

# County of Loudoun Virginia

## Comprehensive Annual Financial Report



Year Ended June 30, 2012

**COUNTY OF LOUDOUN, VIRGINIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the fiscal year ended**

**June 30, 2012**

**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, 2012*

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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

November 30, 2012

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

Dear Mr. Chairman and Members of the Board:

I am pleased to present the County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012.

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 2012, Moody's Investors Services, Inc. affirmed the Aaa bond rating, Standard and Poor's (S&P) affirmed the AAA bond rating and Fitch Credit Rating Services affirmed the AAA bond rating. This represents the highest rating available for general obligation bonds from all three agencies.

The County concluded fiscal year 2012 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.

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, 2012, the County adopted a fiscal year 2013 plan that resulted in an overall increase of \$12.5 million in the general county government and a \$66.0 million addition in the school system as compared to fiscal year 2012 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 2012 County population is estimated to be 328,533. According to the Loudoun County Department of Planning, by 2020 Loudoun's population is expected to be approximately 405,244, an increase of 23% from 2012. Between now and 2020, 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 Government Preliminary Round 8.2 Cooperative Forecasts as of November 2012.

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. The increasing rate of growth has increased the need for growth management and has, concurrently, modestly increased the resources available for program allocation. 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

November 30, 2012

County Administrator and  
Honorable Members of the Board of Supervisors  
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, 2012, was prepared by the County's Department of Management and Financial Services, Division of Accounting and Financial Analysis, in accordance with Sections 15.2-2510 and 15.2-2511 of the Code of Virginia. 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 are accurate in all material respects, are 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 that 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 statutes require an annual audit be performed by independent certified public accountants. The accounting firm of Cherry, Bekaert & Holland, L.L.P. 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, 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, 2012 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.

However, 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 project funds; however, after review, they generally are re-appropriated as part of the following year's budget.

#### Local Economic Condition and Outlook

The citizens of Loudoun are proud of their County, one that combines 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 2012 in sound financial condition and continues to show encouraging trends towards stabilization following the national recession. The County's strong and diverse economic and demographic conditions reflect the prevailing positive conditions of the Metro Washington, D.C. region. The combination of the diversity in the County's business base and the financial strength of the long-term investors in the community have allowed the County's commercial environment to withstand downturns in the national and international economies. The continuing low unemployment rate, as compared to national trends, can be attributed, in part, to strong local employment with a robust regional economy. The County continues its policies of balancing residential growth, and the resulting demands for services with continued expansion of the revenue generating commercial sector. Several recent studies commissioned to assist in planning for the extension of Dulles Rail to Loudoun documented the attractiveness of the area for continued commercial and residential growth. In July, 2012 the Board of Supervisors voted to approve proceeding with its funding participation in Phase 2 of the Dulles Corridor Metrorail project for three metro stations to be located in the County.

Fiscal year 2012 saw an increase in the total assessed value of property primarily due to a modest increase in residential value and a significant increase in the construction of new residential units which reflects a housing recovery stronger than many other metropolitan areas, balanced by modest increases in commercial value. 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 vision is of an innovative, globally competitive economy known for its favorable business environment, exceptional quality of place and strong sense of community. In 2012 the Board of Supervisors continued its commitment to grow Loudoun's commercial business base with the approval of additional business development resources to focus on new and emerging industry clusters such as information communications technology and aerospace/airport-related contractors.

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. The County must continuously redefine its role in the community to respond to changing times. 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. Phasing growth based on the availability of adequate public facilities and distributing the costs of growth more equitably are also at the forefront of the County's strategy. The County has implemented an integrated approach to fiscal and land use planning. The strategy begins with the comprehensive plan. The comprehensive plan 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. Two new Elementary schools opened in the fall of 2012 and two additional schools are currently under construction with an anticipated opening in the fall of 2013. Transportation projects have been a Board priority highlighted by the Route 7 Traffic Flow Improvements, Alder School Road Paving, and acceleration of Crosstrail Boulevard construction. Three Fire and Rescue stations are scheduled to open in FY13. Gum Spring Library is nearing completion which will add 40,000 square feet of new library space and is one of Loudoun's largest public/private partnerships. 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.

In July, 2012 the Board of Supervisors approved the County's participation in the second phase of the Washington Metrorail project which will extend the Metrorail system into Loudoun County. The County has plans to establish a special tax district to finance future capital and operating expenses. The Metrorail extension is expected to bring new commercial and residential growth to the County.

The County has initiated the replacement of its existing tax and assessment software and its financial and human resource systems. The implementation is being phased in over a 36 month period and will involve significant staff resources across departments to assist in the development of 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, 2011. 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.

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 Controller's Office. Special recognition goes to Accounting Manager, Eileen Nguyen 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 and the citizens of the County.

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 the Board requires to maintain an equitable balance between available resources and the demand for high quality services.

