -	\$ 296,458	\$ 120,453,518
Fire & Rescue Revolving Loans	1,378,688	-	-	-	1,378,688
Computer Systems Replacements and Upgrades	2,450,337	-	-	2,051,329	4,501,666
ERP Project / Initiatives	-	15,958,209	-	-	15,958,209
Courts Complex Improvements	7,172	799,195	-	115,776	922,143
Public Safety Facilities / Firing Range / CAD System	1,151,374	12,060,319	-	-	13,211,693
County Facilities Repairs and Improvements	1,307,538	-	-	2,167,456	3,474,994
Road and Landfill Construction	-	27,537,367	-	-	27,537,367
Parking Garages	-	3,000,000	-	-	3,000,000
Health and Welfare Programs	1,097,656	203,799	-	-	1,301,455
CSA At Risk Youth and Families Operations	-	-	-	5,874,239	5,874,239
Parks, Recreation and Cultural	1,111,994	3,323,934	-	869,524	5,305,452
Community Development and Transit Projects	185,740	2,034,404	-	274,702	2,494,846
County and School Land Acquisition	-	10,696,389	-	-	10,696,389
<b>Subtotal Committed</b>	<b>\$ 128,847,559</b>	<b>\$ 75,613,616</b>	<b>\$ -</b>	<b>\$ 11,649,484</b>	<b>\$ 216,110,659</b>
<b>Assigned to:</b>					
Debt Service	\$ -	\$ -	\$ 20,055,162	\$ -	\$ 20,055,162
Budgeted Use of Fund Balance	4,592,026	-	32,564,426	962,847	38,119,299
Encumbrances	1,693,972	-	-	-	1,693,972
Future Capital Projects	21,502,142	-	-	-	21,502,142
<b>Subtotal Assigned</b>	<b>\$ 27,788,140</b>	<b>\$ -</b>	<b>\$ 52,619,588</b>	<b>\$ 962,847</b>	<b>\$ 81,370,575</b>
<b>Unassigned:</b>					
	\$ 62,038,432	\$ -	\$ -	\$ (906,121)	\$ 61,132,311
<b>Subtotal Unassigned</b>	<b>\$ 62,038,432</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (906,121)</b>	<b>\$ 61,132,311</b>
<b>Total Fund Balance</b>	<b>\$ 222,870,506</b>	<b>\$ 228,503,533</b>	<b>\$ 62,623,617</b>	<b>\$ 199,029,953</b>	<b>\$ 713,027,609</b>

In accordance with the Board of Supervisors' adopted Fiscal Policy, committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors, and encumbrances for contractual

obligations for which existing resources have been committed for use in satisfying those contractual requirements. Assigned fund balance includes amounts that reflect an intended or planned use of fund balance for a specific purpose as identified by the County Administrator or his designee with no formal action required by the Board of Supervisors, and encumbered amounts for specific purposes which have not been restricted or committed. The committed portion of fund balance at the close of each fiscal year shall be equal to no less than 10% of operating revenues of the General Fund. This portion of unrestricted fund balance is not maintained for funding recurring expenditures during the normal business cycle.

#### **NOTE XXI – JOINTLY GOVERNED ORGANIZATION**

The County, in conjunction with the Commonwealth of Virginia Transportation Board (the “Transportation Board”) and the County of Fairfax, Virginia (Fairfax County), has created the State Route 28 Highway Transportation Improvement District (the “District”). The District was created by resolutions of the Boards of Supervisors of Loudoun and Fairfax Counties. The District is governed by a commission of nine members comprised of four of the elected members of the Board of Supervisors of Loudoun County, four of the elected members of the Board of Supervisors of Fairfax County, and the Chairman of the Transportation Board or his or her designee. The Chairman of the District is elected by and from among its members. The District Act confers powers upon Loudoun and Fairfax Counties to levy annually within the District a limited ad valorem tax on taxable real estate zoned for commercial and industrial use located in the District. This tax, when levied and collected by either County, is to be promptly paid to the fiscal agent for any outstanding bonds issued for construction purposes on State Route 28. The Transportation Board through the Fairfax County Economic Development Authority has issued \$188,030,000 transportation contract revenue bonds for the purpose of financing a portion of the costs of certain grade-separated interchanges on State Route 28 in Loudoun and Fairfax Counties. As of June 30, 2014, the outstanding principal balance on the bonds is \$177,535,000. The Board of Supervisors of Loudoun and Fairfax Counties have agreed to equally support any shortfalls in annual debt service payments arising from a shortage of District tax revenues.

#### **NOTE XXII – SUBSEQUENT EVENTS**

On October 15, 2014, the Board of Supervisors authorized the issuance of general obligation bonds to the Virginia Public School Authority in an amount not to exceed \$12,205,000 for a school renovation project. Bonds were sold on October 29<sup>th</sup> and closed on November 20<sup>th</sup>, 2014.

On October 15, 2014 the Board of Supervisors authorized the issuance and sale of General Obligation Public Improvement Bonds in the amount of \$47,375,000 for capital projects. The bond sale closed on December 3, 2014.

Loudoun County has been approved for a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan to support the completion of the Metrorail to Dulles project not to exceed \$195,072,507. The sale closed on December 9, 2014.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Resources (Inflows)</b>				
General Property Taxes	\$ 851,722,344	\$ 851,722,344	\$ 894,491,847	\$ 42,769,503
Other Local Taxes	128,728,418	128,728,418	125,966,332	(2,762,086)
Permits and Licenses	20,795,900	20,882,272	23,900,439	3,018,167
Fines and Forfeitures	3,281,918	3,281,918	2,249,057	(1,032,861)
Use of Money and Property	3,077,829	3,077,829	2,832,465	(245,364)
Charges for Services	30,978,903	31,138,562	29,819,922	(1,318,640)
Gifts and Donations	32,635	126,528	167,316	40,788
Miscellaneous	256,125	1,300,642	1,741,705	441,063
Sales of Capital Assets	-	-	21,523,497	21,523,497
Recovered Costs	8,862,747	9,281,475	8,224,189	(1,057,286)
Intergovernmental - Commonwealth	84,283,982	84,138,251	84,267,915	129,664
Intergovernmental - Federal	4,668,368	6,321,415	6,386,220	64,805
Transfers from Other Funds	7,629,364	6,619,339	8,189,134	1,569,795
<b>Amounts Available for Appropriation</b>	<b>1,144,318,533</b>	<b>1,146,618,993</b>	<b>1,209,760,038</b>	<b>63,141,045</b>
<b>Charges to Appropriations (Outflows)</b>				
General Government Administration	68,104,905	72,084,734	71,290,404	794,330
Judicial Administration	12,908,390	13,357,180	12,157,824	1,199,356
Public Safety	155,416,971	161,673,740	154,029,218	7,644,522
Public Works	15,790,416	17,267,564	15,800,814	1,466,750
Health and Welfare	67,436,160	71,010,452	64,369,800	6,640,652
Parks, Recreation and Culture	50,596,323	51,692,875	46,945,535	4,747,340
Community Development	42,975,156	43,223,054	38,934,547	4,288,507
Education	553,615,482	583,516,752	583,516,752	-
Transfers to Other Funds	213,209,602	219,697,330	219,495,812	201,518
<b>Total Charges to Appropriations</b>	<b>1,180,053,405</b>	<b>1,233,523,681</b>	<b>1,206,540,706</b>	<b>26,982,975</b>
<b>Excess (Deficiency) of Resources Over/(Under)</b>				
<b>Charges to Appropriations</b>	<b>(35,734,872)</b>	<b>(86,904,688)</b>	<b>3,219,332</b>	<b>90,124,020</b>
<b>Fund Balance at Beginning of Year</b>	<b>219,651,174</b>	<b>219,651,174</b>	<b>219,651,174</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 183,916,302</b>	<b>\$ 132,746,486</b>	<b>\$ 222,870,506</b>	<b>\$ 90,124,020</b>

See Independent Auditors' Report and notes to budgetary comparison schedule.

**COUNTY OF LOUDOUN, VIRGINIA  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2014**

The following procedures are used by the County in establishing the budgetary data reflected in the budgetary comparison schedule.

1. Prior to March 30, the County Administrator submits a proposed operating and capital budget to the Board of Supervisors for the fiscal year commencing on the following July 1. The operating and capital budget includes proposed expenditures and the related financing.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the Fund level. The appropriation for each Fund can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within County general government funds.
5. Formal budgetary integration is employed at the cost center level within each department as a management control device during the year.
6. All Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles.
7. Approval by the Board of Supervisors is required for changes that affect the total fund appropriations or estimated revenues. In order to affect a change, a Budget Adjustment is created. Budget adjustments that do not revise the original appropriation are approved/disapproved by the Director of Management and Financial Services and the County Administrator after sufficient justification for the revision to the budget has been received. The County Administrator presents budget adjustments that change appropriations or estimated revenues at the fund level to the Board of Supervisors for consideration of approval.



**COUNTY OF LOUDOUN, VIRGINIA  
PUBLIC EMPLOYEE RETIREMENT SYSTEMS - PRIMARY GOVERNMENT  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS (Unaudited)**

		(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) / (2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((2)-(1)) / (5)
Volunteer Fire and Rescue Retirement System	7/1/2014	\$ 19,101,061	\$ 18,784,140	\$ - *	101.69%	N/A	N/A
	7/1/2013	15,498,436	17,121,392	1,622,956	90.52%	N/A	N/A
	7/1/2012	14,180,560	15,887,640	1,707,080	89.26%	N/A	N/A
	7/1/2011	13,250,214	15,037,032	1,786,818	88.12%	N/A	N/A
	7/1/2010	11,888,743	13,377,690	1,488,947	88.87%	N/A	N/A
	7/1/2009	11,777,673	13,294,146	1,516,473	88.59%	N/A	N/A
	7/1/2008	11,144,542	12,672,783	1,528,241	87.94%	N/A	N/A
Virginia Retirement System	6/30/2013	\$ 414,043,147	\$ 526,025,324	\$ 111,982,177	78.71%	\$ 174,646,575	64.12%
	6/30/2012	382,580,098	502,929,174	120,349,076	76.07%	165,784,867	72.59%
	6/30/2011	366,390,677	464,098,830	97,708,153	78.95%	159,891,471	61.11%
	6/30/2010	341,931,123	428,606,129	86,675,006	79.78%	158,703,678	54.61%
	6/30/2009	322,065,671	373,413,874	51,348,203	86.25%	161,618,250	31.77%
	6/30/2008	295,576,688	337,607,414	42,030,726	87.55%	156,489,621	26.86%
	6/30/2007	253,575,699	294,255,264	40,679,565	86.18%	146,302,017	27.81%

All seven year recommended trend information for Volunteer Fire and Rescue Retirement System has been calculated using the Attained Age Normal Frozen Initial Liability method. Under this cost method, there are two components to the annual cost each year: The "normal cost" is equal to the level annual payment required to fund the current participant's projected benefits based on their service credit earned after the effective date of the Retirement Plan and before the Entitlement Age. The annual amortization cost equals the level annual payments required to fund over the amortization period, the participant's benefits, if any, based on (1) either service credit earned before the effective date of the plan, (2) unfunded liability created by actuarial losses not funded in the normal cost, or (3) plan amendments that create an immediate unfunded liability and are required to be amortized.

\* The County made a contribution of \$840,686 in fiscal year 2014 to pay the minimum required contribution. A subsequent contribution of \$1,930,151 was made in fiscal year 2014 to fully fund the remaining total unfunded liability.

All seven year recommended trend information for Virginia Retirement System has been calculated using the Entry Age Normal actuarial cost method. Under the Entry Age Normal actuarial cost method, the actuarial present value of future benefits for each member is allocated for the members pensionable compensation on a level basis between the entry age of the member and the estimated exit age. The portion of the present value of future benefits not provided for by the present value of future normal costs is called the actuarial accrued liability.

Analysis of dollar amounts of plan net position, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading.

- Expressing plan net position as a percentage of the actuarial accrued liability provides one indication of each plan's funding status on a going concern basis. Analysis of this percentage over time indicates whether the plan is financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

- Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited):**

Virginia Retirement System General Employees			Volunteer Fire and Rescue Retirement System Volunteer Firefighters		
Fiscal Year Ending	Annual Required Contribution	Percentage Contributed	Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
6/30/2014	\$ 28,068,850	100%	6/30/2014	840,686	330%
6/30/2013	27,412,511	100%	6/30/2013	830,205	100%
6/30/2012	22,527,794	100%	6/30/2012	787,679	100%
6/30/2011	21,613,590	100%	6/30/2011	765,362	100%
6/30/2010	20,996,618	100%	6/30/2010	682,708	100%
6/30/2009	21,253,078	100%	6/30/2009	701,629	100%
6/30/2008	20,550,113	100%	6/30/2008	719,556	100%
6/30/2007	18,827,144	100%	6/30/2007	664,950	100%

**COUNTY OF LOUDOUN, VIRGINIA  
PUBLIC EMPLOYEE RETIREMENT SYSTEMS - COMPONENT UNIT  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS (Unaudited)**

		(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL (2) - (1))	Funded Ratio (1) / (2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((2)-(1)) / (5)
<b>School Board:</b>	6/30/2013	\$ 91,804,050	\$ 110,598,341	\$ 18,794,291	83.01%	\$ 50,435,705	37.26%
Virginia Retirement	6/30/2012	85,347,512	108,039,695	22,692,183	79.00%	48,634,442	46.66%
System	6/30/2011	80,916,644	101,879,533	20,962,889	79.42%	48,578,343	43.15%
	6/30/2010	74,726,828	94,531,489	19,804,661	79.05%	48,480,310	40.85%
	6/30/2009	68,868,858	81,632,764	12,763,906	84.36%	48,957,722	26.07%
	6/30/2008	61,201,052	74,069,781	12,868,729	82.63%	46,124,197	27.90%
	6/30/2007	51,844,053	63,623,595	11,779,542	81.49%	40,851,082	28.84%
	6/30/2006	43,303,297	53,516,255	10,212,958	80.92%	36,143,816	28.26%

All eight year recommended trend information has been calculated using the Entry Age Normal actuarial cost method. Under the Entry Age Normal actuarial cost method, the actuarial present value of future benefits for each member is allocated for the members pensionable compensation on a level basis between the entry age of the member and the estimated exit age. The portion of the present value of future benefits not provided for by the present value of future normal costs is called the actuarial accrued liability.

Analysis of dollar amounts of plan net position, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading.

\* Expressing plan net position as a percentage of the actuarial accrued liability provides one indication of each plan's funding status on a going concern basis. Analysis of this percentage over time indicates whether the plan is financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

\* Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited)**

Virginia Retirement System School Board		
Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
6/30/2014	\$ 6,213,304	100%
6/30/2013	6,266,475	100%
6/30/2012	6,133,882	100%
6/30/2011	5,936,049	100%
6/30/2010	6,324,055	100%
6/30/2009	6,378,248	100%
6/30/2008	5,516,232	100%
6/30/2007	4,929,999	100%

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS (Unaudited)**

		(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) / (2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((2)-(1)) / (5)
<b>Primary Government</b>	07/01/2013	\$ 28,757,000	\$ 65,842,000	\$ 37,085,000	43.68%	\$ 165,086,213	22.46%
Other Postemployment	07/01/2011	15,055,000	111,771,000	96,716,000	13.47%	163,737,000	59.07%
Benefits	07/01/2009	3,061,877	125,234,991	122,173,114	2.44%	169,779,501	71.96%
	07/01/2007	-	138,900,336	138,900,336	0.00%	149,394,123	92.98%
 <b>Component Unit</b>	07/01/2013	\$ 52,500,000	\$ 351,778,821	\$ 299,278,821	14.92%	\$ 365,332,000	81.92%
Other Postemployment	07/01/2011	35,159,000	313,999,000	278,840,000	11.20%	365,332,000	76.33%
Benefits	07/01/2009	7,183,273	341,943,541	334,760,268	2.10%	433,438,915	77.23%
	07/01/2007	-	348,055,997	348,055,997	0.00%	363,466,341	95.76%

The County began implementing GASB 45 in Fiscal Year 2008; therefore, six years of data is not yet available, but will be accumulated over time. This valuation has been calculated using the Projected Unit Credit Actuarial Cost Method, discount rates of 6.5%, and the initial unfunded actuarial liability is amortized over 30 years based on a level percent of payroll method. Under this method, benefits are projected for life and their present value is determined. The present value is divided into equal parts, which are earned over the period from date of hire to the full eligibility date. Please refer to Note XI in the Notes to the Financial Statements section for more information.



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## **OTHER SUPPLEMENTARY INFORMATION**

## **GENERAL FUND**

<b>General Fund</b>
---------------------

**General Fund** (1110-1112) - This fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(With Comparative Actual Amounts for 2013)**

	2014			2013
			Variance Positive (Negative)	
	Final Budget	Actual		Actual
<b>REVENUES</b>				
<b>From local sources:</b>				
<u>General property taxes:</u>				
Real property taxes	\$ 685,151,364	696,433,109	\$ 11,281,745	\$ 672,593,092
Real and personal public service corporation property taxes	19,277,700	19,540,291	262,591	17,925,222
Personal property taxes	141,327,280	171,779,583	30,452,303	141,417,162
Machinery and tools taxes	1,020,000	1,101,942	81,942	974,946
Penalties and interest	4,946,000	5,636,922	690,922	5,119,486
Total general property taxes	851,722,344	894,491,847	42,769,503	838,029,908
<u>Other local taxes:</u>				
Local sales and use taxes	60,296,767	54,667,986	(5,628,781)	58,036,536
Consumer utility taxes	21,066,207	21,415,296	349,089	21,504,030
Business license taxes	27,267,137	29,209,497	1,942,360	28,400,538
Motor vehicle licenses	6,167,000	6,304,760	137,760	6,061,581
Bank franchise taxes	1,100,000	3,102,805	2,002,805	1,295,921
Taxes on recordation and wills	10,645,307	9,337,150	(1,308,157)	11,442,867
Hotel and motel room taxes	2,186,000	1,928,838	(257,162)	1,978,810
Total other local taxes	128,728,418	125,966,332	(2,762,086)	128,720,283
<u>Permits, privilege fees and regulatory licenses:</u>				
Animal licenses	371,923	439,643	67,720	408,082
Permits and other licenses	20,510,349	23,460,796	2,950,447	22,205,639
Total permits, privilege fees and regulatory licenses	20,882,272	23,900,439	3,018,167	22,613,721
<u>Fines and forfeitures:</u>				
Fines and forfeitures	3,281,918	2,249,057	(1,032,861)	2,746,066
Total fines and forfeitures	3,281,918	2,249,057	(1,032,861)	2,746,066
<u>Revenue from use of money and property:</u>				
Revenue from use of money	1,102,546	1,318,117	215,571	1,408,007
Revenue from use of property	1,975,283	1,514,348	(460,935)	1,597,285
Total revenue from use of money and property	3,077,829	2,832,465	(245,364)	3,005,292
<u>Charges for services:</u>				
Boards, Commissions and Committees	-	1,790	1,790	1,589
County Administrator	-	396	396	769
County Attorney	500	166	(334)	1,249
Treasurer	357,500	607,604	250,104	497,728
Commissioner of the Revenue	83,000	139,148	56,148	97,194
Clerk of the Circuit Court	1,067,000	781,058	(285,942)	1,092,432
Commonwealth's Attorney	-	9,649	9,649	9,943
Sheriff's Office	680,167	486,426	(193,741)	581,178
Management and Financial Services	-	309	309	647
Information Technology	-	23	23	437
General Services	2,640,000	2,360,451	(279,549)	2,423,863
Building and Development	28,130	34,359	6,229	28,284
Fire, Rescue and Emergency Management	-	915	915	1,314
Planning	-	579	579	39
Transportation and Capital Infrastructure	8,316,790	8,238,015	(78,775)	7,707,579
Mapping and Geographic Information	20,200	14,781	(5,419)	18,162
Animal Services	92,700	65,192	(27,508)	67,931
Health Services	9,800	5,366	(4,434)	3,076
Library	54,002	54,156	154	4,017
Community Corrections	32,000	32,000	-	51,423
Mental Health, Substance Abuse and Development Svcs	716,500	746,888	30,388	706,695
Parks, Recreation and Community Services	17,040,273	16,240,651	(799,622)	15,743,624
Total charges for services	31,138,562	29,819,922	(1,318,640)	29,039,173



**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(With Comparative Actual Amounts for 2013)**

	2014		2013	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<u>Miscellaneous revenue:</u>				
Gifts and donations	126,528	167,316	40,788	258,790
Miscellaneous revenue	1,300,642	697,188	(603,454)	485,704
Payments from Component Unit	-	1,044,517	1,044,517	-
Total miscellaneous revenue	1,427,170	1,909,021	481,851	744,494
<u>Recovered costs:</u>				
Recovered costs	9,281,475	8,224,189	(1,057,286)	7,299,736
Total recovered costs	9,281,475	8,224,189	(1,057,286)	7,299,736
<b>Total from local sources</b>	<b>1,049,539,988</b>	<b>1,089,393,272</b>	<b>39,853,284</b>	<b>1,032,198,673</b>
<b>From the Commonwealth:</b>				
<u>Non-categorical aid:</u>				
Motor vehicle carrier's taxes	4,000	7,264	3,264	4,553
Mobile home titling taxes	-	1,830	1,830	1,748
Taxes on deeds	2,121,000	2,748,984	627,984	2,389,238
Auto Daily Rental Tax	6,150,000	5,908,400	(241,600)	6,468,407
State Property Tax Reimbursement	48,071,000	48,072,551	1,551	48,070,701
State revenue reductions	(102,000)	-	102,000	-
Total non-categorical aid	56,244,000	56,739,029	495,029	56,934,647
<u>Shared expenses:</u>				
Commonwealth's Attorney	833,230	827,861	(5,369)	753,775
Sheriff's Office	12,713,691	12,910,902	197,211	11,930,026
Commissioner of Revenue	330,936	333,955	3,019	306,024
Treasurer	325,171	354,004	28,833	290,806
General Registrar	79,107	70,294	(8,813)	64,797
Electoral boards	15,127	13,389	(1,738)	12,426
Clerk of the Circuit Court	1,011,279	1,009,760	(1,519)	934,842
Total shared expenses	15,308,541	15,520,165	211,624	14,292,696
<u>Categorical aid:</u>				
Welfare/Family Services:				
Parks, Recreation and Community Services:				
Special transportation	13,339	13,339	-	12,711
Community based services	32,260	32,260	-	31,834
Home delivered meals	66,540	66,540	-	48,145
State match for Title III Older American's Act Program	7,181	7,181	-	6,843
Fan care	1,100	1,100	-	1,000
V4A Senior Medicare patrol program	3,100	3,100	-	3,150
Total Parks, Recreation and Community Services	123,520	123,520	-	103,683
Family Services:				
Assistance living facility assessment	3,987	3,987	-	3,777
State Adoption Assistance	224,597	209,322	(15,275)	259,472
Adult Foster Care Assisted Living Facilities	116,798	116,528	(270)	103,967
Allocated Services S & O Auxiliary State Alloc Gen Relief	47,676	9,273	(38,403)	8,190
Family Access to Medicaid Insurance Services	3,910	3,910	-	2,835
Food stamp program	26,672	26,672	-	240,192
Temporary assistance to needy families	260,223	260,223	-	49,084
Low Income to home energy assistance	137,802	112,464	(25,338)	121,000
Social Services Block Grants	212,592	191,492	(21,100)	179,312
Child care and development	55,586	55,587	1	60,976
Family Preservation Support	4,554	4,554	-	5,466
Foster Care Title IV-E	82,353	82,353	-	92,666
Adoption assistance	261,202	236,299	(24,903)	242,272
Chafee Foster Care Independence Program	3,674	2,739	(935)	2,157
Medical Assistance Program	85,583	85,583	-	147,819
View Transitional - TANF	135,832	115,210	(20,622)	126,954
Social Services block grant- Special Need Adoption	132,866	53,879	(78,987)	154,435
Chafee education and training	948	948	-	1,429
Title IV-B Child welfare services	623	623	-	414
Respite care for foster families	2,275	1,815	(460)	2,343
Total Family Services	1,799,753	1,573,461	(226,292)	1,804,760
Total Welfare/Family Services	1,923,273	1,696,981	(226,292)	1,908,443

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(With Comparative Actual Amounts for 2013)**

	2014		2013	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Parks and Recreation:				
Regional Organizations				
Local Government Challenge Grant	5,000	5,000	-	5,000
Total Regional Organization	5,000	5,000	-	5,000
Total Parks and Recreation	5,000	5,000	-	5,000
Total categorical aid	1,928,273	1,701,981	(226,292)	1,913,443
Other categorical aid:				
Commonwealth's Attorney:				
Virginia domestic violence victim fund	38,785	38,785	-	43,612
Total Commonwealth's Attorney	38,785	38,785	-	43,612
General Services				
Litter control	59,544	59,544	-	67,503
Total General services	59,544	59,544	-	67,503
Fire and Rescue:				
Fire Service-Insurance Fee	664,761	664,761	-	263,756
VPHIB Toughbook Computers	113,013	113,013	-	-
Total Fire and Rescue	777,774	777,774	-	263,756
Transportation Services:				
State Transportation Efficiency Improvement Fund	324,030	320,657	(3,373)	325,000
State formula assistance	1,550,523	1,433,873	(116,650)	1,593,484
State capital assistance	-	-	-	328,884
TMP Commuter Bus - State Highway Transportation Fund	691,056	528,001	(163,055)	1,004,981
DRPT Nuride Program	6,000	6,000	-	-
DRPT Tysons Express	393,750	385,117	(8,633)	-
Long Term Buses	269,500	269,500	-	-
DRPT Operating Funds	541,912	541,912	-	-
Total Transportation Services	3,776,771	3,485,060	(291,711)	3,252,349
Library:				
Library Aids	197,549	197,549	-	182,706
Total library	197,549	197,549	-	182,706
Community Corrections:				
Community Corrections Program	648,207	648,207	-	604,262
Total Community Corrections	648,207	648,207	-	604,262
Mental Health, Substance Abuse and Development Svcs:				
Employment Services for Disabilities	61,000	52,203	(8,797)	62,739
Mental Health Pharmacy	86,601	86,601	-	529,111
Mental health law reform	422,984	422,984	-	611,897
SA Women	-	300	300	300
Substance Abuse state funds (unrestricted)	525,828	525,828	-	516,151
Mental Health State Funds (Unrestricted)	1,058,587	1,058,587	-	1,016,984
Development Services (DVS) State Funds (Unrestricted)	286,420	286,419	(1)	273,748
Mental health transformation	70,000	70,000	-	70,000
NGRI	9,000	9,000	-	10,000
Mental Health juvenile detention	125,132	125,132	-	154,766
SA SARPOS	67,539	49,059	(18,480)	49,059
Children's mental health	82,760	82,760	-	69,323
Discharge assistance project	350,059	253,039	(97,020)	253,039
Children and adolescents with SED	79,001	79,001	-	116,645
MR OBRA	4,909	4,909	-	5,010
Virginia tobacco settlement foundation	50,954	50,954	-	48,563
Mental health state children services	25,000	25,000	-	25,000
Regional discharge assistance project (RDAP)	221,477	221,477	-	264,907
Regional community recovery funding	33,941	33,941	-	92,535
Total Mental Health, Substance Abuse and Development Svcs	3,561,192	3,437,194	(123,998)	4,169,777

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(With Comparative Actual Amounts for 2013)**

	2014		2013	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Parks, Recreation and Community Services:				
Care coordination program	42,749	42,749	-	42,747
Total Parks, Recreation and Community Services	42,749	42,749	-	42,747
Family Services:				
JDC block grant	552,764	624,502	71,738	616,409
Juvenile confinement	145,706	145,706	-	138,934
Homeless solution grant	100,000	100,000	-	112,348
Homeless intervention programs	256,396	247,356	(9,040)	257,356
Total Family Services	1,054,866	1,117,564	62,698	1,125,047
Non Departmental				
VA land conservation foundation fund	-	2,314	2,314	17,978
Governors Development Opportunity Fund - TELOS	500,000	500,000	-	-
Total Non Departmental	500,000	502,314	2,314	17,978
Total other categorical aid	10,657,437	10,306,740	(350,697)	9,769,737
<b>Total from the Commonwealth</b>	<b>84,138,251</b>	<b>84,267,915</b>	<b>129,664</b>	<b>82,910,523</b>
<b>From the Federal government:</b>				
<u>Payments in lieu of taxes:</u>				
Non-departmental:				
Federally owned entitlement lands	1,800	3,199	1,399	6,050
Total payments in lieu of taxes	1,800	3,199	1,399	6,050
<u>Categorical aid:</u>				
Welfare/Family Services:				
Parks, Recreation and Community Services:				
Programs for the aging-Title III-Part D	9,273	9,222	(51)	7,453
Programs for the aging-Title III-Part C	121,625	121,625	-	118,338
Programs for the aging-Title III-Part B	90,384	90,384	-	77,762
Medicare improvements for patients and providers	5,000	5,000	-	3,000
CMS research demo evaluations	24,951	24,951	-	24,311
Programs for the aging - Title III- G	1,043	1,043	-	815
Total Parks, Recreation and Community Services	252,276	252,225	(51)	231,679
Family Services:				
Temporary assistance to needy families	453,178	436,285	(16,893)	539,514
Fuel Assistance	39,536	39,536	-	35,958
State Children's Insurance Program	39,233	39,233	-	17,422
Juvenile accountability incentive	13,889	12,769	(1,120)	11,285
Food stamp program	1,256,341	1,467,344	211,003	906,646
Refugee and entrant assistance	54,840	51,804	(3,036)	39,325
Foster care assistance Title IV-E	512,731	644,014	131,283	788,008
Discretionary grants	324,817	324,069	(748)	288,682
Child care and development	80,561	80,561	-	88,373
Family Preservation Support	40,780	35,950	(4,830)	43,155
Adoption assistance	330,218	288,267	(41,951)	301,666
Chafee Foster Care Independence Program	19,667	13,639	(6,028)	11,016
Medicaid assistance	1,189,129	1,287,799	98,670	558,222
View Transitional (2309)	195,465	176,786	(18,679)	194,766
Social Services Block Grant	32,801	14,643	(18,158)	91,641
Chafee education and training	3,791	3,791	-	5,715
Child welfare services	3,848	3,848	-	2,382
Respite care for foster families	1,225	1,005	(220)	1,297
Total Family Services	4,592,050	4,921,343	329,293	3,925,073
Total Welfare/Family Services	4,844,326	5,173,568	329,242	4,156,752
Total categorical aid	4,844,326	5,173,568	329,242	4,156,752

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(With Comparative Actual Amounts for 2013)**

	2014			2013
	Final Budget	Actual	Variance Positive (Negative)	Actual
<u>Other categorical aid:</u>				
Boards, Commissions & Committees				
Voting access for individual with disabilities	-	-	-	20,200
Total Boards, Commission & Committees	-	-	-	20,200
Commonwealth's Attorney:				
Violence Against Women	11,774	11,774	-	23,241
Total Commonwealth's Attorney	11,774	11,774	-	23,241
Sheriff's Office:				
HIDTA	15,000	4,220	(10,780)	15,000
Highway Safety	-	-	-	24,500
State criminal alien assistance	24,387	24,387	-	129,000
Alcohol traffic safety	25,455	9,221	(16,234)	16,774
Edward Byrne-JAG	3,690	3,690	-	46,800
Speed traffic safety	24,300	23,624	(676)	-
Total Sheriff's Office	92,832	65,142	(27,690)	232,074
Building and Development:				
Chesapeake bay program	23,918	19,807	(4,111)	34,535
Total Building and Development	23,918	19,807	(4,111)	34,535
Fire and Rescue:				
Emergency Management Performance Grants	-	-	-	319
Homeland security grant program	-	-	-	15,874
Homeland security equipment	609,719	377,400	(232,319)	100,916
Total Fire and Rescue	609,719	377,400	(232,319)	117,109
Transportation & Capital Infrastructure				
Highway planning & Construction (SAFETY-LU)	7,428	7,428	-	119,992
Highway planning & Construction	-	-	-	19,780
Total Transportation & Capital Infrastructure	7,428	7,428	-	139,772
Library Services				
Promotion of the humanities	-	-	-	83
Total Library Services	-	-	-	83
Mental Health, Substance Abuse and Development Svcs:				
Prevention and treatment of drug abuse	373,614	373,614	-	388,571
Path	54,775	54,775	-	51,638
FBG/POMS	-	-	-	25,579
Total Mental Health, Substance Abuse and Dev. Svcs	428,389	428,389	-	465,788
Parks, Recreation and Community Services:				
National family caregiver support- Title III E	29,285	29,336	51	28,688
Nutrition Service Incentive Program	87,739	87,739	-	72,386
Total Parks, Recreation and Community Services	117,024	117,075	51	101,074
Family Services:				
USDA Meal Reimbursement	25,000	24,191	(809)	26,276
Supportive Housing	159,205	158,247	(958)	170,723
CDBG Neighborhood stabilization program	-	-	-	22,552
Total Family Services	184,205	182,438	(1,767)	219,551
<u>Other categorical aid: Stimulus</u>				
Transportation & Capital Infrastructure:				
ARRA EECBG	-	-	-	21,430
Total Transportation & Capital Infrastructure	-	-	-	21,430
Total other categorical aid	1,475,289	1,209,453	(265,836)	1,374,857
<b>Total from the Federal government</b>	<b>6,321,415</b>	<b>6,386,220</b>	<b>64,805</b>	<b>5,537,659</b>
<b>Total Revenues</b>	<b>1,139,999,654</b>	<b>1,180,047,407</b>	<b>40,047,753</b>	<b>1,120,646,855</b>

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(With Comparative Actual Amounts for 2013)**

	2014		2013
		Variance	
	Final Budget	Positive	Actual
		(Negative)	
<b>EXPENDITURES</b>			
<u>General government administration:</u>			
Legislative:			
Boards, Commissions and Committees	2,201,249	2,052,628	148,621
Office of the County Administrator	758,046	647,988	110,058
Total legislative	2,959,295	2,700,616	258,679
General and financial administration:			
County Administrator	1,719,991	1,657,669	62,322
County Attorney	2,704,298	2,532,191	172,107
Treasurer	4,536,089	4,176,209	359,880
Commissioner of Revenue	7,225,774	5,977,908	1,247,866
Management and Financial Services	12,032,864	10,544,434	1,488,430
Information Technology	23,248,987	21,380,717	1,868,270
General Services	4,149,634	3,123,141	1,026,493
Transportation & Capital Infrastructure	4,246,296	3,606,965	639,331
Nondepartmental	6,380,019	14,029,112	(7,649,093)
Total general and financial administration	66,243,952	67,028,346	(784,394)
Elections administration:			
General Registrar	2,519,872	1,214,614	1,305,258
General Services	361,615	346,828	14,787
Total elections administration	2,881,487	1,561,442	1,320,045
Total general government administration	72,084,734	71,290,404	794,330
<u>Judicial administration:</u>			
Courts:			
Clerk of the Circuit Court	3,896,426	3,615,403	281,023
Sheriff's Office	4,215,041	3,774,957	440,084
General Services	809,592	673,052	136,540
Courts (Circuit and District)	1,143,454	1,019,402	124,052
Total courts	10,064,513	9,082,814	981,699
Commonwealth's Attorney:			
Commonwealth's Attorney	3,270,539	3,055,557	214,982
General Services	22,128	19,453	2,675
Total Commonwealth's Attorney	3,292,667	3,075,010	217,657
Total judicial administration	13,357,180	12,157,824	1,199,356
<u>Public safety:</u>			
Law enforcement:			
Regional Organizations & Contributions	445,195	445,195	-
Sheriff's Office	51,405,175	48,535,569	2,869,606
General Services	1,979,723	1,832,167	147,556
Total law enforcement	53,830,093	50,812,931	3,017,162
Traffic control:			
Sheriff's Office	2,881,281	2,600,552	280,729
Total traffic control	2,881,281	2,600,552	280,729
Fire, rescue and emergency management:			
General Services	2,193,047	1,820,413	372,634
Fire, Rescue and Emergency Services	59,340,161	57,479,927	1,860,234
Total Fire, rescue and emergency management	61,533,208	59,300,340	2,232,868
Corrections and juvenile detention:			
Sheriff's Office	18,583,494	18,391,628	191,866
General Services	2,405,339	2,048,163	357,176
Regional Organizations & Contributions	509,677	508,925	752
Community Corrections	1,796,204	1,709,108	87,096
Juvenile Court Service Unit	2,055,097	1,867,584	187,513
Family Services	2,786,911	2,652,479	134,432
Total corrections and juvenile detention	28,136,722	27,177,887	958,835

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(With Comparative Actual Amounts for 2013)**

	2014		2013
	Final Budget	Actual	Variance Positive (Negative) Actual
Inspections:			
General Services	295,076	295,082	(6)
Building and Development	7,339,306	6,976,821	362,485
Total inspections	7,634,382	7,271,903	362,479
Other protection:			
Sheriff's Office	-	-	-
General Services	108,440	72,440	36,000
Fire, Rescue and Emergency Management	4,557,771	3,940,145	617,626
Animal Control	2,991,843	2,853,020	138,823
Total Other protection	7,658,054	6,865,605	792,449
Total public safety	161,673,740	154,029,218	7,644,522
Public works:			
Maintenance of highways, bridges and sidewalks:			
General Services	160,545	162,734	(2,189)
Total maint. of highways, streets, bridges & sidewalks	160,545	162,734	(2,189)
Construction and waste removal:			
General Services	6,824,925	5,694,077	1,130,848
Construction and Waste Management	-	-	-
Total construction and waste removal	6,824,925	5,694,077	1,130,848
Maintenance of general buildings and grounds:			
General Services	10,282,094	9,944,003	338,091
Total maintenance of general buildings and grounds	10,282,094	9,944,003	338,091
Total public works	17,267,564	15,800,814	1,466,750
Health and welfare:			
Health:			
Regional Organizations & Contributions	378,728	378,728	-
Health Services	4,460,099	4,256,008	204,091
Total health	4,838,827	4,634,736	204,091
Mental Health, Substance Abuse and Development Svcs:			
Regional Organizations & Contributions	15,000	15,000	-
General Services	1,231,866	1,231,946	(80)
Mental Health, Substance Abuse and Development Svcs	33,867,714	31,279,852	2,587,862
Total Mental Health, Substance Abuse and Dev. Svcs	35,114,580	32,526,798	2,587,782
Welfare/Family Services:			
Regional Organizations & Contributions	1,316,967	1,566,852	(249,885)
General Services	1,460,515	1,220,494	240,021
Parks, Recreation and Community Services	6,254,337	5,566,518	687,819
Family Services	22,025,226	18,854,402	3,170,824
Total welfare/family services	31,057,045	27,208,266	3,848,779
Total health and welfare	71,010,452	64,369,800	6,640,652
Parks, recreation and culture:			
Parks, Recreation and Community Services:			
Regional Organizations & Contributions	1,456,306	1,456,306	-
General Services	1,568,124	1,843,556	(275,432)
Parks, Recreation and Community Services	32,882,823	29,104,574	3,778,249
Total Parks, Recreation and Community Services	35,907,253	32,404,436	3,502,817
Cultural enrichment:			
Regional Organizations & Contributions	205,178	205,225	(47)
Total cultural enrichment	205,178	205,225	(47)
Library:			
General Services	838,134	627,791	210,343
Library Services	14,742,310	13,708,083	1,034,227
Total library	15,580,444	14,335,874	1,244,570
Total parks, recreation and culture	51,692,875	46,945,535	4,747,340

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
**(With Comparative Actual Amounts for 2013)**

	2014		2013	
			Variance	
	Final Budget	Actual	Positive (Negative)	Actual
<u>Community development:</u>				
Planning and Community Development:				
County Administrator	960,100	831,743	128,357	807,868
Regional Organizations & Contributions	750,152	450,267	299,885	647,453
Building and Development	14,628,422	13,194,308	1,434,114	13,142,825
Planning	3,617,215	3,278,527	338,688	3,454,617
Economic Development	3,669,494	2,578,179	1,091,315	2,774,969
Transportation & Capital Infrastructure	1,633,938	1,368,281	265,657	1,591,769
Office of Mapping and Geographic Information	2,375,358	2,203,771	171,587	2,272,761
Total planning and community development	27,634,679	23,905,076	3,729,603	24,692,262
Environmental management:				
Regional Organizations & Contributions	612,387	627,673	(15,286)	620,218
General Services	643,131	506,259	136,872	370,344
Total environmental management	1,255,518	1,133,932	121,586	990,562
Cooperative extension program:				
General Services	84,640	83,930	710	82,615
Extension Services	396,392	361,209	35,183	326,677
Total cooperative extension program	481,032	445,139	35,893	409,292
Transit:				
Office of Transportation Services	13,851,825	13,450,400	401,425	12,386,812
Total transit	13,851,825	13,450,400	401,425	12,386,812
Total community development	43,223,054	38,934,547	4,288,507	38,478,928
<u>Education:</u>				
Educational Institutions				
Regional Organizations & Contributions	675,316	675,316	-	581,309
Loudoun County Public Schools	582,841,436	582,841,436	-	566,414,219
Total educational institutions	583,516,752	583,516,752	-	566,995,528
Total education	583,516,752	583,516,752	-	566,995,528
<b>Total Expenditures</b>	<b>1,013,826,351</b>	<b>987,044,894</b>	<b>26,781,457</b>	<b>949,702,530</b>
<b>Excess of revenues over expenditures</b>	<b>126,173,303</b>	<b>193,002,513</b>	<b>66,829,210</b>	<b>170,944,325</b>
<b>Other financing sources (uses):</b>				
Transfers-in	6,619,339	8,189,134	1,569,795	19,032,906
Transfers-out	(219,697,330)	(219,495,812)	201,518	(172,405,082)
Transfers from School Board	-	-	-	32,239
Sale of capital assets	-	21,523,497	21,523,497	-
<b>Total other financing sources (uses)</b>	<b>(213,077,991)</b>	<b>(189,783,181)</b>	<b>23,294,810</b>	<b>(153,339,937)</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>(86,904,688)</b>	<b>3,219,332</b>	<b>90,124,020</b>	<b>17,604,388</b>
<b>Fund balances at beginning of year</b>	<b>219,651,174</b>	<b>219,651,174</b>	<b>-</b>	<b>202,046,786</b>
<b>Fund balances at end of year</b>	<b>\$ 132,746,486</b>	<b>222,870,506</b>	<b>\$ 90,124,020</b>	<b>\$ 219,651,174</b>



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## **Nonmajor Governmental Funds**

# Nonmajor Governmental Funds

<b>Special Revenue Funds</b>
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Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Route 28 Special Improvements Fund** (1201) - This fund is used to account for the proceeds from the Route 28 Transportation Taxing District that are legally restricted to expenditures for transportation in that district.

**Aldie Sewer Service District Fund** (1202) - This fund is used to account for the proceeds from the Aldie Sewer Service Taxing District that are legally restricted to expenditures for sewers in that district.

**Comprehensive Services Act Fund** (1203) - This fund is used to account for the general operations of the County's Comprehensive Services for At-Risk Youth and Families. Financing is provided primarily by transfers from General Fund and from State grants.

**Legal Resource Center Fund** (1204) - This fund is used to account for the operations of the Law Library. Financing is provided through court order assessments and other contributions.

**Federally Forfeited Property Fund** (1205) - This fund is used to account for the proceeds from confiscated property that are restricted to use for law enforcement purposes.

**Hotel and Motel Room Tax Fund** (1206) - This fund is used to account for 3% of the 5% Transient Occupancy Tax collected from lodging facilities in the County. These funds are used to promote tourism in the County (2% of Transient Occupancy Tax collected is unrestricted and is used as part of the General Fund).

**County-Wide Sewer Service District Fund** (1207) - This fund is used to account for the proceeds from the Virginia Resources Authority that are legally restricted to expenditures for small water facility projects in the County.

**Hamilton Sewer Service District Fund** (1208) - This fund is used to account for the proceeds from the Hamilton Sewer Service Taxing District that are legally restricted to expenditures for sewers in that district.

**Community Development Authority Fund** (1209) - This fund is designed to collect a special assessment on real property for the purpose of paying debt service to finance and construct public infrastructure at the Dulles Town Center development.

**Rental Assistance Program Fund** (1210) - This fund is used to account for proceeds received from the U.S. Department of Housing and Urban Development (HUD) so the County can act as direct administrator for the Section 8 Rental Assistance Program.

**Dulles Industrial Park Water and Sewer** (1211) - This fund is used to account for the proceeds from the Dulles Industrial Park Water & Sewer Taxing District that are legally restricted to expenditures for the construction of water and sewer lines in that district. The district consists of 24 properties located north of U.S. Route 50, near the Loudoun County-Fairfax County boundary. The special assessment was negotiated on a per property basis and is intended to generate \$1,650,000 in revenue over 10 years.

**Greenlea Tax District Fund** (1212) - This fund is used to account for the proceeds from the Greenlea Tax District within the Blue Ridge magisterial that are legally restricted to expenditures for the replacement of the damaged bridge on Crooked Bridge Road. The district consists of 19 properties and the assessment is allocated equally among 19 properties in the community and is intended to generate \$660,575.18 in revenue over 15 years at six percent (6%) interest per year.

**State/Federal Grant Fund** (1213) - This fund is used to account for all competitive State and Federal grants received by the County and the fund is restricted accordingly.

**Public Facilities Fund** (1215) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for any public facility or service purposes.

**Sheriff's Fund** (1216) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for law enforcement purposes.

**Animal Shelter Fund** (1217) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the animal shelter.

**Housing Fund** (1218) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for affordable housing in the County.

**Transportation District Fund** (1219) - This fund is used to account for monies collected as local gas sales tax, restricted to use for transportation purposes. For Fiscal Year 2011, the Public Transportation Fund (220), which is used to account for the County's share of construction costs associated with Phases II and III of the Dulles Transit Project, is combined with this fund.

**Uran Holocaust Fund** (1220) - This fund is used to account for monies provided by a private donor, restricted to use for the purchase of educational holocaust materials in the libraries.

**Rt 15 Bypass Beautification Fund** (1221) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the planting of trees on the Route 15 bypass.

**Horton Program For The Arts Fund** (1222) - This fund is used to account for monies provided by private donors, restricted to use for the funding of cultured and arts programs at the Eastern Loudoun Regional Library.

**Symington Fund** (1223) - This fund is used to account for monies provided by private donor, restricted to use only for public purposes, including purchase or construction of improvements, purchase of books, services, and equipment in the Rust Library.

**EMS Transport Fund** (1224) - This fund is used to account for monies derived through the EMS Transport Reimbursement Program and the distribution of those revenues to the respective Volunteer Companies and the Department of Fire, Rescue & Emergency Management.

<b>Capital Funds</b>
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Capital funds are used to account for the acquisition, construction or replacement of major capital facilities other than those financed by proprietary funds and trust funds.

**Capital Projects Fund** (1310) - This fund is used to account for the purchase and/or construction of major capital facilities, including buildings, land,

**Capital Asset Preservation Fund** (1320) - This fund is used to account for the repair and/or replacement of major capital facilities, including

**Capital Projects Financing Fund** (1330) - This fund is a pass-through fund that is used to account for the issuance of general obligation bonds and

<b>Debt Service Funds</b>
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**Debt Service Fund** (1410) - This fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs. Financing is provided primarily by transfers from the General Fund.



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**COUNTY OF LOUDOUN, VIRGINIA**

**COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Special Revenue Funds</b>					
	<b>Route 28 Special Improv.</b>	<b>Aldie Sewer Service District</b>	<b>Comprehensive Services Act</b>	<b>Legal Resource Center</b>	<b>Federally Forfeited Property</b>	<b>Hotel and Motel Room Tax</b>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	-	-	-	-	-	-
Receivables, Net:						
Taxes	159,103	-	-	-	-	1,024,016
Accounts	-	-	-	-	-	-
Interfund Receivables	1,743,545	-	5,486,739	2,700	226,363	-
Due from Other Governments	-	-	1,069,051	-	-	-
Inventory	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-
Notes and Loans Receivable, Net	-	-	-	-	-	-
Total Assets	<u>\$ 1,902,648</u>	<u>\$ -</u>	<u>\$ 6,555,790</u>	<u>\$ 2,700</u>	<u>\$ 226,363</u>	<u>\$ 1,024,016</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ 681,551	\$ 829	\$ -	\$ -
Accrued Liabilities	1,828,810	-	-	1,871	-	-
Unearned Revenue	159,103	-	-	-	226,363	-
Interfund Payables	-	462	-	-	-	605,186
Due to Component Unit	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-
Total Liabilities	<u>1,987,913</u>	<u>462</u>	<u>681,551</u>	<u>2,700</u>	<u>226,363</u>	<u>605,186</u>
Deferred Inflows of Resources						
Unavailable Revenue - prepaid taxes	56,510	-	-	-	-	-
Total Deferred Inflows of Resources	<u>56,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Non-spendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	5,874,239	-	-	296,458
Assigned	-	-	-	-	-	281,847
Unassigned	(141,775)	(462)	-	-	-	(159,475)
Total Fund Balances	<u>(141,775)</u>	<u>(462)</u>	<u>5,874,239</u>	<u>-</u>	<u>-</u>	<u>418,830</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 1,902,648</u>	<u>\$ -</u>	<u>\$ 6,555,790</u>	<u>\$ 2,700</u>	<u>\$ 226,363</u>	<u>\$ 1,024,016</u>

County-Wide Sewer Service District	Hamilton Sewer Service District	Community Devel. Authority	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District
\$ -	\$ -	\$ -	\$ 3,031,753	\$ -	\$ -
-	-	-	-	-	-
-	5,992	76,158	-	12,355	1,159
-	-	-	36,798	-	-
13,237	340,505	1,579,480	-	65,441	20,987
-	-	-	10,366	-	-
-	-	-	-	-	-
-	-	-	594,881	-	-
644	-	-	-	-	-
<u>\$ 13,881</u>	<u>\$ 346,497</u>	<u>\$ 1,655,638</u>	<u>\$ 3,673,798</u>	<u>\$ 77,796</u>	<u>\$ 22,146</u>
\$ -	\$ -	\$ -	\$ 1,140	\$ -	\$ -
-	67,218	1,579,480	15,816	65,441	20,987
-	5,992	-	1,482,740	12,355	1,159
-	-	-	1,917,175	-	-
-	-	-	2,101	-	-
-	-	-	254,826	-	-
-	73,210	1,579,480	3,673,798	77,796	22,146
-	420	82,281	-	3,405	-
-	420	82,281	-	3,405	-
644	-	-	594,881	-	-
13,237	-	-	-	-	-
-	272,867	-	-	-	-
-	-	-	-	-	-
-	-	(6,123)	(594,881)	(3,405)	-
<u>13,881</u>	<u>272,867</u>	<u>(6,123)</u>	<u>-</u>	<u>(3,405)</u>	<u>-</u>
<u>\$ 13,881</u>	<u>\$ 346,497</u>	<u>\$ 1,655,638</u>	<u>\$ 3,673,798</u>	<u>\$ 77,796</u>	<u>\$ 22,146</u>

**COUNTY OF LOUDOUN, VIRGINIA**

**COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Special Revenue Funds</b>						
	<b>State Federal Grant</b>	<b>Public Facilities Fund</b>	<b>Sheriff's Fund</b>	<b>Animal Shelter</b>	<b>Housing Fund</b>	<b>Transportation District</b>	<b>Uran Holocaust</b>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	-	-	-	-	-	20,352,814	-
Receivables, Net:							
Taxes	-	-	-	-	-	3,325,606	-
Accounts	539	-	-	-	-	-	-
Due from Other Funds	179,628	127,815,419	33,104	248,356	26,171,057	5,519,725	259,339
Due from Other Governments	652,639	-	330	-	-	1,267,081	-
Property held for resale	-	-	-	-	425,069	-	-
Prepaid Items	-	-	-	-	-	-	-
Notes and Loans Receivable, Net	137,828	-	-	-	1,491,091	-	-
Total Assets	<u>\$ 970,634</u>	<u>\$ 127,815,419</u>	<u>\$ 33,434</u>	<u>\$ 248,356</u>	<u>\$ 28,087,217</u>	<u>\$ 30,465,226</u>	<u>\$ 259,339</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 75,984	\$ 590,071	\$ 808	\$ -	\$ 183	\$ 328,425	\$ 107
Accrued Liabilities	25,373	-	-	-	-	-	-
Unearned Revenue	684,047	-	-	-	-	75,014	-
Due to Other Funds	-	-	-	-	-	-	-
Due to Component Unit	-	2,065,008	-	-	-	-	-
Other Liabilities	-	-	-	-	-	2,167,374	-
Total Liabilities	<u>785,404</u>	<u>2,655,079</u>	<u>808</u>	<u>-</u>	<u>183</u>	<u>2,570,813</u>	<u>107</u>
Deferred Inflows of Resources							
Unavailable Revenue - prepaid taxes	-	-	-	-	-	34,514	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,514</u>	<u>-</u>
Fund Balances:							
Non-spendable	137,829	-	-	-	1,916,159	-	-
Restricted	47,401	125,160,340	32,626	248,356	26,170,875	27,359,899	229,232
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	500,000	30,000
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>185,230</u>	<u>125,160,340</u>	<u>32,626</u>	<u>248,356</u>	<u>28,087,034</u>	<u>27,859,899</u>	<u>259,232</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 970,634</u>	<u>\$ 127,815,419</u>	<u>\$ 33,434</u>	<u>\$ 248,356</u>	<u>\$ 28,087,217</u>	<u>\$ 30,465,226</u>	<u>\$ 259,339</u>

Rt 15 Bypass Beautification	Horton Program For the Arts	Symington Fund	EMS Transport	Capital Funds		Total Other Governmental Funds
				Capital Asset Preservation	Capital Project Financing	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,031,753
-	-	-	-	52,435	-	20,405,249
-	-	-	-	-	-	4,604,389
-	-	90,928	-	3,124	-	131,389
7,453	18,761	4,012,906	233,097	6,494,918	-	180,472,760
-	-	-	-	-	-	2,999,467
-	-	-	-	-	-	425,069
-	-	-	-	301,185	-	896,066
-	-	-	-	-	-	1,629,563
<u>\$ 7,453</u>	<u>\$ 18,761</u>	<u>\$ 4,103,834</u>	<u>\$ 233,097</u>	<u>\$ 6,851,662</u>	<u>\$ -</u>	<u>\$ 214,595,705</u>
\$ -	\$ -	\$ 19,278	\$ 25,900	\$ 400,445	\$ -	\$ 2,124,721
-	-	-	-	-	-	3,604,996
-	-	-	-	-	-	2,646,773
-	-	-	-	-	-	2,522,823
-	-	-	-	-	-	2,067,109
-	-	-	-	-	-	2,422,200
-	-	19,278	25,900	400,445	-	15,388,622
-	-	-	-	-	-	177,130
-	-	-	-	-	-	177,130
-	-	-	-	301,185	-	2,950,698
7,453	17,761	3,934,556	207,197	944,112	-	184,373,045
-	-	-	-	5,205,920	-	11,649,484
-	1,000	150,000	-	-	-	962,847
-	-	-	-	-	-	(906,121)
<u>7,453</u>	<u>18,761</u>	<u>4,084,556</u>	<u>207,197</u>	<u>6,451,217</u>	<u>-</u>	<u>199,029,953</u>
<u>\$ 7,453</u>	<u>\$ 18,761</u>	<u>\$ 4,103,834</u>	<u>\$ 233,097</u>	<u>\$ 6,851,662</u>	<u>\$ -</u>	<u>\$ 214,595,705</u>



**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**OTHER GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds					
	Route 28 Special Improvements	Aldie Sewer Service District	Comprehensive Services Act	Legal Resource Center	Federally Forfeited Property	Hotel and Motel Room Tax
<b>REVENUES</b>						
General Property Taxes	\$ 9,090,969	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-	2,793,500
Permits and Licenses	-	-	-	-	-	-
Use of Money and Property	-	-	-	-	-	-
Charges for Services	-	-	-	45,845	-	-
Gifts and Donations	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Recovered Costs	-	-	585,008	-	-	-
Intergovernmental - Commonwealth	-	-	2,915,284	-	-	-
Intergovernmental - Federal	-	-	-	-	86,853	-
Total Revenues	9,090,969	-	3,500,292	45,845	86,853	2,793,500
<b>EXPENDITURES</b>						
Current Operating:						
Judicial Administration	-	-	-	80,883	7,830	-
Public Safety	-	-	-	-	119,207	-
Public Works	9,293,052	-	-	-	-	-
Health and Welfare	-	-	5,884,012	-	-	-
Parks, Recreation and Culture	-	-	-	-	-	-
Community Development	-	-	-	-	-	3,791,475
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	9,293,052	-	5,884,012	80,883	127,037	3,791,475
Excess (Deficiency) of Revenues Over (Under) Expenditures	(202,083)	-	(2,383,720)	(35,038)	(40,184)	(997,975)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	60,308	-	4,171,542	15,754	-	-
Transfers Out	-	-	(183,000)	-	-	(699,049)
Bond and Loan Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	60,308	-	3,988,542	15,754	-	(699,049)
Net Change in Fund Balances	(141,775)	-	1,604,822	(19,284)	(40,184)	(1,697,024)
Fund Balances at Beginning of Year	-	(462)	4,269,417	19,284	40,184	2,115,854
Fund Balances at End of Year	\$ (141,775)	\$ (462)	\$ 5,874,239	\$ -	\$ -	\$ 418,830

County-Wide Sewer Service District	Hamilton Sewer Service District	Community Development Authority	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District
\$ -	\$ 130,299	\$ 2,985,723	\$ -	\$ 132,590	\$ 43,132
-	-	-	-	-	-
-	-	-	-	-	-
57	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	17,672	-	-
58	-	-	445,149	-	-
-	-	-	-	-	-
-	-	-	7,945,520	-	-
115	130,299	2,985,723	8,408,341	132,590	43,132
-	-	-	-	-	-
-	-	-	-	-	-
-	218,718	-	-	135,995	43,132
-	-	-	8,430,607	-	-
-	-	-	-	-	-
-	-	2,991,846	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	218,718	2,991,846	8,430,607	135,995	43,132
115	(88,419)	(6,123)	(22,266)	(3,405)	-
-	88,000	-	22,266	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	88,000	-	22,266	-	-
115	(419)	(6,123)	-	(3,405)	-
13,766	273,286	-	-	-	-
\$ 13,881	\$ 272,867	\$ (6,123)	\$ -	\$ (3,405)	\$ -

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**OTHER GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Special Revenue Funds</b>						
	<b>State Federal Grant</b>	<b>Public Facilities Fund</b>	<b>Sheriff's Fund</b>	<b>Animal Shelter</b>	<b>Housing Fund</b>	<b>Transportation District</b>	<b>Uran Holocaust</b>
<b>REVENUES</b>							
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	6,087,162	\$ -
Other Local Taxes	-	-	-	-	-	27,001,576	-
Permits and Licenses	-	-	-	-	-	-	-
Use of Money and Property	-	117,468	-	-	1,677	26,455	268
Charges for Services	-	-	-	-	-	-	-
Gifts and Donations	-	38,110,966	10,019	41,611	5,970,410	-	-
Miscellaneous	7,499	-	-	-	7,400	-	-
Recovered Costs	79	-	-	-	176,986	209,744	-
Intergovernmental - Commonwealth	701,048	-	-	11,010	-	428,526	-
Intergovernmental - Federal	2,458,891	-	-	-	-	-	-
Total Revenues	3,167,517	38,228,434	10,019	52,621	6,156,473	33,753,463	268
<b>EXPENDITURES</b>							
Current Operating:							
Judicial Administration	146,729	-	-	-	-	-	-
Public Safety	1,050,401	1,234,834	38,201	8,445	-	-	-
Public Works	-	232,733	-	-	-	-	-
Health and Welfare	1,411,289	-	-	-	239,465	-	-
Parks, Recreation and Culture	-	-	-	-	-	-	4,085
Community Development	532,873	-	-	-	-	7,562,746	-
Education	-	2,065,008	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	3,141,292	3,532,575	38,201	8,445	239,465	7,562,746	4,085
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,225	34,695,859	(28,182)	44,176	5,917,008	26,190,717	(3,817)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	-	-	51,723,354	-
Transfers Out	-	(42,470,852)	-	(35,771)	-	(75,441,001)	-
Bond and Loan Proceeds	-	-	-	-	-	-	-
Total Other Financing Sources (uses)	-	(42,470,852)	-	(35,771)	-	(23,717,647)	-
Net Change in Fund Balances	26,225	(7,774,993)	(28,182)	8,405	5,917,008	2,473,070	(3,817)
<b>Fund Balances at Beginning of Year</b>	159,005	132,935,333	60,808	239,951	22,170,026	25,386,829	263,049
<b>Fund Balances at End of Year</b>	\$ 185,230	\$ 125,160,340	\$ 32,626	\$ 248,356	\$ 28,087,034	\$ 27,859,899	\$ 259,232

Rt 15 Bypass Beautification	Horton Program For the Arts	Symington Fund	EMS Transport	Capital Funds		Total Other Governmental Funds
				Capital Asset Preservation	Capital Projects Financing	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,469,875
-	-	-	-	80,691	-	29,875,767
-	-	-	-	920	-	920
1	19	52,377	-	-	-	198,322
-	-	-	-	-	-	45,845
-	1,000	-	-	-	-	44,134,006
-	-	-	-	-	-	32,571
-	-	-	-	125,000	-	1,542,024
-	-	-	-	-	-	4,055,868
-	-	-	-	-	-	10,491,264
1	1,019	52,377	-	206,611	-	108,846,462
-	-	-	-	-	-	235,442
-	-	-	27,803	-	-	2,478,891
-	-	-	-	3,451,295	-	13,374,925
-	-	-	-	-	-	15,965,373
-	900	103,701	-	-	-	108,686
-	-	-	-	-	-	14,878,940
-	-	-	-	-	110,700,000	112,765,008
-	-	-	-	1,327,837	-	1,327,837
-	900	103,701	27,803	4,779,132	110,700,000	161,135,102
1	119	(51,324)	(27,803)	(4,572,521)	(110,700,000)	(52,288,640)
-	-	-	235,000	6,231,279	-	62,547,503
-	-	-	-	-	(4,460,000)	(123,289,673)
-	-	-	-	-	115,160,000	115,160,000
-	-	-	235,000	6,231,279	110,700,000	54,417,830
1	119	(51,324)	207,197	1,658,758	-	2,129,190
7,452	18,642	4,135,880	-	4,792,459	-	196,900,763
\$ 7,453	\$ 18,761	\$ 4,084,556	\$ 207,197	\$ 6,451,217	\$ -	\$ 199,029,953

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**ROUTE 28 SPECIAL IMPROVEMENTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 9,413,000	\$ 9,090,969	\$ (322,031)
Transfers from Other Funds	60,308	60,308	-
Amounts Available for Appropriation	<u>9,473,308</u>	<u>9,151,277</u>	<u>(322,031)</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Works	<u>9,473,308</u>	<u>9,293,052</u>	<u>180,256</u>
Total Charges to Appropriations	<u>9,473,308</u>	<u>9,293,052</u>	<u>180,256</u>
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	-	(141,775)	(141,775)
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ (141,775)</u></u>	<u><u>\$ (141,775)</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
COMPREHENSIVE SERVICES ACT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Recovered Costs	\$ 1,140,000	\$ 585,008	\$ (554,992)
Intergovernmental - Commonwealth	3,682,407	2,915,284	(767,123)
Transfers from Other Funds	4,171,542	4,171,542	-
Amounts Available for Appropriation	<u>8,993,949</u>	<u>7,671,834</u>	<u>(1,322,115)</u>
<b>Charges to Appropriations (Outflows)</b>			
Health and Welfare	8,810,949	5,884,012	2,926,937
Transfers to Other Funds	183,000	183,000	-
Total Charges to Appropriations	<u>8,993,949</u>	<u>6,067,012</u>	<u>2,926,937</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	1,604,822	1,604,822
<b>Fund Balance at Beginning of Year</b>	<u>4,269,417</u>	<u>4,269,417</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 4,269,417</u></u>	<u><u>\$ 5,874,239</u></u>	<u><u>\$ 1,604,822</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
LEGAL RESOURCES CENTER FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Charges for Services	\$ 55,313	\$ 45,845	\$ (9,468)
Gifts and Donations	21,044	-	(21,044)
Intergovernmental - Commonwealth	7,994	-	(7,994)
Transfers from Other Funds	-	15,754	15,754
Amounts Available for Appropriation	<u>84,351</u>	<u>61,599</u>	<u>(22,752)</u>
<b>Charges to Appropriations (Outflows)</b>			
Judicial Administration	<u>84,351</u>	<u>80,883</u>	<u>3,468</u>
Total Charges to Appropriations	<u>84,351</u>	<u>80,883</u>	<u>3,468</u>
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	-	(19,284)	(19,284)
<b>Fund Balance at Beginning of Year</b>	<u>19,284</u>	<u>19,284</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 19,284</u>	<u>\$ -</u>	<u>\$ (19,284)</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
FEDERALLY FORFEITED PROPERTY FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Recovered Costs	\$ 10,439	\$ -	\$ (10,439)
Use of Money and Property	4	-	(4)
Intergovernmental - Federal	86,853	86,853	-
Amounts Available for Appropriation	<u>97,296</u>	<u>86,853</u>	<u>(10,443)</u>
<b>Charges to Appropriations (Outflows)</b>			
Judicial Administration	8,090	7,830	260
Public Safety	89,206	119,207	(30,001)
Total Charges to Appropriations	<u>97,296</u>	<u>127,037</u>	<u>(29,741)</u>
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	-	(40,184)	(40,184)
<b>Fund Balance at Beginning of Year</b>	<u>40,184</u>	<u>40,184</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 40,184</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (40,184)</u></u>



**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
HOTEL AND MOTEL ROOM TAX FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive Negative</b>
<b>Resources (Inflows)</b>			
Other Local Taxes	\$ 3,279,000	\$ 2,793,500	\$ (485,500)
Amounts Available for Appropriation	<u>3,279,000</u>	<u>2,793,500</u>	<u>(485,500)</u>
 <b>Charges to Appropriations (Outflows)</b>			
Community Development	3,792,500	3,791,475	1,025
Transfers to Other Funds	699,049	699,049	-
Total Charges to Appropriations	<u>4,491,549</u>	<u>4,490,524</u>	<u>1,025</u>
 <b>Deficiency of Resources Under</b>			
Charges to Appropriations	(1,212,549)	(1,697,024)	(484,475)
<b>Fund Balance at Beginning of Year</b>	2,115,854	2,115,854	-
<b>Fund Balance at End of Year</b>	<u>\$ 903,305</u>	<u>\$ 418,830</u>	<u>\$ (484,475)</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**HAMILTON SEWER SERVICE DISTRICT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 130,718	\$ 130,299	\$ (419)
Transfers from Other Funds	88,000	88,000	-
Amounts Available for Appropriation	<u>218,718</u>	<u>218,299</u>	<u>(419)</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Works	<u>218,718</u>	<u>218,718</u>	<u>-</u>
Total Charges to Appropriations	<u>218,718</u>	<u>218,718</u>	<u>-</u>
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	-	(419)	(419)
<b>Fund Balance at Beginning of Year</b>	<u>273,286</u>	<u>273,286</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 273,286</u></u>	<u><u>\$ 272,867</u></u>	<u><u>\$ (419)</u></u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**COMMUNITY DEVELOPMENT AUTHORITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 3,000,000	\$ 2,985,723	\$ (14,277)
Amounts Available for Appropriation	3,000,000	2,985,723	(14,277)
<b>Charges to Appropriations (Outflows)</b>			
Community Development	3,000,000	2,991,846	8,154
Total Charges to Appropriations	3,000,000	2,991,846	8,154
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	-	(6,123)	(6,123)
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ (6,123)</u>	<u>\$ (6,123)</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
RENTAL ASSISTANCE PROGRAM FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Miscellaneous	\$ 17,672	\$ 17,672	\$ -
Recovered Costs	445,149	445,149	-
Intergovernmental - Federal	7,945,520	7,945,520	-
Transfers from Other Funds	22,266	22,266	-
Amounts Available for Appropriation	<u>8,430,607</u>	<u>8,430,607</u>	<u>-</u>
<b>Charges to Appropriations (Outflows)</b>			
Health and Welfare	<u>8,430,607</u>	<u>8,430,607</u>	<u>-</u>
Total Charges to Appropriations	<u>8,430,607</u>	<u>8,430,607</u>	<u>-</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**DULLES INDUSTRIAL PARK WATER AND SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 143,752	\$ 132,590	\$ (11,162)
Amounts Available for Appropriation	<u>143,752</u>	<u>132,590</u>	<u>(11,162)</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Works	143,752	135,995	7,757
Total Charges to Appropriations	<u>143,752</u>	<u>135,995</u>	<u>7,757</u>
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	-	(3,405)	(3,405)
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ (3,405)</u>	<u>\$ (3,405)</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GREENLEA TAX DISTRICT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 44,038	\$ 43,132	\$ (906)
Amounts Available for Appropriation	44,038	43,132	(906)
<b>Charges to Appropriations (Outflows)</b>			
Public Works	44,038	43,132	906
Total Charges to Appropriations	44,038	43,132	906
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
STATE AND FEDERAL GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Miscellaneous	\$ -	\$ 7,499	\$ 7,499
Recovered Costs	-	79	79
Intergovernmental - Commonwealth	888,329	701,048	(187,281)
Intergovernmental - Federal	2,502,828	2,458,891	(43,937)
Amounts Available for Appropriation	<u>3,391,157</u>	<u>3,167,517</u>	<u>(223,640)</u>
<b>Charges to Appropriations (Outflows)</b>			
Judicial Administration	146,729	146,729	-
Public Safety	1,234,702	1,050,401	184,301
Health and Welfare	1,431,956	1,411,289	20,667
Community Development	577,770	532,873	44,897
Total Charges to Appropriations	<u>3,391,157</u>	<u>3,141,292</u>	<u>249,865</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	26,225	26,225
<b>Fund Balance at Beginning of Year</b>	<u>159,005</u>	<u>159,005</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 159,005</u>	<u>\$ 185,230</u>	<u>\$ 26,225</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
PUBLIC FACILITIES FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ 907,955	\$ 117,468	\$ (790,487)
Gifts and Donations	45,262,790	38,110,966	(7,151,824)
Amounts Available for Appropriation	<u>46,170,745</u>	<u>38,228,434</u>	<u>(7,942,311)</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Safety	1,270,103	1,234,834	35,269
Public Works	364,782	232,733	132,049
Education and Transfers to School Board	2,065,008	2,065,008	-
Transfers to Other Funds	42,470,852	42,470,852	-
Total Charges to Appropriations	<u>46,170,745</u>	<u>46,003,427</u>	<u>167,318</u>
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	-	(7,774,993)	(7,774,993)
<b>Fund Balance at Beginning of Year</b>	<u>132,935,333</u>	<u>132,935,333</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 132,935,333</u></u>	<u><u>\$ 125,160,340</u></u>	<u><u>\$ (7,774,993)</u></u>



**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
SHERIFF'S FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Gifts and Donations	\$ 4,334	\$ 10,019	\$ 5,685
Amounts Available for Appropriation	4,334	10,019	5,685
<b>Charges to Appropriations (Outflows)</b>			
Public Safety	38,241	38,201	40
Total Charges to Appropriations	38,241	38,201	40
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(33,907)	(28,182)	5,725
<b>Fund Balance at Beginning of Year</b>	60,808	60,808	-
<b>Fund Balance at End of Year</b>	<u>\$ 26,901</u>	<u>\$ 32,626</u>	<u>\$ 5,725</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
ANIMAL SHELTER FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Gifts and Donations	\$ 35,771	\$ 41,611	\$ 5,840
Intergovernmental - Commonwealth	8,582	11,010	2,428
Amounts Available for Appropriation	<u>44,353</u>	<u>52,621</u>	<u>8,268</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Safety	8,582	8,445	137
Transfers to Other Funds	35,771	35,771	-
Total Charges to Appropriations	<u>44,353</u>	<u>44,216</u>	<u>137</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	8,405	8,405
<b>Fund Balance at Beginning of Year</b>	<u>239,951</u>	<u>239,951</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 239,951</u></u>	<u><u>\$ 248,356</u></u>	<u><u>\$ 8,405</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
HOUSING FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ 151,000	\$ 1,677	\$ (149,323)
Gifts and Donations	5,250,000	5,970,410	720,410
Miscellaneous Revenue	10,000	7,400	(2,600)
Recovered Costs	100	176,986	176,886
Amounts Available for Appropriation	<u>5,411,100</u>	<u>6,156,473</u>	<u>745,373</u>
<b>Charges to Appropriations (Outflows)</b>			
Health and Welfare	<u>5,411,100</u>	<u>239,465</u>	<u>5,171,635</u>
Total Charges to Appropriations	<u>5,411,100</u>	<u>239,465</u>	<u>5,171,635</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	5,917,008	5,917,008
<b>Fund Balance at Beginning of Year</b>	<u>22,170,026</u>	<u>22,170,026</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 22,170,026</u></u>	<u><u>\$ 28,087,034</u></u>	<u><u>\$ 5,917,008</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
TRANSPORTATION DISTRICT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ (2,459,585)	\$ 6,087,162	\$ 8,546,747
Other Local Taxes	63,641,303	27,001,576	(36,639,727)
Use of Money and Property	(322,331)	26,455	348,786
Recovered Costs	209,744	209,744	-
Intergovernmental - Commonwealth	573,022	428,526	(144,496)
Transfers from Other Funds	51,723,354	51,723,354	-
Amounts Available for Appropriation	<u>113,365,507</u>	<u>85,476,817</u>	<u>(27,888,690)</u>
<b>Charges to Appropriations (Outflows)</b>			
Community Development	21,376,972	7,562,746	13,814,226
Transfers to Other Funds	109,721,001	75,441,001	34,280,000
Total Charges to Appropriations	<u>131,097,973</u>	<u>83,003,747</u>	<u>48,094,226</u>
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(17,732,466)	2,473,070	20,205,536
<b>Fund Balance at Beginning of Year</b>	<u>25,386,829</u>	<u>25,386,829</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 7,654,363</u>	<u>\$ 27,859,899</u>	<u>\$ 20,205,536</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
URAN HOLOCAUST FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ -	\$ 268	\$ 268
Amounts Available for Appropriation	-	268	268
<b>Charges to Appropriations (Outflows)</b>			
Parks, Recreation and Culture	30,000	4,085	25,915
Total Charges to Appropriations	30,000	4,085	25,915
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(30,000)	(3,817)	26,183
<b>Fund Balance at Beginning of Year</b>	263,049	263,049	-
<b>Fund Balance at End of Year</b>	<u>\$ 233,049</u>	<u>\$ 259,232</u>	<u>\$ 26,183</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**HORTON PROGRAM FOR THE ARTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ -	\$ 19	\$ 19
Gifts and Donations	-	1,000	1,000
Amounts Available for Appropriation	-	1,019	1,019
<b>Charges to Appropriations (Outflows)</b>			
Parks, Recreation and Culture	1,000	900	100
Total Charges to Appropriations	1,000	900	100
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(1,000)	119	1,119
<b>Fund Balance at Beginning of Year</b>	18,642	18,642	-
<b>Fund Balance at End of Year</b>	<u>\$ 17,642</u>	<u>\$ 18,761</u>	<u>\$ 1,119</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
SYMINGTON FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ -	\$ 52,377	\$ 52,377
Amounts Available for Appropriation	-	52,377	52,377
<b>Charges to Appropriations (Outflows)</b>			
Parks, Recreation and Culture	159,460	103,701	55,759
Total Charges to Appropriations	159,460	103,701	55,759
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(159,460)	(51,324)	108,136
<b>Fund Balance at Beginning of Year</b>	4,135,880	4,135,880	-
<b>Fund Balance at End of Year</b>	<u>\$ 3,976,420</u>	<u>\$ 4,084,556</u>	<u>\$ 108,136</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
EMS TRANSPORT FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Transfers from Other Funds	\$ 235,000	\$ 235,000	\$ -
Amounts Available for Appropriation	235,000	235,000	-
<b>Charges to Appropriations (Outflows)</b>			
Public Safety	235,000	27,803	207,197
Total Charges to Appropriations	235,000	27,803	207,197
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	207,197	207,197
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ 207,197</u>	<u>\$ 207,197</u>



**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Budget Authorization</b>
<b>REVENUES</b>				
Other Local Taxes	\$ 2,973,657	\$ 761,526	\$ 3,735,183	\$ 2,969,479
Use of Money and Property	121,790	1,713	123,503	121,790
Charges for Services	20,161,290	3,607,851	23,769,141	17,511,174
Gifts and Donations	577,680	7,000	584,680	826,483
Miscellaneous	480,826	1,241,029	1,721,855	41,721,855
Recovered Costs	805,455	32,641	838,096	2,173,470
Intergovernmental - Commonwealth	6,307,962	13,255,068	19,563,030	86,469,537
Intergovernmental - Federal	5,778,893	-	5,778,893	7,545,607
<b>Total Revenues</b>	<b>37,207,553</b>	<b>18,906,828</b>	<b>56,114,381</b>	<b>159,339,395</b>
<b>EXPENDITURES</b>				
Public Works	93,284,505	52,561,338	145,845,843	751,729,332
Education	5,368,204	-	5,368,204	5,368,204
Capital Outlay	288,844,871	31,217,412	320,062,283	540,422,499
<b>Total Expenditures</b>	<b>387,497,580</b>	<b>83,778,750</b>	<b>471,276,330</b>	<b>1,297,520,035</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(350,290,027)</b>	<b>(64,871,922)</b>	<b>(415,161,949)</b>	<b>(1,138,180,640)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	532,960,812	135,507,559	668,468,371	1,119,077,759
Transfers Out	(31,550,800)	(5,258,860)	(36,809,660)	(34,882,207)
Lease/Purchase Financing	11,657,596	-	11,657,596	11,657,596
Sales of Capital Assets	349,175	-	349,175	349,175
<b>Total Other Financing Sources</b>	<b>513,416,783</b>	<b>130,248,699</b>	<b>643,665,482</b>	<b>1,096,202,323</b>
<b>Net Change in Fund Balances</b>	<b>\$ 163,126,756</b>	<b>65,376,777</b>	<b>\$ 228,503,533</b>	<b>\$ (41,978,317)</b>
<b>Fund Balance at Beginning of Year</b>		<b>163,126,756</b>		
<b>Fund Balance at End of Year</b>		<b>\$ 228,503,533</b>		

COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL ASSET PRESERVATION PROGRAM FUND  
FOR THE YEAR ENDED JUNE 30, 2014

	Prior Years	Current Year	Total to Date	Budget Authorization
<b>REVENUES</b>				
Other Local Taxes	\$ 1,473,650	\$ 80,691	\$ 1,554,341	\$ 1,738,603
Permits and Licenses	1,889	920	2,809	974
Recovered Costs	2,469,230	125,000	2,594,230	2,469,230
<b>Total Revenues</b>	<u>3,944,769</u>	<u>206,611</u>	<u>4,151,380</u>	<u>4,208,807</u>
<b>EXPENDITURES</b>				
Public Works	18,516,201	3,451,295	21,967,496	26,349,347
Capital Outlay	37,222,253	1,327,837	38,550,090	41,528,514
<b>Total Expenditures</b>	<u>55,738,454</u>	<u>4,779,132</u>	<u>60,517,586</u>	<u>67,877,861</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>(51,793,685)</u>	<u>(4,572,521)</u>	<u>(56,366,206)</u>	<u>(63,669,054)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	56,797,934	6,231,279	63,029,213	63,029,213
Transfers Out	(211,790)	-	(211,790)	(211,790)
<b>Total Other Financing Sources</b>	<u>56,586,144</u>	<u>6,231,279</u>	<u>62,817,423</u>	<u>62,817,423</u>
<b>Net Change in Fund Balances</b>	<u>\$ 4,792,459</u>	<u>1,658,758</u>	<u>\$ 6,451,217</u>	<u>\$ (851,631)</u>
<b>Fund Balance at Beginning of Year</b>		4,792,459		
<b>Fund Balance at End of Year</b>		<u>\$ 6,451,217</u>		

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FINANCING FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Issuance of Bonds	\$ 91,705,000	\$ 115,160,000	\$ 23,455,000
Lease Purchase Financing	72,400,000	-	(72,400,000)
<b>Amounts Available for Appropriation</b>	<u>164,105,000</u>	<u>115,160,000</u>	<u>(48,945,000)</u>
<b>Charges to Appropriations (Outflows)</b>			
Education and Transfers to School Board	10,755,000	110,700,000	(99,945,000)
Transfers to Other Funds	153,350,000	4,460,000	148,890,000
<b>Total Charges to Appropriations</b>	<u>164,105,000</u>	<u>115,160,000</u>	<u>48,945,000</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ 440,000	\$ 229,587	\$ (210,413)
Miscellaneous revenue	966,718	2,398,993	1,432,275
Transfers from Other Funds	138,406,107	138,246,388	(159,719)
Issuance Premium	6,347,554	9,813,352	3,465,798
<b>Amounts Available for Appropriation</b>	<b>146,160,379</b>	<b>150,688,320</b>	<b>4,527,941</b>
<b>Charges to Appropriations (Outflows)</b>			
Debt Service	153,719,525	143,039,372	10,680,153
Transfers to Other Funds	435,854	435,854	-
Payment to Component Units	6,000,000	6,000,000	-
<b>Total Charges to Appropriations</b>	<b>160,155,379</b>	<b>149,475,226</b>	<b>10,680,153</b>
<b>Excess(Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(13,995,000)	1,213,094	15,208,094
<b>Fund Balance at Beginning of Year</b>	<b>61,410,523</b>	<b>61,410,523</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 47,415,523</b>	<b>\$ 62,623,617</b>	<b>\$ 15,208,094</b>



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## **Proprietary Funds**

## Proprietary Funds

Proprietary funds are used to account for operations that are financed in the manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents. The County's proprietary fund types consist of the Central Services Fund and the Self-insurance Fund. The operations of these funds are generally intended to be self-supporting.

**Central Services Funds** (2610-2614) - This fund is used to account for the financing of goods or services provided among County departments on a cost reimbursement basis and includes such activities as central duplicating, telephone, mail, support, and fleet management services.

**Self Insurance Fund** (2660) - This fund is used to account for the accumulation of resources to pay for losses incurred by the partial or total retention of risk of loss arising out of the assumption of risk rather than transferring that risk to a third party through the purchase of insurance and includes such retention as health insurance, workers compensation insurance and automobile physical damage insurance.

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF PROPRIETARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Central Service Funds</b>						
	<b>Duplicating</b>	<b>Telephone</b>	<b>Mail</b>	<b>Support</b>	<b>Vehicle Replacement</b>	<b>Self Insurance</b>	<b>Total</b>
<b>ASSETS</b>							
Current Assets:							
Restricted Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,180,000	\$ 1,180,000
Receivables, Net	1,438	3,345	-	-	121,015	172,561	298,359
Interfund Receivables	315,768	2,373,460	40,324	3,302	32,227,476	17,775,891	52,736,221
Inventory	-	-	99,390	10,243	-	-	109,633
Total Current Assets	<u>317,206</u>	<u>2,376,805</u>	<u>139,714</u>	<u>13,545</u>	<u>32,348,491</u>	<u>19,128,452</u>	<u>54,324,213</u>
Noncurrent Assets:							
Capital Assets:							
Non-depreciable	-	-	-	-	1,172,517	-	1,172,517
Depreciable, Net	-	679,126	14,756	-	26,694,524	-	27,388,406
Total Noncurrent Assets	<u>-</u>	<u>679,126</u>	<u>14,756</u>	<u>-</u>	<u>27,867,041</u>	<u>-</u>	<u>28,560,923</u>
<b>Total Assets</b>	<u>\$ 317,206</u>	<u>\$ 3,055,931</u>	<u>\$ 154,470</u>	<u>\$ 13,545</u>	<u>\$ 60,215,532</u>	<u>\$ 19,128,452</u>	<u>\$ 82,885,136</u>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	\$ 71,922	\$ 17,038	\$ 916	\$ 2,209	\$ 787,587	\$ 1,080,438	\$ 1,960,110
Due to Component Unit	-	-	15,104	1,156	58,115	-	74,375
Claims Liabilities	-	-	-	-	-	5,968,868	\$ 5,968,868
Accrued Liabilities	-	-	6,680	22,909	-	593,019	622,608
Total Current Liabilities	<u>71,922</u>	<u>17,038</u>	<u>22,700</u>	<u>26,274</u>	<u>845,702</u>	<u>7,642,325</u>	<u>8,625,961</u>
Noncurrent Liabilities:							
Claims Liabilities	-	-	-	-	-	3,739,092	3,739,092
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,739,092</u>	<u>3,739,092</u>
<b>Total Liabilities</b>	<u>\$ 71,922</u>	<u>\$ 17,038</u>	<u>\$ 22,700</u>	<u>\$ 26,274</u>	<u>\$ 845,702</u>	<u>\$ 11,381,417</u>	<u>\$ 12,365,053</u>
<b>NET POSITION</b>							
Net Investment in							
Capital Assets	\$ -	\$ 679,126	\$ 14,756	\$ -	\$ 27,867,041	\$ -	\$ 28,560,923
Unrestricted	245,284	2,359,767	117,014	(12,729)	31,502,789	7,747,035	41,959,160
<b>Total Net Position</b>	<u>\$ 245,284</u>	<u>\$ 3,038,893</u>	<u>\$ 131,770</u>	<u>\$ (12,729)</u>	<u>\$ 59,369,830</u>	<u>\$ 7,747,035</u>	<u>\$ 70,520,083</u>



**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN PROPRIETARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Central Service Funds</b>						
	<b>Duplicating</b>	<b>Telephone</b>	<b>Mail</b>	<b>Support</b>	<b>Vehicle Replacement</b>	<b>Self Insurance</b>	<b>Total</b>
<b>Operating Revenues:</b>							
Charges for Services	\$ 1,104,249	\$ 1,276,138	\$ 681,160	\$ 1,002,391	\$ 7,516,346	\$ 42,279,942	\$ 53,860,226
Use of Property	15,402	41,376	1,010	-	-	-	57,788
Miscellaneous	-	-	-	-	15,375	248,410	263,785
<b>Total Operating Revenues</b>	<u>1,119,651</u>	<u>1,317,514</u>	<u>682,170</u>	<u>1,002,391</u>	<u>7,531,721</u>	<u>42,528,352</u>	<u>54,181,799</u>
<b>Operating Expenses:</b>							
Personnel Services	-	-	247,340	905,247	-	-	1,152,587
Other Services and Charges	916,420	1,114,869	57,356	189,394	68,172	4,953,331	7,299,542
Materials and Supplies	86,179	56,668	382,733	13,763	255,299	-	794,642
Depreciation	-	186,118	1,686	-	4,911,455	-	5,099,259
Claims	-	-	-	-	-	42,404,664	42,404,664
<b>Total Operating Expenses</b>	<u>1,002,599</u>	<u>1,357,655</u>	<u>689,115</u>	<u>1,108,404</u>	<u>5,234,926</u>	<u>47,357,995</u>	<u>56,750,694</u>
<b>Operating Income (Loss)</b>	<u>117,052</u>	<u>(40,141)</u>	<u>(6,945)</u>	<u>(106,013)</u>	<u>2,296,795</u>	<u>(4,829,643)</u>	<u>(2,568,895)</u>
<b>Non-Operating Revenues:</b>							
Gain on Sale of Capital Assets	-	-	-	-	267,834	-	267,834
<b>Total Non-Operating Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,834</u>	<u>-</u>	<u>267,834</u>
<b>Net Income (Loss) Before Transfers</b>	<u>117,052</u>	<u>(40,141)</u>	<u>(6,945)</u>	<u>(106,013)</u>	<u>2,564,629</u>	<u>(4,829,643)</u>	<u>(2,301,061)</u>
Transfers In	-	-	-	-	159,935	3,829,680	3,989,615
<b>Total Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,935</u>	<u>3,829,680</u>	<u>3,989,615</u>
<b>Change in Net Position</b>	<u>117,052</u>	<u>(40,141)</u>	<u>(6,945)</u>	<u>(106,013)</u>	<u>2,724,564</u>	<u>(999,963)</u>	<u>1,688,554</u>
<b>Net Position at Beginning of Year</b>	<u>128,232</u>	<u>3,079,034</u>	<u>138,715</u>	<u>93,284</u>	<u>56,645,266</u>	<u>8,746,998</u>	<u>68,831,529</u>
<b>Net Position at End of Year</b>	<u>\$ 245,284</u>	<u>\$ 3,038,893</u>	<u>\$ 131,770</u>	<u>\$ (12,729)</u>	<u>\$ 59,369,830</u>	<u>\$ 7,747,035</u>	<u>\$ 70,520,083</u>

**COUNTY OF LOUDOUN, VIRGINIA  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Central Service Funds</b>						
	<b>Duplicating</b>	<b>Telephone</b>	<b>Mail</b>	<b>Support</b>	<b>Vehicle Replacement</b>	<b>Self Insurance</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>							
Receipts from Customers	\$ 1,119,237	\$ 1,327,359	\$ 682,258	\$ 1,002,391	\$ 7,410,706	\$ 42,436,831	\$ 53,978,782
Payments to Suppliers for Goods and Services	(930,677)	(1,154,499)	(423,224)	(199,792)	1,050,696	(3,872,893)	(5,530,389)
Payments for Interfund Services	(315,768)	(2,373,460)	(40,324)	(3,302)	(32,227,476)	(17,775,891)	(52,736,221)
Claims Paid	-	-	-	-	-	(41,664,283)	(41,664,283)
Payments to Employees	(87,109)	(76,946)	(247,183)	(902,247)	(25,420)	(792,689)	(2,131,594)
<b>Net Cash Used in Operating Activities</b>	<b>(214,317)</b>	<b>(2,277,546)</b>	<b>(28,473)</b>	<b>(102,950)</b>	<b>(23,791,494)</b>	<b>(21,668,925)</b>	<b>(48,083,705)</b>
<b>Cash Flows from Non-capital Financing Activities:</b>							
Transfers In	-	-	-	-	159,935	3,829,680	3,989,615
<b>Net Cash Provided by Non-capital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159,935</b>	<b>3,829,680</b>	<b>3,989,615</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>							
Additions to Capital Assets	-	(108,393)	-	-	(6,320,621)	-	(6,429,014)
Proceeds from Sale of Capital Assets	-	-	-	-	748,703	-	748,703
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>-</b>	<b>(108,393)</b>	<b>-</b>	<b>-</b>	<b>(5,571,918)</b>	<b>-</b>	<b>(5,680,311)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(214,317)</b>	<b>(2,385,939)</b>	<b>(28,473)</b>	<b>(102,950)</b>	<b>(29,203,477)</b>	<b>(17,839,245)</b>	<b>(49,774,401)</b>
Cash and Cash Equivalents at Beginning of Year	214,317	2,385,939	28,473	102,950	29,203,477	19,019,245	50,954,401
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,180,000</b>	<b>\$ 1,180,000</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>							
<b>Operating Income (Loss)</b>	<b>\$ 117,052</b>	<b>\$ (40,141)</b>	<b>\$ (6,945)</b>	<b>\$ (106,013)</b>	<b>\$ 2,296,795</b>	<b>\$ (4,829,643)</b>	<b>\$ (2,568,895)</b>
<b>Adjustment Not Affecting Cash:</b>							
Depreciation	-	186,118	1,686	-	4,911,455	-	5,099,259
<b>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</b>							
Receivables, Net	(414)	9,845	88	-	(121,015)	(91,521)	(203,017)
Interfund Services	(315,768)	(2,373,460)	(40,324)	(3,302)	(32,227,476)	(17,775,891)	(52,736,221)
Inventory	-	-	845	-	-	-	845
Prepaid Items	-	-	-	-	528,465	-	528,465
Accounts Payable	71,922	17,038	916	2,209	787,587	1,080,438	1,960,110
Due to Other Funds	-	-	15,104	1,156	58,115	-	74,375
Claims Liabilities	-	-	-	-	-	740,381	740,381
Accrued Liabilities	(87,109)	(76,946)	157	3,000	(25,420)	(792,689)	(979,007)
<b>Total Adjustments</b>	<b>(331,369)</b>	<b>(2,237,405)</b>	<b>(21,528)</b>	<b>3,063</b>	<b>(26,088,289)</b>	<b>(16,839,282)</b>	<b>(45,514,810)</b>
<b>Net Cash Used in Operating Activities</b>	<b>\$ (214,317)</b>	<b>\$ (2,277,546)</b>	<b>\$ (28,473)</b>	<b>\$ (102,950)</b>	<b>\$ (23,791,494)</b>	<b>\$ (21,668,925)</b>	<b>\$ (48,083,705)</b>
<b>Non-Cash Capital Related Financing Activities:</b>							
Gain on Sale of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 267,834	\$ -	\$ 267,834

## **Fiduciary Funds**

## Fiduciary Funds

Trust and Agency Funds are used to account for the assets received and disbursed by the County government acting in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

### Pension Trust Funds

**Volunteer Fire and Rescue Trust Fund** (3701) - This fund is used to account for the activities of the Public Safety Retirement System, which accumulates resources for pension benefit payments to qualified public safety personnel.

**OPEB Trust Fund** (3702) - This fund is used to account for the assets held in trust by the county for other post employment benefits.

### Private Purpose Trust Fund

**War Memorial Trust Fund** (3721) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the construction, maintenance and improvement of war memorials.

### Agency Funds

**Special Welfare Trust Fund** (3741) - This fund is used to account for monies provided through the State and from private donors for regular assistance payments to recipients in the Aid to Dependent Children Program.

**Performance Bonds Fund** (3742) - This fund is used to account for monies received from and returned to individuals and businesses who are required to have a performance bond for development. The County acts as an agent to hold the monies until performance is rendered.

**Employee Benefits Distribution Fund** (3743) - This fund is used to account for employee withholdings, employer contributions, and payments made for employee benefits.

**Adult Detention Center (ADC) Inmate Trust Fund** (3744) - This fund is used to account for monies held by inmates of the County's ADC at the time of incarceration.

COUNTY OF LOUDOUN, VIRGINIA  
 COMBINING STATEMENT OF PENSION TRUST NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2014

	Volunteer Fire and Rescue Trust Fund	OPEB Trust Fund	Total
<b>ASSETS</b>			
Investment in Pooled Funds	\$ 19,129,801	\$ 39,426,003	\$ 58,555,804
<b>Total Assets</b>	<u>19,129,801</u>	<u>39,426,003</u>	<u>58,555,804</u>
<b>LIABILITIES</b>			
Accounts Payable	28,740	-	28,740
<b>Total Liabilities</b>	<u>28,740</u>	<u>-</u>	<u>28,740</u>
<b>NET POSITION</b>			
Held in Trust for Pension Benefits	<u>\$ 19,101,061</u>	<u>\$ 39,426,003</u>	<u>\$ 58,527,064</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF CHANGES IN PENSION TRUST NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Volunteer Fire and Rescue Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 2,770,837	\$ 8,271,286	\$ 11,042,123
Total Contributions	<u>2,770,837</u>	<u>8,271,286</u>	<u>11,042,123</u>
Investment Earnings:			
Net Appreciation in Fair Value of Investments	668,136	3,318,478	3,986,614
Interest	546,070	4,345	550,415
Total Investment Earnings	<u>1,214,206</u>	<u>3,322,823</u>	<u>4,537,029</u>
Less Investment Expense:			
Investment Management Fees	-	(29,062)	(29,062)
Net Investment Income	<u>1,214,206</u>	<u>3,293,761</u>	<u>4,507,967</u>
Total Additions	<u>3,985,043</u>	<u>11,565,047</u>	<u>15,550,090</u>
<b>DEDUCTIONS</b>			
Benefits	267,223	2,518,653	2,785,876
Administrative Expense	115,195	252,633	367,828
Total Deductions	<u>382,418</u>	<u>2,771,286</u>	<u>3,153,704</u>
<b>Change in Net Position</b>	3,602,625	8,793,761	12,396,386
<b>Net Position at Beginning of Year</b>	15,498,436	30,632,242	46,130,678
<b>Net Position at End of Year</b>	<u>\$ 19,101,061</u>	<u>\$ 39,426,003</u>	<u>\$ 58,527,064</u>

COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF PRIVATE PURPOSE TRUST NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>War Memorial</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 8,111
<b>Total Assets</b>	<u>\$ 8,111</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ -
<b>Total Liabilities</b>	<u>\$ -</u>
<b>NET POSITION</b>	
Held in Trust for Private Purposes	<u>\$ 8,111</u>

COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF CHANGES IN PRIVATE PURPOSE TRUST NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014

	War Memorial
<b>ADDITIONS</b>	
Contributions:	
Gifts and Donations	\$ -
Total Additions	-
<b>DEDUCTIONS</b>	
Benefits	-
Total Deductions	-
<b>Change in Net Position</b>	-
<b>Net Position at Beginning of Year</b>	8,111
<b>Net Position at End of Year</b>	<u>\$ 8,111</u>



COUNTY OF LOUDOUN, VIRGINIA  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

	Special Welfare	Performance Bonds	Employee Benefits Distribution	ADC Inmate	Total
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 155,716	\$ 11,999,502	\$ 2,938,712	\$ 411,716	\$ 15,505,646
Cash with Fiscal Agents	-	-	60,000	-	60,000
<b>Total Assets</b>	<u>\$ 155,716</u>	<u>\$ 11,999,502</u>	<u>\$ 2,998,712</u>	<u>\$ 411,716</u>	<u>\$ 15,565,646</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,425	\$ 37,262	\$ 2,998,712	\$ -	\$ 3,037,399
Funds Held in Trust for Others	154,291	11,962,240	-	411,716	12,528,247
<b>Total Liabilities</b>	<u>\$ 155,716</u>	<u>\$ 11,999,502</u>	<u>\$ 2,998,712</u>	<u>\$ 411,716</u>	<u>\$ 15,565,646</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>Special Welfare Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 153,507	\$ 77,991	\$ 75,782	\$ 155,716
<b>Total Assets</b>	<b>\$ 153,507</b>	<b>\$ 77,991</b>	<b>\$ 75,782</b>	<b>\$ 155,716</b>
Liabilities:				
Accounts Payable	\$ -	\$ 1,425	\$ -	\$ 1,425
Funds Held in Trust for Others	153,507	77,567	76,783	154,291
<b>Total Liabilities</b>	<b>\$ 153,507</b>	<b>\$ 78,992</b>	<b>\$ 76,783</b>	<b>\$ 155,716</b>
<b><u>Performance Bond Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 14,254,266	\$ 2,815,231	\$ 5,069,995	\$ 11,999,502
<b>Total Assets</b>	<b>\$ 14,254,266</b>	<b>\$ 2,815,231</b>	<b>\$ 5,069,995</b>	<b>\$ 11,999,502</b>
Liabilities:				
Accounts Payable	\$ -	\$ 5,107,257	\$ 5,069,995	\$ 37,262
Funds Held in Trust for Others	14,254,266	3,021,272	5,313,298	11,962,240
<b>Total Liabilities</b>	<b>\$ 14,254,266</b>	<b>\$ 8,128,529</b>	<b>\$ 10,383,293</b>	<b>\$ 11,999,502</b>
<b><u>Employee Benefits Distribution Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 2,721,206	\$ 107,820,886	\$ 107,603,380	\$ 2,938,712
Cash with Fiscal Agents	60,000	-	-	60,000
Accounts Receivable	-	11,181	11,181	-
<b>Total Assets</b>	<b>\$ 2,781,206</b>	<b>\$ 107,832,067</b>	<b>\$ 107,614,561</b>	<b>\$ 2,998,712</b>
Liabilities:				
Accounts Payable	\$ 2,781,206	\$ 111,507,950	\$ 111,290,444	\$ 2,998,712
<b>Total Liabilities</b>	<b>\$ 2,781,206</b>	<b>\$ 111,507,950</b>	<b>\$ 111,290,444</b>	<b>\$ 2,998,712</b>
<b><u>Adult Detention Center (ADC) Inmate Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 308,989	\$ 2,067,352	\$ 1,964,625	\$ 411,716
<b>Total Assets</b>	<b>\$ 308,989</b>	<b>\$ 2,067,352</b>	<b>\$ 1,964,625</b>	<b>\$ 411,716</b>
Liabilities:				
Funds Held in Trust for Others	\$ 308,989	\$ 1,994,091	\$ 1,891,364	\$ 411,716
<b>Total Liabilities</b>	<b>\$ 308,989</b>	<b>\$ 1,994,091</b>	<b>\$ 1,891,364</b>	<b>\$ 411,716</b>
<b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 17,437,968	\$ 112,781,460	\$ 114,713,782	\$ 15,505,646
Cash with Fiscal Agents	60,000	-	-	60,000
Accounts Receivable	-	11,181	11,181	-
<b>Total Assets</b>	<b>\$ 17,497,968</b>	<b>\$ 112,792,641</b>	<b>\$ 114,724,963</b>	<b>\$ 15,565,646</b>
Liabilities:				
Accounts Payable	\$ 2,781,206	\$ 116,616,632	\$ 116,360,439	\$ 3,037,399
Funds Held in Trust for Others	14,716,762	5,092,930	7,281,445	12,528,247
<b>Total Liabilities</b>	<b>\$ 17,497,968</b>	<b>\$ 121,709,562</b>	<b>\$ 123,641,884</b>	<b>\$ 15,565,646</b>



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## **Component Unit - School Board Funds**

## Component Unit - School Board Funds

**General Fund** - This fund is used to account for the general operations of the County's school system. Financing is provided primarily by transfers from the primary government and State and Federal grants to be used for education purposes only.

**Capital Improvements Fund** - This fund is used to account for the purchase and/or construction of major capital facilities, including buildings, land, major equipment and other long-lived improvements for the school system. Financing is provided primarily by bond issues, State and Federal grants, and transfers from the primary government.

**Special Revenue Fund** - This fund is used to account for the general operations of the County's school system. Financing is provided primarily from cafeteria sales and the State and Federal grants to be used for education purposes only.

**Capital Asset Preservation Fund** - This fund is used to account for the repair and/or replacement of major capital facilities, including buildings, major equipment, and other long-lived improvements for the school system. Financing is provided primarily by transfers from the primary government.

**Debt Service Fund** - This fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs of the school system. Financing is provided primarily by transfers from the primary government.

**Peabody Trust Fund** - This fund is used to account for monies provided through a private donor, the corpus of which is non-expendable. The interest earned on fund assets may be used only for school expenses.

**Proprietary Fund** - This fund is used to account for operations that are financed in the manner similar to private business enterprises. The proprietary fund measurement focus is upon determination of net income, financial position and cash flows. Cash and temporary investments related to these proprietary funds are all highly liquid cash equivalents. The proprietary fund types consist of the Central Services Fund and the Self-insurance Fund. The operations of these funds are generally intended to be self-supporting.

**OPEB Trust Fund** - This fund is used to account for the assets held in trust by the County's school system for other post employment benefits.

**COUNTY OF LOUDOUN, VIRGINIA  
COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
COMPONENT UNIT - SCHOOL BOARD  
JUNE 30, 2014**

	<b>General</b>	<b>Capital Improvements</b>	<b>Special Revenue</b>	<b>Capital Asset Replacement</b>	<b>Debt Service</b>	<b>Permanent Peabody</b>	<b>Total School Board</b>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 86,801,137	\$ -	\$ 2,449,899	\$ 3,540,037	\$ 294,601	\$ 31,506	\$ 93,117,180
Restricted Cash and Investments	1,760,162	63,220,787	-	-	-	-	64,980,949
Receivables, Net:							
Accounts	2,645,661	100,000	827,864	-	-	-	3,573,525
Due from Other Governments	12,763,676	-	6,501,063	-	-	-	19,264,739
Advances to Employees	1,247	-	-	-	-	-	1,247
Inventory of Supplies	-	-	428,863	-	-	-	428,863
Prepaid Items	119,486	-	-	-	-	-	119,486
Deposits	60,000	-	-	-	-	-	60,000
<b>Total Assets</b>	<b>\$ 104,151,369</b>	<b>\$ 63,320,787</b>	<b>\$ 10,207,689</b>	<b>\$ 3,540,037</b>	<b>\$ 294,601</b>	<b>\$ 31,506</b>	<b>\$ 181,545,989</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 7,596,910	\$ 21,795,459	\$ 409,470	\$ 242,149	\$ -	\$ -	\$ 30,043,988
Retainage Payable	-	8,560,608	-	-	-	-	8,560,608
Accrued Liabilities	54,324,929	248,732	2,496,839	10,541	-	-	57,081,041
Other Liabilities	37,190	-	-	-	-	-	37,190
Unearned Revenue	87,930	-	4,325,789	-	-	-	4,413,719
<b>Total Liabilities</b>	<b>62,046,959</b>	<b>30,604,799</b>	<b>7,232,098</b>	<b>252,690</b>	<b>-</b>	<b>-</b>	<b>100,136,546</b>
Fund Balances:							
Non-spendable:							
Inventories	-	-	428,863	-	-	-	428,863
Advances and Prepaid Items	120,733	-	-	-	-	-	120,733
Permanent Fund-Nonexpendable	-	-	-	-	-	31,506	31,506
Restricted for:							
Legal Agreement	1,760,162	-	-	-	-	-	1,760,162
Bond Covenants	-	32,615,988	-	-	-	-	32,615,988
Committed to:							
Fiscal Reserve	26,764,758	-	-	-	-	-	26,764,758
Subsequent Year Appropriations	-	100,000	-	-	294,601	-	394,601
Capital Asset Preservation	-	-	-	3,287,347	-	-	3,287,347
Assigned to:							
Contractual Obligations	5,343,505	-	-	-	-	-	5,343,505
Subsequent Year Appropriations	8,115,252	-	-	-	-	-	8,115,252
Food Service Fund	-	-	2,715,886	-	-	-	2,715,886
Unassigned	-	-	(169,158)	-	-	-	(169,158)
<b>Total Fund Balances</b>	<b>42,104,410</b>	<b>32,715,988</b>	<b>2,975,591</b>	<b>3,287,347</b>	<b>294,601</b>	<b>31,506</b>	<b>81,409,443</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 104,151,369</b>	<b>\$ 63,320,787</b>	<b>\$ 10,207,689</b>	<b>\$ 3,540,037</b>	<b>\$ 294,601</b>	<b>\$ 31,506</b>	<b>\$ 181,545,989</b>

COUNTY OF LOUDOUN, VIRGINIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Revenue</u>	<u>Capital Asset Replacement</u>	<u>Debt Service</u>	<u>Permanent Peabody</u>	<u>Total School Board</u>
<b>REVENUES</b>							
Use of Money and Property	\$ 2,067,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,067,086
Charges for Services	2,201,996	-	15,520,821	-	-	-	17,722,817
Miscellaneous	2,966,158	100,000	1,558,207	-	-	-	4,624,365
Recovered Costs	2,343,701	-	-	-	-	-	2,343,701
Intergovernmental - Commonwealth	257,836,965	-	2,220,176	-	-	-	260,057,141
Intergovernmental - Federal	231,670	-	21,490,637	-	-	-	21,722,307
Payments from Primary Government	552,570,965	135,054,525	-	5,577,000	8,159,437	-	701,361,927
<b>Total Revenues</b>	<u>820,218,541</u>	<u>135,154,525</u>	<u>40,789,841</u>	<u>5,577,000</u>	<u>8,159,437</u>	<u>-</u>	<u>1,009,899,344</u>
<b>EXPENDITURES</b>							
Current Operating:							
Education	822,153,682	32,740	41,392,626	3,843,556	-	1,400	867,424,004
Capital Outlay	6,676,671	147,915,268	43,541	93,469	-	-	154,728,949
Debt service:							
Principal Payments	-	-	-	-	7,865,235	-	7,865,235
Interest and Service Charges	-	-	-	-	294,160	-	294,160
Transfer to Other Funds	3,662,419	-	-	-	-	-	3,662,419
<b>Total Expenditures</b>	<u>832,492,772</u>	<u>147,948,008</u>	<u>41,436,167</u>	<u>3,937,025</u>	<u>8,159,395</u>	<u>1,400</u>	<u>1,033,974,767</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(12,274,231)</u>	<u>(12,793,483)</u>	<u>(646,326)</u>	<u>1,639,975</u>	<u>42</u>	<u>(1,400)</u>	<u>(24,075,423)</u>
<b>OTHER FINANCING SOURCES</b>							
Lease/Purchase Financing	10,000,000	-	-	-	-	-	10,000,000
<b>Total Other Financing Sources</b>	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
<b>Net Change in Fund Balances</b>	<u>(2,274,231)</u>	<u>(12,793,483)</u>	<u>(646,326)</u>	<u>1,639,975</u>	<u>42</u>	<u>(1,400)</u>	<u>(14,075,423)</u>
<b>Fund Balances at Beginning of Year</b>	<u>44,378,641</u>	<u>45,509,471</u>	<u>3,621,917</u>	<u>1,647,372</u>	<u>294,559</u>	<u>32,906</u>	<u>95,484,866</u>
<b>Fund Balances at End of Year</b>	<u>\$ 42,104,410</u>	<u>\$ 32,715,988</u>	<u>\$ 2,975,591</u>	<u>\$ 3,287,347</u>	<u>\$ 294,601</u>	<u>\$ 31,506</u>	<u>\$ 81,409,443</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL GENERAL FUND  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Use of Money and Property	\$ 1,440,372	\$ 1,440,372	\$ 2,067,086	\$ 626,714
Charges for Services	2,950,000	2,950,000	2,201,996	(748,004)
Miscellaneous	2,052,324	2,052,324	2,966,158	913,834
Recovered Costs	-	-	2,343,701	2,343,701
Intergovernmental - Commonwealth	254,148,447	254,148,447	257,836,965	3,688,518
Intergovernmental - Federal	175,063	175,063	231,670	56,607
Payment from Primary Government	553,615,482	553,615,482	552,570,965	(1,044,517)
Lease/Purchase Financing	10,000,000	10,000,000	10,000,000	-
<b>Amounts Available for Appropriation</b>	<b>824,381,688</b>	<b>824,381,688</b>	<b>830,218,541</b>	<b>5,836,853</b>
<b>Charges to Appropriations (Outflows)</b>				
Education	832,406,688	837,648,897	828,830,353	8,818,544
<b>Nondepartmental:</b>				
Transfers to Other Funds	1,975,000	1,975,000	3,662,419	(1,687,419)
<b>Total Charges to Appropriations</b>	<b>834,381,688</b>	<b>839,623,897</b>	<b>832,492,772</b>	<b>7,131,125</b>
<b>Excess (Deficiency) of Resources Over (Under)</b>				
Charges to Appropriations	(10,000,000)	(15,242,209)	(2,274,231)	12,967,978
<b>Fund Balance at Beginning of Year</b>	<b>44,378,641</b>	<b>44,378,641</b>	<b>44,378,641</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 34,378,641</b>	<b>\$ 29,136,432</b>	<b>\$ 42,104,410</b>	<b>\$ 12,967,978</b>



**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE OF**  
**SCHOOL SPECIAL REVENUE FUND - FOOD SERVICES FUND**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive Negative</b>
<b>Resources (Inflows)</b>				
Charges for Services	\$ 21,518,375	\$ 21,518,375	\$ 15,422,559	\$ (6,095,816)
Miscellaneous	6,000	6,000	-	(6,000)
Intergovernmental - Commonwealth	357,986	357,986	327,693	(30,293)
Intergovernmental - Federal	4,600,000	4,600,000	7,340,923	2,740,923
<b>Amounts Available for Appropriation</b>	<u>26,482,361</u>	<u>26,482,361</u>	<u>23,091,175</u>	<u>(3,391,186)</u>
<b>Charges to Appropriations (Outflows)</b>				
Education	26,482,361	26,488,624	23,568,343	2,920,281
<b>Total Charges to Appropriations</b>	<u>26,482,361</u>	<u>26,488,624</u>	<u>23,568,343</u>	<u>2,920,281</u>
<b>Deficiency of Resources Under</b>				
Charges to Appropriations	-	(6,263)	(477,168)	(470,905)
<b>Fund Balance at Beginning of Year</b>	<u>3,621,917</u>	<u>3,621,917</u>	<u>3,621,917</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 3,621,917</u>	<u>\$ 3,615,654</u>	<u>\$ 3,144,749</u>	<u>\$ (470,905)</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE OF**  
**SCHOOL SPECIAL REVENUE FUND - GRANT FUND**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Charges for Services	\$ 50,000	\$ 76,634	\$ 98,262	\$ 21,628
Miscellaneous	1,852,698	3,439,745	1,558,207	(1,881,538)
Intergovernmental - Commonwealth	4,112,096	7,195,879	1,892,483	(5,303,396)
Intergovernmental - Federal	13,275,968	14,782,022	14,149,714	(632,308)
<b>Amounts Available for Appropriation</b>	<u>19,290,762</u>	<u>25,494,280</u>	<u>17,698,666</u>	<u>(7,795,614)</u>
<b>Charges to Appropriations (Outflows)</b>				
Education	19,290,762	25,494,280	17,867,824	7,626,456
<b>Total Charges to Appropriations</b>	<u>19,290,762</u>	<u>25,494,280</u>	<u>17,867,824</u>	<u>7,626,456</u>
<b>Excess (Deficiency) of Resources Over (Under)</b>				
Charges to Appropriations	-	-	(169,158)	(169,158)
<b>Fund Balance at Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (169,158)</u>	<u>\$ (169,158)</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL CAPITAL IMPROVEMENTS FUND  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Budget Authorization</b>
<b>REVENUES</b>				
Payment from Primary Government	\$ 501,728,604	\$ 135,054,525	\$ 636,783,129	\$ 768,355,479
Miscellaneous	-	100,000	100,000	144,641
<b>Total Revenues</b>	<u>501,728,604</u>	<u>135,154,525</u>	<u>636,883,129</u>	<u>768,500,120</u>
<b>EXPENDITURES</b>				
Education	705,188	32,740	737,928	961,000
Capital Outlay	455,458,586	147,915,268	603,373,854	767,539,120
<b>Total Expenditures</b>	<u>456,163,774</u>	<u>147,948,008</u>	<u>604,111,782</u>	<u>768,500,120</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>45,564,830</u>	<u>(12,793,483)</u>	<u>32,771,347</u>	<u>-</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	(55,359)	-	(55,359)	-
<b>Total Other Financing Uses</b>	<u>(55,359)</u>	<u>-</u>	<u>(55,359)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 45,509,471</u>	<u>\$ (12,793,483)</u>	<u>\$ 32,715,988</u>	<u>\$ -</u>
<b>Fund Balance at Beginning of Year</b>		45,509,471		
<b>Fund Balance at End of Year</b>		<u>\$ 32,715,988</u>		

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE OF**  
**SCHOOL CAPITAL ASSET PRESERVATION FUND**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Budget Authorization</b>
<b>REVENUES</b>				
Payment from Primary Government	\$ 1,749,185	\$ 5,577,000	\$ 7,326,185	\$ 7,326,045
<b>Total Revenues</b>	<u>1,749,185</u>	<u>5,577,000</u>	<u>7,326,185</u>	<u>7,326,045</u>
<b>EXPENDITURES</b>				
Education	1,749,185	3,843,556	5,592,741	7,286,731
Capital Outlay	-	93,469	93,469	39,314
<b>Total Expenditures</b>	<u>1,749,185</u>	<u>3,937,025</u>	<u>5,686,210</u>	<u>7,326,045</u>
<b>Excess of Revenues Over Expenditures</b>	<u>-</u>	<u>1,639,975</u>	<u>1,639,975</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ 1,639,975</u>	<u>\$ 1,639,975</u>	<u>\$ -</u>
<b>Fund Balance at Beginning of Year</b>		<u>1,647,372</u>		
<b>Fund Balance at End of Year</b>		<u>\$ 3,287,347</u>		

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE OF**  
**SCHOOL DEBT SERVICE FUND**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Payment from Primary Government	\$ 8,159,437	\$ 8,159,437	\$ 8,159,437	\$ -
<b>Amounts Available for Appropriation</b>	<u>8,159,437</u>	<u>8,159,437</u>	<u>8,159,437</u>	<u>-</u>
<b>Charges to Appropriations (Outflows)</b>				
<b>Nondepartmental:</b>				
Debt Service	8,159,437	8,159,437	8,159,395	42
<b>Total Charges to Appropriations</b>	<u>8,159,437</u>	<u>8,159,437</u>	<u>8,159,395</u>	<u>42</u>
<b>Excess of Resources Over</b>				
<b>Charges to Appropriations</b>	-	-	42	42
<b>Fund Balance at Beginning of Year</b>	294,559	294,559	294,559	-
<b>Fund Balance at End of Year</b>	<u>\$ 294,559</u>	<u>\$ 294,559</u>	<u>\$ 294,601</u>	<u>\$ 42</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF PROPRIETARY NET POSITION**  
**PROPRIETARY - INTERNAL SERVICE FUNDS**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Central Service Fund</b>	<b>Self Insurance Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 269,713	\$ 64,345	\$ 334,058
Cash with Fiscal Agents	-	2,240,000	2,240,000
Receivables, Net	-	375,827	375,827
Inventory of Supplies	627,391	-	627,391
Total Current Assets	<u>897,104</u>	<u>2,680,172</u>	<u>3,577,276</u>
Noncurrent Assets:			
Capital Assets:			
Depreciable, Net	3,015,248	-	3,015,248
Total Noncurrent Assets	<u>3,015,248</u>	<u>-</u>	<u>3,015,248</u>
<b>Total Assets</b>	<u><b>\$ 3,912,352</b></u>	<u><b>\$ 2,680,172</b></u>	<u><b>\$ 6,592,524</b></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 497,230	\$ 380,826	\$ 878,056
Claims Liabilities	-	13,570,112	13,570,112
Accrued Liabilities	-	2,150,352	2,150,352
Total Current Liabilities	<u>497,230</u>	<u>16,101,290</u>	<u>16,598,520</u>
Noncurrent Liabilities:			
Claims Liabilities	-	678,622	678,622
Total Noncurrent Liabilities	<u>-</u>	<u>678,622</u>	<u>678,622</u>
<b>Total Liabilities</b>	<u><b>\$ 497,230</b></u>	<u><b>\$ 16,779,912</b></u>	<u><b>\$ 17,277,142</b></u>
<b>NET POSITION</b>			
Net Investment in			
Capital Assets	\$ 3,015,248	\$ -	\$ 3,015,248
Unrestricted	399,874	(14,099,740)	(13,699,866)
<b>Total Net Position</b>	<u><b>\$ 3,415,122</b></u>	<u><b>\$ (14,099,740)</b></u>	<u><b>\$ (10,684,618)</b></u>

COUNTY OF LOUDOUN, VIRGINIA  
 COMBINING STATEMENT OF CHANGES IN PROPRIETARY NET POSITION  
 PROPRIETARY - INTERNAL SERVICE FUNDS  
 COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2014

	Central Service Fund	Self Insurance Fund	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 18,988,701	\$ 128,412,880	\$ 147,401,581
Use of Property	52,136	-	52,136
<b>Total Operating Revenues</b>	<u>19,040,837</u>	<u>128,412,880</u>	<u>147,453,717</u>
<b>Operating Expenses:</b>			
Personnel Services	5,060,675	641,697	5,702,372
Other Services and Charges	2,118,464	9,312,939	11,431,403
Materials and Supplies	11,956,471	35,819	11,992,290
Depreciation	166,068	-	166,068
Claims	-	127,331,708	127,331,708
<b>Total Operating Expenses</b>	<u>19,301,678</u>	<u>137,322,163</u>	<u>156,623,841</u>
<b>Operating Loss</b>	(260,841)	(8,909,283)	(9,170,124)
<b>Non-Operating Revenues:</b>			
Loss on Sale of Capital Assets	(1,995)	-	(1,995)
<b>Total Non-Operating Revenues</b>	<u>(1,995)</u>	<u>-</u>	<u>(1,995)</u>
<b>Net Loss Before Transfers</b>	<u>(262,836)</u>	<u>(8,909,283)</u>	<u>(9,172,119)</u>
Transfers In	-	3,662,419	3,662,419
<b>Total Transfers</b>	<u>-</u>	<u>3,662,419</u>	<u>3,662,419</u>
<b>Change in Net Position</b>	(262,836)	(5,246,864)	(5,509,700)
<b>Net Position at Beginning of Year</b>	3,677,958	(8,852,876)	(5,174,918)
<b>Net Position at End of Year</b>	<u>\$ 3,415,122</u>	<u>\$ (14,099,740)</u>	<u>\$ (10,684,618)</u>

COUNTY OF LOUDOUN, VIRGINIA  
 COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY - INTERNAL SERVICE FUNDS  
 COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2014

	<b>Central Service Fund</b>	<b>Self Insurance Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers	\$ 19,043,230	\$ 128,292,305	\$ 147,335,535
Payments to Suppliers for Goods and Services	(14,253,071)	(8,103,911)	(22,356,982)
Claims Paid	-	(126,337,055)	(126,337,055)
Payments to Employees	(5,060,675)	(641,697)	(5,702,372)
<b>Net Cash Used in Operating Activities</b>	<u>(270,516)</u>	<u>(6,790,358)</u>	<u>(7,060,874)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers In	-	3,662,419	3,662,419
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>-</u>	<u>3,662,419</u>	<u>3,662,419</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(270,516)	(3,127,939)	(3,398,455)
Cash and Cash Equivalents at Beginning of Year	540,229	3,192,284	3,732,513
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 269,713</u>	<u>\$ 64,345</u>	<u>\$ 334,058</u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities:</b>			
<b>Operating Loss</b>	<u>\$ (260,841)</u>	<u>\$ (8,909,283)</u>	<u>\$ (9,170,124)</u>
<b>Adjustment Not Affecting Cash:</b>			
Depreciation	166,068	-	166,068
<b>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</b>			
Receivable, Net	2,393	(120,575)	(118,182)
Inventory	13,581	-	13,581
Prepaid Items	-	2,792	2,792
Accounts Payable	497,230	380,826	878,056
Claims Liabilities	-	994,654	994,654
Accrued Liabilities	(688,947)	861,228	172,281
<b>Total Adjustments</b>	<u>(9,675)</u>	<u>2,118,925</u>	<u>2,109,250</u>
<b>Net Cash Used in Operating Activities</b>	<u>\$ (270,516)</u>	<u>\$ (6,790,358)</u>	<u>\$ (7,060,874)</u>



COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF OPEB TRUST NET POSITION  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2014

	OPEB Trust Fund
<b>ASSETS</b>	
Cash with Fiscal Agents	\$ 91,481,634
<b>Total Assets</b>	<u>\$ 91,481,634</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ -
<b>Total Liabilities</b>	<u>\$ -</u>
<b>NET POSITION</b>	
Held in Trust for Pension Benefits	<u>\$ 91,481,634</u>

COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF CHANGES IN OPEB TRUST NET POSITION  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>OPEB Trust Fund</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 23,266,040
<b>Total Contributions</b>	<u>23,266,040</u>
Investment Earnings:	
Net Appreciation in Fair Value of Investments	7,764,097
Interest	9,315
<b>Total Investment Earnings</b>	<u>7,773,412</u>
Less Investment Expense:	
Investment Management Fees	(60,003)
<b>Net Investment Income</b>	<u>7,713,409</u>
<b>Total Additions</b>	<u>30,979,449</u>
<b>DEDUCTIONS</b>	
Benefits	4,864,284
Administrative Expense	2,901,756
<b>Total Deductions</b>	<u>7,766,040</u>
<b>Change in Net Position</b>	23,213,409
<b>Net Position at Beginning of Year</b>	<u>68,268,225</u>
<b>Net Position at End of Year</b>	<u><u>\$ 91,481,634</u></u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Payroll Liabilities Distribution Fund</b>	<b>Student Activity Fund</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 9,152,040	\$ 6,434,934	\$ 15,586,974
<b>Total Assets</b>	<u>9,152,040</u>	<u>6,434,934</u>	<u>15,586,974</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 9,152,040	\$ -	\$ 9,152,040
Collections Held in Trust	-	6,434,934	6,434,934
<b>Total Current Liabilities</b>	<u>\$ 9,152,040</u>	<u>\$ 6,434,934</u>	<u>\$ 15,586,974</u>
<b>Total Liabilities</b>			



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## **Capital Assets**

## Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as land, buildings, road registered vehicles, equipment, and infrastructure with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Property, plant and equipment is depreciated using the straight-line method over the estimated useful lives.

**COUNTY OF LOUDOUN, VIRGINIA  
SCHEDULE OF CAPITAL ASSETS BY SOURCES  
AT JUNE 30, 2014**

**CAPITAL ASSETS**

Land	\$ 135,338,507
Buildings	395,135,214
Improvements Other Than Buildings	38,298,863
Equipment	171,322,722
Infrastructure	521,790,652
Construction in Progress	84,710,104
<b>Total Current Assets</b>	<u>1,346,596,062</u>
Less Accumulated Depreciation	<u>(301,347,613)</u>
<b>Net Capital Assets</b>	<u><u>\$ 1,045,248,449</u></u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF CAPITAL ASSETS BY FUNCTION**  
**AT JUNE 30, 2014**

<b>Function</b>	<b>Land</b>	<b>Buildings</b>	<b>Improvements other than Buildings</b>	<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Total</b>
General Government Administration	\$ 9,053,807	\$ 15,365,929	\$ -	\$ 58,200,741	\$ 1,285,970	\$ 83,906,447
Judicial Administration	398,112	35,050,899	-	1,378,542	-	36,827,553
Public Safety	19,034,016	165,165,771	-	71,694,199	477,550	256,371,536
Public Works	27,428,653	34,133,256	38,958	7,102,261	519,645,646	588,348,774
Health and Welfare	2,746,906	42,726,482	-	1,005,621	-	46,479,009
Parks, Recreation and Culture	66,078,315	101,466,241	32,426,925	6,621,294	381,486	206,974,261
Community Development	10,598,698	1,226,636	5,832,980	25,320,064	-	42,978,378
<b>Total Capital Assets Allocation to Functions</b>	<u>135,338,507</u>	<u>395,135,214</u>	<u>38,298,863</u>	<u>171,322,722</u>	<u>521,790,652</u>	<u>1,261,885,958</u>
Less: Accumulated Depreciation	<u>-</u>	<u>(76,872,040)</u>	<u>(17,066,786)</u>	<u>(111,764,761)</u>	<u>(95,644,026)</u>	<u>(301,347,613)</u>
<b>Total</b>	<u><u>\$ 135,338,507</u></u>	<u><u>\$ 318,263,174</u></u>	<u><u>\$ 21,232,077</u></u>	<u><u>\$ 59,557,961</u></u>	<u><u>\$ 426,146,626</u></u>	<u><u>960,538,345</u></u>
<b>Construction in Progress</b>						<u>84,710,104</u>
<b>Total Capital Assets</b>						<u><u>\$ 1,045,248,449</u></u>



**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION**  
**YEAR ENDED JUNE 30, 2014**

<b>Function</b>	<b>Fixed Assets July 1, 2013</b>	<b>Additions</b>	<b>Deductions</b>	<b>Transfers In / (Out)</b>	<b>Fixed Assets June 30, 2014</b>
General Government Administration	\$ 111,980,125	\$ 5,183,680	\$ 20,354,358	\$ (12,903,000)	\$ 83,906,447
Judicial Administration	36,827,553	-	-	-	36,827,553
Public Safety	245,570,033	3,084,766	748,685	8,465,422	256,371,536
Public Works	565,486,862	23,584,417	722,505	-	588,348,774
Health and Welfare	46,458,959	20,050	-	-	46,479,009
Parks, Recreation and Culture	206,420,418	617,974	344,874	280,743	206,974,261
Community Development	42,904,348	88,389	14,359	-	42,978,378
<b>Total Capital Assets Allocation to Function</b>	<u>1,255,648,298</u>	<u>32,579,276</u>	<u>22,184,781</u>	<u>(4,156,835)</u>	<u>1,261,885,958</u>
Construction in Progress	<u>54,970,169</u>	<u>38,486,100</u>	<u>-</u>	<u>(8,746,165)</u>	<u>84,710,104</u>
<b>Total</b>	<u>1,310,618,467</u>	<u>71,065,376</u>	<u>22,184,781</u>	<u>(12,903,000)</u>	<u>1,346,596,062</u>
Less: Accumulated Depreciation	<u>(274,621,819)</u>	<u>(30,457,203)</u>	<u>(3,731,409)</u>	<u>-</u>	<u>(301,347,613)</u>
<b>Net Capital Assets</b>	<u><u>\$ 1,035,996,648</u></u>	<u><u>\$ 40,608,173</u></u>	<u><u>\$ 18,453,372</u></u>	<u><u>\$ (12,903,000)</u></u>	<u><u>\$ 1,045,248,449</u></u>

## **STATISTICAL SECTION**

## STATISTICAL SECTION (1)

This section of the County's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health. This information has not been audited by the independent auditor.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	150
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	154
These schedules contain information to help the reader assess the County's significant local revenue sources, the property tax, as well as other revenue sources.	
<b>Debt Capacity</b>	159
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	162
These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	164
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in this section is derived from the County's comprehensive annual financial reports for the relevant year. The County implemented GASB 34 in the fiscal year ending June 30, 2002; schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2007.

(1) The current Statistical Section as described in Statement No. 44 of the Government Accounting Standards Board was implemented, as required, in fiscal year 2006. The County uses fiscal year 2006 as the base year for gathering the 10-year historical data required for the Statistical Section.

## COUNTY OF LOUDOUN, VIRGINIA

## NET POSITION BY COMPONENT

(accrual basis of accounting)

	Fiscal Years								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Primary Government:</b>									
Net Investment in Capital Assets	\$ 807,212,078	\$ 756,586,759	\$ 653,910,318	\$ 577,369,256	\$ 585,178,496	\$ 527,364,157	\$ 489,043,054	\$ 485,203,057	\$ 450,622,376
Restricted	291,903,114	289,263,838	281,340,465	268,799,538	117,028,380	140,839,102	120,692,734	104,274,450	58,775,047
Unrestricted	(506,368,195)	(523,228,920)	(486,196,509)	(578,627,392)	(574,814,326)	(588,919,383)	(514,969,805)	(570,530,797)	(452,463,564)
Total Primary Government Net Position	592,746,997	522,621,677	449,054,274	267,541,402	127,392,550	79,283,876	94,765,983	18,946,710	56,933,859
<b>Component Unit: (1)</b>									
Net Investment in Capital Assets	1,469,383,294	1,345,039,435	1,296,827,243	1,236,090,727	1,218,969,901	1,118,111,822	1,074,201,984	948,053,632	854,667,866
Restricted	32,647,494	45,542,377	25,723,640	69,473,633	95,452,677	160,182,948	94,027,547	194,986,560	132,512,303
Unrestricted	(87,816,066)	(101,134,357)	(82,512,411)	(12,775,272)	8,838,292	25,363,594	56,218,412	56,951,907	62,921,591
Total Component Unit Net Position	1,414,214,722	1,289,447,455	1,240,038,472	1,327,320,262	1,323,260,870	1,303,658,364	1,224,447,943	1,199,992,099	1,050,101,760
<b>Total Reporting Entity: (2)</b>									
Net Investment in Capital Assets	1,435,368,414	1,263,421,137	1,181,750,230	983,749,795	873,938,252	720,468,499	743,562,715	498,936,494	194,886,496
Restricted	324,550,608	334,806,215	307,064,105	184,105,398	212,481,057	301,059,613	214,720,281	299,261,010	191,287,350
Unrestricted	247,042,697	213,841,780	145,702,769	427,006,471	364,234,111	361,314,128	360,930,930	420,741,305	413,025,169
Total Reporting Entity Net Position	\$ 2,006,961,719	\$ 1,812,069,132	\$ 1,634,517,104	\$ 1,594,861,664	\$ 1,450,653,420	\$ 1,382,842,240	\$ 1,319,213,926	\$ 1,218,938,809	\$ 799,199,015

(1) Component unit net position components are included in this table due to School Board being a significant portion of the County. In Virginia, the County issues debt to finance the construction of school facilities for the School Board because the School Board do not have borrowing or taxing authority.

(2) The sum of the rows does not equal the Total Reporting Entity row because the debt related to the School Board Component Unit is reflected in the Primary Government's Net Position row reducing unrestricted net position. The assets are reflected in the School Board Component Unit row as Net Investment in Capital Assets. The Total Reporting Entity row matches the asset with the debt and reports the net amount on the Net Investment in Capital Assets line.

(3) Restated FY2011 net position of the Component Unit-School Board for change in depreciation due to timing of capitalization of school buildings.

TABLE B

**COUNTY OF LOUDOUN, VIRGINIA**  
**CHANGES IN NET POSITION**  
 (accrual basis of accounting)

	Fiscal Years									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	
<b>Primary Government:</b>										
<b>Expenses</b>										
General government administration	\$ 70,124,315	\$ 61,912,835	\$ 70,316,709	\$ 62,046,397	\$ 63,686,674	\$ 62,822,643	\$ 55,390,394	\$ 50,059,960	\$ 43,682,466	
Judicial administration	13,095,288	13,583,932	13,914,515	12,713,817	13,102,418	12,195,513	13,491,840	11,998,091	10,192,333	
Public safety	160,559,061	157,521,067	154,479,975	139,449,347	136,689,853	146,132,847	133,119,564	117,079,583	103,129,805	
Public works	85,334,726	55,288,784	52,378,576	53,898,740	73,414,534	87,509,156	51,868,968	39,352,422	19,504,478	
Health and welfare	81,275,904	80,983,615	83,094,558	81,624,733	85,065,383	82,537,935	85,769,481	77,284,839	73,632,718	
Parks, recreation and culture	49,076,706	49,451,751	48,706,940	44,867,154	44,766,554	47,983,009	47,410,027	40,963,120	38,426,805	
Community development	50,019,751	49,822,990	46,653,869	38,362,638	42,006,747	40,960,236	40,986,388	40,758,161	35,709,602	
Education	715,184,760	666,322,749	516,790,758	523,831,880	558,233,336	648,732,511	551,205,050	613,877,184	555,334,092	
Interest and other debt service charges	34,383,474	60,737,458	46,467,254	46,222,850	42,984,767	38,106,182	44,058,386	38,586,954	37,448,682	
Total Primary Government expenses	\$ 1,259,053,985	\$ 1,195,625,181	\$ 1,032,803,154	\$ 1,003,017,556	\$ 1,059,950,266	\$ 1,166,980,032	\$ 1,023,300,098	\$ 1,029,960,314	\$ 917,060,981	
<b>Program Revenues</b>										
Charges for services:										
General government administration	\$ 1,353,242	\$ 1,330,300	\$ 1,196,643	\$ 1,604,464	\$ 1,291,961	\$ 1,193,028	\$ 1,080,504	\$ 1,690,165	\$ 1,854,147	
Judicial administration	1,523,323	1,879,288	1,540,865	1,525,826	1,625,414	1,925,667	2,177,646	2,784,513	3,986,858	
Public safety	15,573,927	15,841,619	13,472,302	11,954,370	9,743,766	10,199,123	11,714,375	11,653,582	16,647,759	
Public works	5,968,154	2,517,428	3,092,074	3,392,704	2,840,600	3,239,278	4,123,782	4,009,388	2,937,798	
Health and welfare	7,948,274	8,130,889	8,659,934	8,675,500	7,830,997	7,444,700	8,790,470	7,537,008	7,582,636	
Parks, recreation and culture	15,780,946	16,677,711	16,373,314	16,066,824	14,734,804	14,052,720	13,855,369	11,473,703	10,537,926	
Community development	18,881,378	21,724,548	18,987,466	15,020,443	12,555,265	12,143,717	14,863,758	14,368,965	13,810,587	
Education	-	4,660	4,647	1,744	4,188	61,609	204,551	259,804	194,600	
Operating grants and contributions	96,662,699	92,839,966	84,070,450	64,135,538	79,233,436	73,551,322	70,591,149	61,734,142	60,103,310	
Capital grants and contributions	31,300,805	49,208,083	44,375,368	18,665,478	17,632,716	50,436,513	37,425,005	12,012,850	15,838,102	
Total Primary Government program revenues	\$ 194,992,748	\$ 210,154,492	\$ 191,773,063	\$ 141,042,891	\$ 147,493,147	\$ 174,247,677	\$ 164,826,609	\$ 127,524,120	\$ 133,493,723	
Total Primary Government net expense (1)	\$ (1,064,061,237)	\$ (985,470,689)	\$ (841,030,091)	\$ (861,974,665)	\$ (912,457,119)	\$ (992,732,355)	\$ (858,473,489)	\$ (902,436,194)	\$ (783,567,258)	
<b>General Revenues and Other Changes in Net Position</b>										
Taxes:										
Property taxes	\$ 909,770,674	\$ 853,973,763	\$ 826,556,065	\$ 809,717,753	\$ 779,918,323	\$ 780,314,126	\$ 739,793,194	\$ 657,976,780	\$ 589,577,533	
Local sales and use taxes	81,669,562	69,555,652	68,907,540	63,589,457	57,604,972	55,353,088	57,209,778	54,099,950	53,558,311	
Consumer utility taxes	21,415,296	21,504,030	19,864,904	20,236,914	20,087,509	19,891,260	20,940,326	19,263,192	17,131,137	
Business license taxes	29,209,497	28,400,538	25,995,888	25,355,444	23,076,923	25,552,292	25,464,522	26,718,562	25,782,305	
Franchise license taxes	761,526	679,828	657,160	586,485	503,990	424,254	-	857,820	1,545,845	
Motor vehicle licenses	6,304,760	6,061,581	5,861,761	5,663,926	5,486,343	5,313,822	5,189,600	5,064,223	4,897,059	
Bank franchise taxes	3,102,805	1,295,921	1,457,653	2,015,493	1,098,270	585,119	365,769	465,944	530,806	
Taxes on recordation and wills	9,417,841	11,535,308	8,988,228	7,936,513	7,424,426	7,401,252	9,166,347	12,944,088	18,106,921	
Hotel and motel room taxes	4,722,338	4,947,024	4,940,965	5,044,602	4,748,883	5,572,925	5,995,828	5,664,725	5,313,708	
Interest and investment earnings	3,262,087	1,806,389	2,251,057	2,625,335	4,229,035	12,182,445	23,996,377	23,789,942	16,201,553	
Unrestricted grants and contributions	56,742,228	57,029,501	54,190,713	55,383,277	54,732,247	56,173,663	56,980,645	56,807,035	59,420,281	
Miscellaneous	7,807,943	2,248,557	2,871,029	3,968,318	1,654,872	2,104,896	2,370,314	796,784	218,978	
Special Item	-	-	-	-	-	6,381,106	-	-	-	
Total Primary Government general revenues	\$ 1,134,186,557	\$ 1,059,038,092	\$ 1,022,542,963	\$ 1,002,123,517	\$ 960,565,793	\$ 977,250,248	\$ 947,472,700	\$ 864,449,045	\$ 792,284,437	
<b>Change in Net Position</b>	<b>\$ 70,125,320</b>	<b>\$ 73,567,403</b>	<b>\$ 181,512,872</b>	<b>\$ 140,148,852</b>	<b>\$ 48,108,674</b>	<b>\$ (15,482,107)</b>	<b>\$ 88,999,211</b>	<b>\$ (37,987,149)</b>	<b>\$ 8,717,179</b>	

(1)

Net (expense) revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. A number in parentheses is net expense indicates that expenses were greater than program revenues and, therefore, general revenues were needed to finance that function or program. Number without parentheses is net revenue indicating that program revenues were more than sufficient to cover expenses.

**COUNTY OF LOUDOUN, VIRGINIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
(modified accrual basis of accounting)

	Fiscal Years								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Pre GASB 54:</b>									
<b>General Fund:</b>									
Reserved						\$ 13,116,086	\$ 11,316,291	\$ 14,568,061	\$ 13,594,685
Unreserved									
Designated						105,123,783	99,502,387	91,334,925	89,415,523
Undesignated						42,653,142	46,250,909	57,711,167	68,641,407
Total General Fund						\$ 160,893,011	\$ 157,069,587	\$ 163,614,153	\$ 171,651,615
<b>Other Governmental Funds:</b>									
Reserved						\$ 80,629,313	\$ 82,116,013	\$ 23,271,448	\$ 26,468,393
Unreserved									
Designated:									
Special Revenue Funds						-	-	1,244,469	350,000
Capital Project Funds						135,914,520	75,864,057	146,568,818	93,244,558
Debt Service Fund						19,116,001	23,324,983	27,321,218	33,378,305
Undesignated:									
Special Revenue Funds						126,253,942	117,590,281	109,464,235	90,708,497
Total Other Governmental Funds						\$ 361,913,776	\$ 298,895,334	\$ 307,870,188	\$ 244,149,753
<b>Post GASB 54:</b>									
<b>General Fund:</b>									
Nonspendable	\$ 4,196,375	\$ 2,702,989	\$ 3,141,458	\$ 3,485,287	\$ 3,382,785				
Restricted	-	-	496,427	587,920	736,194				
Committed	128,847,559	123,624,193	116,969,167	127,596,371	111,378,755				
Assigned	27,788,140	42,016,085	35,150,320	3,089,893	4,368,207				
Unassigned	62,038,432	51,307,907	46,465,428	61,501,286	67,221,557				
Total General Fund	\$ 222,870,506	\$ 219,651,174	\$ 202,222,800	\$ 196,260,757	\$ 187,087,498				
<b>Other Governmental Funds:</b>									
Nonspendable	\$ 2,950,698	\$ 2,576,238	\$ 2,976,188	\$ 1,455,427	\$ 1,532,553				
Restricted	347,266,991	289,263,838	280,844,038	268,211,618	252,044,227				
Committed	87,263,100	71,710,962	93,409,781	115,791,455	65,777,747				
Assigned	53,582,435	58,525,142	22,625,174	10,347,947	13,064,889				
Unassigned	(906,121)	(638,138)	(664,939)	-	-				
Total Other Governmental Funds	\$ 490,157,103	\$ 421,438,042	\$ 399,190,242	\$ 395,806,447	\$ 332,419,416				
<b>Total Governmental Funds</b>	<b>\$ 713,027,609</b>	<b>\$ 641,089,216</b>	<b>\$ 601,413,042</b>	<b>\$ 592,067,204</b>	<b>\$ 519,506,914</b>	<b>\$ 522,806,787</b>	<b>\$ 455,964,921</b>	<b>\$ 471,484,341</b>	<b>\$ 415,801,368</b>

**COUNTY OF LOUDOUN, VIRGINIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
(modified accrual basis of accounting)

	Fiscal Years								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues</b>									
General property taxes	\$ 912,961,722	\$ 852,834,842	\$ 828,523,936	\$ 811,668,497	\$ 780,886,551	\$ 777,764,635	\$ 741,296,705	\$ 653,847,833	\$ 586,523,922
Other local taxes	156,603,625	143,979,882	136,674,099	130,428,834	120,031,316	120,094,012	124,332,170	125,084,324	127,126,072
Permits and licenses	23,901,359	22,614,546	18,621,240	14,444,622	10,791,655	11,844,637	15,023,716	15,301,258	20,885,155
Use of money and property	2,249,057	2,746,066	2,729,647	2,705,771	2,539,918	2,545,492	2,069,644	1,938,316	2,056,027
Fines and forfeitures	3,262,087	3,770,933	4,854,195	5,080,665	5,806,890	15,356,324	30,090,220	29,738,479	19,935,999
Charges for services	33,473,618	32,089,497	30,759,688	29,376,216	26,227,611	25,121,561	24,898,207	23,232,267	23,354,171
Gifts and donations	44,308,322	47,171,149	32,595,451	15,346,612	23,607,010	16,038,282	20,225,374	13,941,107	17,657,593
Miscellaneous	5,414,298	2,349,169	1,359,712	2,080,701	620,206	1,333,558	360,477	825,273	252,974
Recovered costs	9,798,854	8,591,178	10,124,849	11,147,553	10,524,622	8,345,611	10,734,882	7,322,441	7,228,536
Intergovernmental - Commonwealth of Virginia	101,578,851	87,849,590	87,405,196	85,827,355	79,536,378	92,494,168	90,654,860	87,360,501	83,331,960
Intergovernmental - Federal Government	16,877,484	16,361,651	21,216,867	23,561,617	36,828,492	31,208,905	20,156,214	20,442,859	23,328,040
Payment from Component Unit	-	28,174,303	-	-	-	-	-	-	-
Total revenues	1,310,429,277	1,248,532,806	1,174,864,880	1,131,668,443	1,097,400,649	1,102,147,185	1,079,842,469	979,034,658	911,680,449
<b>Expenditures</b>									
General government administration	71,290,404	59,857,783	68,187,026	57,425,608	58,971,603	58,014,874	53,697,645	47,999,483	40,679,949
Judicial administration	12,393,266	12,634,767	12,438,251	11,906,191	12,010,979	12,159,740	11,943,448	10,985,963	9,873,632
Public safety	156,508,109	151,361,628	146,717,960	139,766,826	134,915,733	141,207,093	127,329,016	115,484,242	100,210,168
Public works	81,737,077	48,249,790	46,330,697	47,410,592	65,313,594	55,961,771	45,143,766	34,532,493	30,868,692
Health and welfare	80,335,173	79,541,256	80,280,556	81,217,371	83,739,002	82,476,368	82,831,548	76,568,894	72,880,067
Parks, recreation and culture	47,054,221	45,351,862	42,601,230	42,865,541	42,229,577	44,256,562	43,808,392	38,707,111	35,802,294
Community development	53,813,487	48,960,308	45,934,636	37,561,438	40,414,055	42,939,187	36,782,407	38,028,091	31,709,885
Education	702,281,760	694,497,052	528,356,150	523,831,880	558,233,336	661,083,089	540,552,406	610,738,921	551,800,047
Capital outlay	32,545,249	64,776,387	35,427,284	50,947,973	58,053,186	85,295,782	31,636,288	29,325,928	38,198,152
Debt service:									
Principal payments	97,475,000	91,803,777	118,704,451	101,275,616	76,369,500	83,497,294	79,752,802	71,414,847	66,615,202
Interest and service charges	45,564,372	52,923,102	52,075,247	53,154,667	50,854,909	48,380,508	49,049,819	43,459,098	40,576,792
Total expenditures	1,380,998,118	1,349,957,712	1,177,053,488	1,147,363,703	1,181,105,474	1,315,272,268	1,102,527,537	1,117,245,071	1,019,214,880
Deficiency of revenues under expenditures	(70,568,841)	(101,424,906)	(2,188,608)	(15,695,260)	(83,704,825)	(213,125,083)	(22,685,068)	(138,210,413)	(107,534,431)
<b>Other financing sources (uses)</b>									
Transfers in	344,490,584	212,301,419	225,303,162	295,977,594	210,275,969	318,270,686	170,873,438	183,476,008	144,180,421
Transfers (out)	(348,480,199)	(209,179,221)	(230,973,170)	(305,302,007)	(219,434,691)	(314,474,722)	(177,004,116)	(183,743,198)	(148,141,538)
Issuance premium	9,813,352	17,227,036	11,565,392	7,827,179	2,959,133	18,065,439	895,654	10,652,401	5,412,077
Issuance of bonds	115,160,000	119,990,000	5,000,000	89,750,000	175,720,527	382,004,977	12,290,000	188,800,000	160,225,000
Premium on Refunded Bonds	-	11,671,077	-	-	-	-	-	-	-
Issuance of Refunding Bonds	-	127,155,000	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	(138,064,231)	-	-	(89,120,000)	(131,030,000)	-	486,065	-
Sales of capital assets	21,523,497	-	639,062	2,784	4,014	7,169,475	110,672	15,029	652,421
Total other financing sources	142,507,234	141,101,080	10,895,384	88,255,550	80,404,952	280,005,855	7,165,648	199,686,305	162,328,381
<b>Net change in fund balances</b>	<b>\$ 71,938,393</b>	<b>\$ 39,676,174</b>	<b>\$ 8,706,776</b>	<b>\$ 72,560,290</b>	<b>\$ (3,299,873)</b>	<b>\$ 66,880,772</b>	<b>\$ (15,519,420)</b>	<b>\$ 61,475,892</b>	<b>\$ 54,793,950</b>
<b>Debt service as a percentage of noncapital expenditures (Primary Government Only)</b>									
Total debt service	\$ 143,039,372	\$ 144,726,879	\$ 170,779,698	\$ 154,430,283	\$ 127,224,409	\$ 131,877,802	\$ 128,802,621	\$ 114,880,554	\$ 107,191,994
Total expenditures	1,380,998,118	1,349,957,712	1,177,053,488	1,147,363,703	1,181,105,474	1,302,929,705	1,102,527,537	1,117,452,007	1,019,214,880
Capital outlay - Primary Government Only	(42,695,285)	(66,460,172)	(37,726,538)	(55,271,711)	(60,858,796)	(87,290,325)	(36,744,321)	(31,622,908)	(40,161,282)
Noncapital Expenditure	\$ 1,338,302,833	\$ 1,283,497,540	\$ 1,139,326,950	\$ 1,092,091,992	\$ 1,120,246,678	\$ 1,215,639,380	\$ 1,065,783,216	\$ 1,085,829,099	\$ 979,053,598
Debt service as a percentage of noncapital expenditures	10.69%	11.28%	14.99%	14.14%	11.36%	10.85%	12.09%	10.58%	10.95%

**COUNTY OF LOUDOUN, VIRGINIA**  
**TAX REVENUES BY SOURCES, GOVERNMENTAL FUNDS**  
(modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property</b>	<b>Sales &amp; Use</b>	<b>Utility</b>	<b>Business License</b>	<b>Franchise</b>	<b>Motor Vehicle</b>	<b>Recordation &amp; Will</b>	<b>Hotel &amp; Motel Room</b>	<b>Total</b>
2014	\$ 912,961,722	\$ 81,669,562	\$ 21,415,296	\$ 29,209,497	\$ 3,864,331	\$ 6,304,760	\$ 9,417,841	\$ 4,722,338	\$ 1,069,565,347
2013	852,834,842	69,555,652	21,504,030	28,400,538	1,975,749	6,061,581	11,535,308	4,947,024	996,814,724
2012	828,523,936	68,907,540	19,864,904	25,995,888	2,114,813	5,861,761	8,988,228	4,940,965	965,198,035
2011	811,668,497	63,589,457	20,236,914	25,355,444	2,601,978	5,663,926	7,936,513	5,044,602	942,097,331
2010	780,886,551	57,604,972	20,087,509	23,076,923	1,602,260	5,486,343	7,424,426	4,748,883	900,917,867
2009	777,764,635	55,353,088	19,891,260	25,552,292	1,009,373	5,313,822	7,401,252	5,572,925	897,858,647
2008	741,296,705	57,209,778	20,940,326	25,464,522	365,769	5,189,600	9,166,347	5,995,828	865,628,875
2007	653,847,833	54,099,950	19,263,192	26,724,382	1,323,764	5,064,223	12,944,088	5,664,725	778,932,157
2006	586,523,922	53,558,311	17,131,137	26,042,285	2,076,651	4,897,059	18,106,921	5,313,708	713,649,994



TABLE F

**COUNTY OF LOUDOUN, VIRGINIA**  
**ASSESSED VALUE OF TAXABLE PROPERTY (1)**

Fiscal Year	REAL PROPERTY (2)			PERSONAL PROPERTY (3)		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Rate
	Residential Property	Commercial Property	Agricultural Property	Motor Vehicles	Other			
2014	\$48,934,706,420	\$18,849,018,242	\$3,599,688,960	\$2,874,583,839	\$2,598,818,757	\$5,432,377,580	\$71,424,438,638	\$ 1.42
2013	44,774,937,934	17,688,305,039	2,862,747,040	2,728,476,540	2,617,701,019	5,289,844,810	65,382,322,762	1.41
2012	42,339,146,700	17,195,936,300	2,968,638,600	2,587,376,111	2,121,835,958	5,148,056,700	62,064,876,969	1.39
2011	40,803,550,100	16,925,004,000	3,074,079,800	2,374,460,302	2,079,399,563	4,975,969,800	60,280,523,965	1.43
2010	39,017,317,800	17,059,031,027	3,195,328,500	2,235,611,828	1,962,529,466	4,830,803,300	58,639,015,321	1.42
2009	39,830,524,980	18,002,444,600	4,009,280,100	2,081,825,371	1,976,148,727	5,023,445,900	60,876,777,878	1.36
2008	45,791,942,249	17,358,716,900	4,794,833,700	2,297,252,769	1,619,759,946	4,882,198,700	66,980,306,864	1.26
2007	48,322,231,082	15,966,376,200	4,143,962,100	2,188,395,870	1,387,749,362	4,725,959,400	67,282,755,214	1.07
2006	48,470,341,430	13,346,072,100	3,937,053,100	2,175,881,822	1,374,701,107	3,784,146,100	65,519,903,459	0.99

- (1) Property in Loudoun County is assessed annually at fair market value with the date of value being January 1. Property is assessed at 100% of estimated actual value. Tax rates are per \$100 of assessed value.
- (2) Loudoun County Office of the Commissioner of Revenue. Through 2013: Land Book for each year; 2014: Assessment Summary. Starting FY2014, public service corporation assessments incorporated into the commercial real property column reflect assessments as of that tax year.
- (3) Loudoun County Office of the Commissioner of Revenue, for the end of June of each year

**COUNTY OF LOUDOUN, VIRGINIA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS**

Type of tax	Fiscal Years									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	
LOUDOUN COUNTY										
Countywide Tax Levies:										
Real property (1):										
General Fund	\$ 1.155	\$ 1.205	\$ 1.235	\$ 1.285	\$ 1.300	\$ 1.245	\$ 1.14	\$ 0.917	\$ 0.89	
Route 28 Highway Improvement	0.18	0.18	0.18	0.18	0.18	0.18	0.20	0.20	0.20	
Aldie Sewer Service District* ended 01/01/13	n/a	n/a	0.13	0.13	0.13	0.13	0.13	0.13	0.13	
Dulles Rail Service District	0.20	0.20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Hamilton Sewer Service District	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	
Fire/Emergency Medical Services	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.04	n/a	
Total direct real property tax rate (2)	1.251	1.251	1.251	1.302	1.319	1.265	1.159	0.975	0.904	
Personal property:										
Personal Property (General)	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200	
Mobile Homes	1.155	1.205	1.235	1.285	1.300	1.245	1.140	0.960	0.890	
Aircraft & Flight Simulators	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	
Heavy Equipment	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	
Satellite Manufacturing Equipment	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	
Computer Equipment	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200	
Machinery and Tools	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	
Total direct personal property tax rate (2)	3.750	3.659	3.699	3.515	3.277	3.139	3.500	3.304	3.180	
Total Direct Rate	\$ 1.42	\$ 1.41	\$ 1.39	1.43	1.42	1.36	1.26	1.07	0.99	
OVERLAPPING GOVERNMENTS (3)										
Town of Hamilton										
Real Estate	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	
Personal Property	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	
Town of Leesburg										
Real Estate	0.192	0.192	0.195	0.195	0.195	0.195	0.18	0.18	0.18	
Personal Property	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Town of Lovettsville (4)										
Real Estate	0.21	0.21	0.21	0.21	0.21	0.18	0.18	0.18	0.18	
Town of Middleburg (4)										
Real Estate	0.20	0.15	0.19	0.15	0.19	0.15	0.15	0.15	0.10	
Town of Purcellville										
Real Estate	0.225	0.225	0.225	0.23	0.23	0.22	0.19	0.18	0.17	
Personal Property	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	
Machinery and tools	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	
Town of Round Hill										
Real Estate	0.2034	0.2034	0.209	0.20	0.20	0.20	0.16	0.14	0.14	
Personal Property	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	

(1) Community Development Authority, Dulles Industrial Park Water &amp; Sewer, and Green Tax District are per property basis

(2) Total Direct Rate calculated using the weighted average method

(3) Town of Hillsboro has no tax assessment

(4) Town of Lovettsville and Town of Middleburg have no personal property tax assessment

**COUNTY OF LOUDOUN, VIRGINIA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Current Year and Nine Years Ago**

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Taxable Real Property Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Real Property Assessed Value
Virginia Electric & Power Company	\$ 388,745,600	1	0.59%	\$ 162,921,300	4	0.37%
Verizon Business (formerly MCI Worldcom)	320,483,800	2	0.49%	160,570,100	5	0.36%
Toll Road Investors Partnership II LLC	258,682,900	3	0.39%	137,952,000	6	0.31%
Dulles Town Center Mall LLC	246,239,920	4	0.37%	166,130,700	3	0.37%
Carlyle/Cypress Leesburg I LLC	188,939,070	5	0.29%			
VISA USA INC	177,175,210	6	0.27%			
America Online/Time Warner	158,553,350	7	0.24%	291,914,000	1	0.65%
Chelsea GCA Realty Partnership LP	151,818,300	8	0.23%			
R T Pacific Blvd LLC	146,349,050	9	0.22%			
Redwood-ERC Ashburn LLC	139,643,910	10	0.21%			
UUNET Technologies, Inc.				274,000,000	2	0.61%
Belmont Land LP				134,577,300	7	0.30%
Smith, Verlin W. et als Trustees				134,024,600	8	0.30%
Verizon Virginia				101,076,800	9	0.23%
PLC Dulles LP				90,751,000	10	0.20%
Total	<u>\$ 2,176,631,110</u>		<u>3.30%</u>	<u>\$ 1,653,917,800</u>		<u>3.70%</u>

Source: Loudoun County Office of the Commissioner of Revenue

TABLE I

**COUNTY OF LOUDOUN, VIRGINIA  
PROPERTY TAX LEVIES AND COLLECTIONS**

<b>Fiscal Year Ended June 30,</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2014	\$ 913,313,060	\$ 897,169,471	98.23%	\$ -	\$ 897,169,471	98.23%
2013	850,743,546	838,772,203	98.59%	10,772,858	849,545,061	99.86%
2012	824,588,825	814,911,747	98.83%	9,265,124	824,176,871	99.95%
2011	806,466,618	798,419,783	99.00%	7,839,552	806,259,335	99.97%
2010	777,591,117	768,962,907	98.89%	8,438,004	777,400,911	99.98%
2009	778,479,460	769,037,117	98.79%	9,238,771	778,275,888	99.97%
2008	736,460,357	727,908,521	98.84%	8,456,461	736,364,982	99.99%
2007	651,303,109	643,512,082	98.80%	7,791,027	651,303,109	100.00%
2006	579,252,028	573,495,172	99.01%	5,756,856	579,252,028	100.00%

The current tax collections also include reimbursement from the Commonwealth under the Personal Property Tax Relief Act.

TABLE J

**COUNTY OF LOUDOUN, VIRGINIA  
RATIOS OF OUTSTANDING DEBT BY TYPE**

Fiscal Year	Primary Government Governmental Activities		Component Unit School Board		Total Reporting Entity	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Capital Leases			
2014	\$ 1,010,346,955	\$ 114,395,000	\$ 0	\$ 23,071,352	\$ 1,147,813,307	5.44%	\$ 3,264
2013	981,105,668	124,900,000	0	20,936,587	1,126,942,255	5.62%	3,327
2012	923,266,586	138,143,777	0	18,870,504	1,080,280,867	5.52%	3,297
2011	1,024,633,054	156,928,228	0	20,291,271	1,201,852,553	6.38%	3,761
2010	1,004,330,000	138,968,844	0	20,911,909	1,164,210,753	6.86%	3,728
2009	1,007,377,247	128,696,096	0	25,179,363	1,161,252,706	7.40%	3,808
2008	919,280,193	55,650,444	0	24,389,818	999,320,455	6.45%	3,349
2007	984,781,111	57,612,328	0	23,288,748	1,065,682,187	7.33%	3,682
2006	865,810,040	59,297,176	0	21,763,752	946,870,968	7.25%	3,424

TABLE K

**COUNTY OF LOUDOUN, VIRGINIA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Taxable Assessed Value of Property</b>	<b>Bonded Debt Per Capita</b>
2014	\$ 1,010,346,955	\$ 0	\$ 1,010,346,955	1.41%	\$ 2,873
2013	981,105,668	0	981,105,668	1.50%	2,897
2012	923,266,586	0	923,266,586	1.49%	2,818
2011	1,024,633,054	0	1,024,633,054	1.70%	3,207
2010	1,004,330,000	0	1,004,330,000	1.71%	3,216
2009	1,007,377,247	0	1,007,377,247	1.65%	3,303
2008	919,280,193	0	919,280,193	1.37%	3,080
2007	984,781,111	0	984,781,111	1.46%	3,403
2006	865,810,040	0	865,810,040	1.32%	3,131

**COUNTY OF LOUDOUN, VIRGINIA  
COUNTY POLICY DEBT MARGIN (1)**

**TABLE L**

Fiscal Policy Guideline	Fiscal Years									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	
<b>Ratio Data:</b>										
Population	351,611	338,685	327,618	319,545	312,311	304,964	298,420	289,397	276,542	
Estimated Market Value of Taxable Property	\$71,424,438,638	\$ 65,382,322,762	\$ 62,064,876,969	\$ 60,280,523,965	\$ 58,639,015,321	\$ 60,876,777,878	\$ 66,980,306,864	\$ 67,282,755,214	\$ 65,519,903,459	
Per Capita Income	60,036	59,156	59,683	58,953	54,301	51,469	51,950	50,252	47,228	
Governmental Expenditures	2,155,954,294	1,922,082,165	1,806,724,146	1,800,455,938	1,774,733,828	1,895,186,256	1,568,547,711	1,446,619,735	1,268,524,255	
Total Reporting Entity Outstanding Debt	1,147,813,307	1,126,942,255	1,080,280,867	1,201,852,553	1,164,210,753	1,161,252,706	999,320,455	1,065,682,187	946,870,968	
Total Reporting Entity Debt Service Expenditures	151,198,767	152,949,942	179,700,528	163,843,477	138,679,732	141,921,045	138,365,448	122,205,086	112,877,657	
<b>Debt Capacity Goals / Ratios:</b>										
Annual Debt Issuance Limit	\$ 200,000,000	\$ 125,160,000	\$ 129,916,000	\$ 12,000,000	\$ 97,894,000	\$ 92,863,000	\$ 260,240,000	\$ 22,249,818	\$ 197,076,000	\$ 170,191,000
Debt Per Capita	2,500.00	3,264.44	3,327.41	3,297.38	3,761.14	3,727.73	3,807.84	3,348.70	3,682.42	3,423.97
Debt To Estimated Market Value of Taxable Property	3.00%	1.61%	1.72%	1.74%	1.99%	1.99%	1.91%	1.49%	1.58%	1.45%
Debt To Per Capita Income	8.00%	5.44%	5.62%	5.52%	6.38%	6.86%	7.40%	6.45%	7.33%	7.25%
Debt Service To Expenditures	10.00%	7.01%	7.96%	9.95%	9.10%	7.81%	7.49%	8.82%	8.45%	8.90%
<b>Affordability Index:</b>										
Fiscal Year 2014	\$ 1,731,096,326	\$ 1,147,813,307								
Fiscal Year 2013	\$ 1,577,929,166	\$ 1,126,942,255								
Fiscal Year 2012	\$ 1,514,956,998		\$ 1,080,280,867							
Fiscal Year 2011	\$ 1,468,060,654			\$ 1,201,852,553						
Fiscal Year 2010	\$ 1,392,950,697				\$ 1,164,210,753					
Fiscal Year 2009	\$ 1,386,343,544					\$ 1,161,252,706				
Fiscal Year 2008	\$ 1,460,395,766						\$ 999,320,455			
Fiscal Year 2007	\$ 1,434,763,619							\$ 1,065,682,187		
Fiscal Year 2006	\$ 1,365,628,493								\$ 946,870,968	
<b>OVERLAPPING DEBT (2)</b>										
Commonwealth of Virginia	\$ 122,150,136	\$ 126,270,136	\$ 129,970,136	\$ 129,991,834	\$ 133,091,834	\$ 152,523,472	\$ 132,445,972	\$ 124,238,284	\$ 109,694,931	
Peumansend Creek Regional Jail Authority	232,800	313,600	396,000	481,600	569,600	658,400	748,000	929,600	1,020,000	
Northern Virginia Criminal Justice Academy	3,111,900	3,309,900	3,499,650	3,682,800	5,387,250	5,651,250	5,907,000	7,755,000	955,350	
Loudoun Water (formally Loudoun County Sanitation Authority)	54,953	82,429	109,906	137,382	164,858	192,335	219,811	274,764	315,980	
Dulles Town Center Community Development Authority	31,520,000	32,705,000	33,740,000	34,635,000	35,405,000	36,060,000	36,605,000	36,410,000	36,735,000	
Virginia Revolving Loan Fund	793,022	923,767	1,293,433	1,173,861	1,293,433	1,409,497	1,522,155	1,873,383	1,873,383	
Dulles Industrial Park Water and Sewer	213,372	346,712	473,342	593,601	-	-	-	-	-	
Greenlea Community Bridge	327,590	350,918	372,907	393,633	-	-	-	-	-	
<b>Total Overlapping Debt</b>	<b>\$ 158,403,773</b>	<b>\$ 164,302,462</b>	<b>\$ 169,855,374</b>	<b>\$ 171,089,711</b>	<b>\$ 175,911,975</b>	<b>\$ 196,494,954</b>	<b>\$ 177,447,938</b>	<b>\$ 171,481,031</b>	<b>\$ 150,594,644</b>	
<b>Fiscal Policy Guideline</b>	<b>\$ 714,244,386</b>	<b>\$ 653,823,228</b>	<b>\$ 620,648,770</b>	<b>\$ 602,805,240</b>	<b>\$ 586,390,153</b>	<b>\$ 608,767,779</b>	<b>\$ 669,803,069</b>	<b>\$ 672,827,552</b>	<b>\$ 655,199,035</b>	

(1) The *Code of Virginia* has no legal debt margin limit set on the Counties. However, Loudoun County's Fiscal Policy sets forth the following primary goals relating to debt capacity.

(2) Overlapping debt is not considered a general obligation of the County and, therefore is not reflected in the financial statements. Loudoun County's Fiscal Policy states that total overlapping debt should not exceed 1% of the total assessed value of taxable property within the County.

TABLE M

**COUNTY OF LOUDOUN, VIRGINIA  
DEMOGRAPHIC STATISTICS**

<b>Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>Unemployment Rate (4)</b>	<b>School Enrollment (5)</b>
2014	351,611	\$ 21,109,317,996	\$ 60,036	4.4%	70,858
2013	338,685	20,035,249,860	59,156	4.6%	68,289
2012	327,618	19,553,225,094	59,683	4.5%	65,668
2011	319,545	18,838,136,385	58,953	4.7%	63,220
2010	312,311	16,958,799,611	54,301	5.0%	60,096
2009	304,964	15,696,192,116	51,469	5.3%	57,009
2008	298,420	15,502,919,000	51,950	2.9%	54,047
2007	289,397	14,542,778,044	50,252	2.2%	50,478
2006	276,542	13,060,525,576	47,228	2.4%	47,361

**Sources:**

- (1) Loudoun County Department of Planning, April 2014 estimate series
- (2) Loudoun County Department of Management and Financial Services
- (3) through 2012: U.S. Bureau of Economic Analysis, 11/21/13 release; 2013-14: Moody's Economy.com, September 2014
- (4) Virginia Employment Commission for the month of June
- (5) Loudoun County Public Schools, for the end of September of the given fiscal year



**COUNTY OF LOUDOUN, VIRGINIA**  
**PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**

Employer	2014			2005		
	Rank	Number of Employees (1)	Percentage of Total County Employment (2)	Rank	Number of Employees (1)	Percentage of Total County Employment (2)
Loudoun County Public Schools	1	9,638	6.50%	1	6,429	5.48%
County of Loudoun	2	3,537	2.39%	4	2,811	2.40%
United Airlines	3	1,000-5,000	2.02%	5	1,000-5,000	2.13%
Orbital Sciences Corporation	4	1,000-5,000	2.02%			
U.S. Department of Homeland Defense	5	1,000-5,000	2.02%	6	1,000-5,000	2.13%
Verizon Business (formerly MCI Worldcom)	6	1,000-5,000	2.02%	8	1,000-5,000	2.13%
Raytheon Company	7	1,000-5,000	2.02%			
Loudoun Hospital Center	8	1,000-5,000	2.02%	7	1,000-5,000	2.13%
M.C. Dean, Inc.	9	1,000-5,000	2.02%			
United States Postal Service	10	1,000-5,000	2.02%	9	1,000-5,000	2.13%
America Online				2	1,000-5,000	2.56%
Atlantic Coast Airlines United Express				3	1,000-5,000	2.56%
Toll Brothers, Inc.				10	1,000-5,000	2.13%
Totals			<u>25.05%</u>			<u>25.78%</u>

(1) Virginia Employment Commission, 4th Quarter 2013 and 2004, Loudoun County Public Schools, and Loudoun County Department of Management and Financial Services.

(2) Percentages are based on the midpoint of the employment range and average total Loudoun County employment of prior calendar year according to the Virginia Employment Commission.

**COUNTY OF LOUDOUN, VIRGINIA**  
**COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**

Function/Program	Full-time Equivalent Employees								
	as of June 30								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government Administration	370	352	372	372	379	348	352	339	344
Judicial Administration	132	130	132	128	128	126	128	128	125
Public Safety	1,421	1,409	1,407	1,294	1,294	1,294	1,331	1,322	1,232
Public Works	104	116	84	83	83	113	120	124	116
Health and Welfare	666	589	589	599	599	598	603	601	603
Parks, Recreation and Culture	595	605	605	570	570	572	573	573	556
Community Development	248	237	237	257	249	253	268	266	274
Total Primary Government	3,536	3,438	3,426	3,303	3,302	3,304	3,375	3,353	3,250
Education	9,638	9,671	9,663	10,098	9,838	10,533	9,309	8,844	7,648
Total Reporting Entity	13,174	13,109	13,089	13,401	13,140	13,837	12,684	12,197	10,898

**Source:** County of Loudoun Department of Management and Financial Services

TABLE P

**COUNTY OF LOUDOUN, VIRGINIA**  
**OPERATING INDICATORS BY FUNCTION**

Function	Fiscal Years								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Government Administration</b>									
County's bond ratings									
Moody's	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
Standard and Poor's	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Fitch	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Major computer availability	99%	99%	100%	100%	100%	100%	100%	100%	100%
<b>Judicial Administration</b>									
Number of Deed book recording	59,982	88,743	62,250	65,745	64,312	61,946	65,951	87,922	126,013
<b>Public Safety</b>									
Sheriff's Office									
Average response time for emergency calls	9:14 min	9:21 min	9:00 min	6:05 min	9:28 min	8:69 min	8:04 min	8:12 min	8:36 min
Average response time for non-emergency calls	14:33 min	13:29 min	13:00 Min	10:20 min	13:35 min	14:21 min	11:89 min	10:24 min	11:37 min
Fire and Rescue Services									
Number of emergency medical incidents responded	18,356	17,984	17,067	18,133	16,060	15,888	16,381	16,204	14,328
<b>Health and Welfare</b>									
Number of senior meals provided	133,808	119,560	116,250	113,500	113,276	111,252	113,444	95,879	92,725
Number of vaccinations administered(a)	2,933	2,607	5,000	2,248	58,177	4,591	3,714	9,586	8,402
Number of Loudoun residents in the Medical Reserve Corps	1,365	1,306	1,300	1,100	1,189	900	816	700	550
<b>Parks, Recreation, and Culture</b>									
Annual park visits	843,039	783,742	660,144	567,415	541,358	775,928	849,462	637,443	613,517
Number of adults participating in adult sports leagues	5,604	5,228	6,125	5,279	6,934	10,124	10,386	9,871	9,119
Number of children participating in youth sports	51,746	51,659	49,189	83,370	63,680	62,075	87,985	86,700	82,400
<b>Community Development</b>									
Number of residential building permits (b)	4,276	4,302	3,236	2,679	2,073	2,314	2,401	2,490	3,864
Number of new structures completed after January 1st of tax year	1,890	1,556	1,402	1,067	1,360	1,260	4,332	3,109	3,903
Number of subdivision applications submitted	300	253	260	246	193	284	364	479	381
<b>Education</b>									
Per Pupil Expenditures	\$ 12,611	\$ 13,121	\$ 12,514	\$ 12,062	\$ 12,345	\$ 13,473	\$ 13,293	\$ 12,388	\$ 11,759
High School Completion Rate	95.20%	95.70%	95.30%	94.00%	95.95%	96.08%	95.27%	94.27%	94.36%
Pupil-Teacher Ratio									
Kindergarten	22.0	24.0	24.0	24.0	24.0	23.0	22.0	22.0	22.0
Elementary	22.0	24.0	24.0	24.0	24.0	23.0	22.0	22.0	22.0
Intermediate/Middle	21.6	23.6	23.6	23.6	23.6	22.6	21.6	21.6	21.6
High	25.9	27.9	27.9	27.9	27.9	26.9	25.9	25.9	25.9
SAT Scores									
Math	541	539	535	532	536	535	531	527	528
Critical reading	543	539	531	536	535	533	525	522	525
Writing	<u>527</u>	<u>528</u>	<u>524</u>	<u>524</u>	<u>526</u>	<u>525</u>	<u>519</u>	<u>511</u>	<u>508</u>
Total	1,611	1,606	1,590	1,592	1,597	1,593	1,575	1,560	1,561

Source: County of Loudoun Department of Management and Financial Services and Loudoun County Public Schools

Notes: (a) FY2010 includes H1N1 (Swine Flu) vaccinations

(b) Starting FY2014, all figures shown are for fiscal year. Data through FY2013 were for calendar years.

**COUNTY OF LOUDOUN, VIRGINIA**  
**CAPITAL ASSETS STATISTICS BY FUNCTION**

Function	Fiscal Years								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Government Administration (1)</b>									
Square footage of office space - Owned	504,846	504,846	485,138	427,665	297,321	297,321	297,321	297,321	297,321
Square footage of office space - Leased	149,770	155,923	222,539	257,289	261,633	250,412	225,826	192,471	172,962
Square footage of court space	187,211	187,211	187,211	187,211	171,309	169,709	165,783	159,255	159,255
<b>Public Safety (1)</b>									
Police									
Sheriff stations	4	4	4	4	4	3	3	2	2
Jail capacity	460	460	460	220	220	220	220	220	220
Square footage of jail	212,000	212,000	212,000	114,924	114,924	87,850	87,850	87,850	87,850
Fire and Rescue									
Fire and Rescue stations	20	20	20	19	19	18	19	18	18
Other protections									
Animal shelters	1	1	1	1	1	1	1	1	1
<b>Public Works (1)</b>									
Transportation									
Commuter buses	57	52	50	47	45	38	35	33	31
<b>Health and Welfare (1)</b>									
Mental Health and Developmental Services									
Group homes - Mental Health	12	12	12	12	11	11	11	11	11
Group homes - Developmental Services	7	7	7	7	7	7	7	7	7
Family Services									
Homeless shelters	1	1	1	1	1	1	1	1	1
Transition shelters	1	1	1	1	1	1	1	1	1
Youth shelters	2	2	2	1	1	1	1	1	1
<b>Parks, Recreation and Culture (1)</b>									
Libraries	8	8	7	7	7	7	7	7	7
Square footage of libraries	162,088	162,088	122,088	127,920	123,200	108,200	108,200	107,600	107,600
Parks and Recreation Facilities									
Regional parks	3	3	3	3	2	2	2	2	2
District parks	3	3	3	3	3	3	2	2	2
Community parks	19	19	19	12	12	10	5	4	4
Acres of parks	3,580	3,580	3,580	3,316	3,316	2,965	2,746	2,746	2,746
Recreation Center	1	1	1	1	1	1	1	-	-
Square Footage of recreation center	84,209	84,209	84,209	84,209	84,209	84,209	84,209	-	-
Community Centers	9	9	9	7	7	7	10	11	11
Square Footage of community centers (a)	92,696	92,696	92,696	76,274	76,274	76,274	99,445	96,644	96,644
Respite centers	3	3	3	2	2	2	2	2	1
Senior citizen centers	3	3	3	2	2	2	2	2	1
<b>Community Development (1)</b>									
Landfill									
Landfills	1	1	1	1	1	1	1	1	1
Recycling drop-off centers	9	9	9	9	9	9	9	9	9
<b>Education (2)</b>									
Elementary Schools									
Buildings	55	53	52	52	51	50	47	44	44
Square footage	3,991,121	3,790,191	3,689,714	3,690,349	3,588,208	3,497,213	3,227,060	2,919,888	2,919,888
Capacity	37,139	35,288	33,297	33,070	32,318	31,731	29,299	26,598	26,818
Middle Schools									
Buildings	14	14	14	13	13	13	13	12	12
Square footage	2,231,569	2,231,569	2,231,569	2,056,399	2,056,399	2,029,747	2,029,747	1,860,987	1,860,987
Capacity	16,711	16,566	16,731	15,346	15,476	15,403	15,300	13,419	13,356
High Schools									
Buildings (b)	13	13	12	12	10	10	10	11	11
Square footage	3,146,799	3,146,799	2,872,612	2,874,190	2,342,849	2,342,849	2,342,849	2,406,968	2,406,968
Capacity	20,639	20,607	18,741	18,723	15,118	15,206	15,257	15,161	14,980
Alternative Schools									
Buildings (b)	2	2	2	2	2	2	2	1	1
Square footage	123,771	123,771	123,771	124,862	124,862	124,862	124,862	47,022	47,022
School Buses	880	854	854	840	780	731	742	744	675

Sources: (1) Loudoun County Department of Transportation and Capital Infrastructure

(2) Loudoun County Public Schools CAFR

Notes: (a) Community Center statistic previously included leased facilities

(b) CS Monroe Technology Center classification changed from High School to Alternative to better reflect actual function



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