County Administrator and  
Honorable Members of the Board of Supervisors  
Page Four

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ben Mays', with a stylized, cursive script.

Ben Mays  
Acting Director of Management and Financial Services

A handwritten signature in black ink, appearing to read 'Janet Romanchyk', with a stylized, cursive script.

Janet Romanchyk  
Controller

# 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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



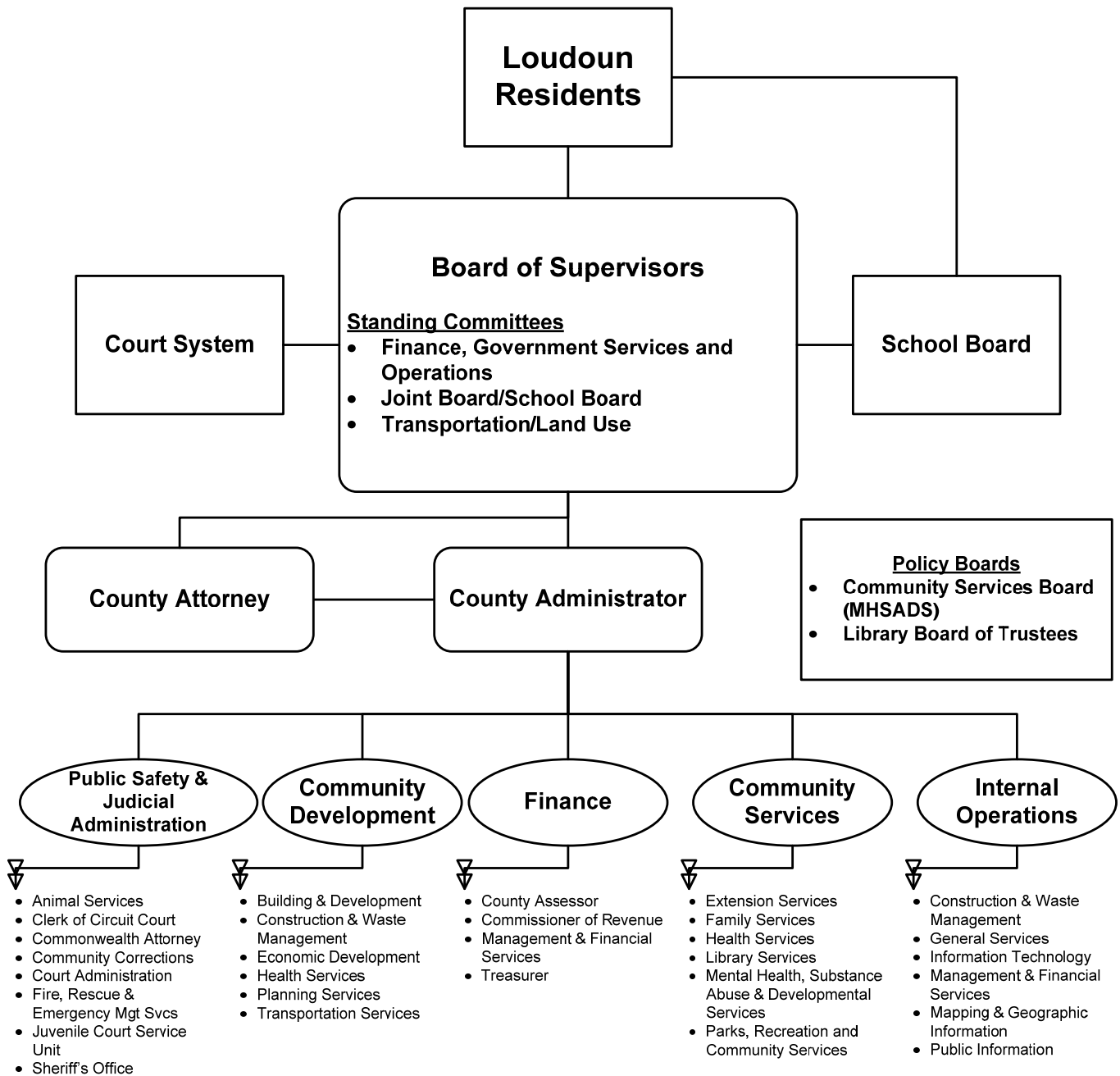
*Linda C. Sandison*

President

*Jeffrey R. Enser*

Executive Director

## LOUDOUN COUNTY ORGANIZATION CHART





**COUNTY OF LOUDOUN, VIRGINIA**  
**Directory of Officials**  
**June 30, 2012**

**BOARD OF SUPERVISORS**

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

At Large  
Blue Ridge District  
Algonkian District  
Ashburn District  
Broad Run 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 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 A. Neri  
John R. Roberts  
Ben Mays

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

**ADMINISTRATIVE OFFICERS - SCHOOL SYSTEM**

Dr. Edgar B. Hatrick  
Ned D. Waterhouse  
Sharon D. Ackerman  
Richard W. Johnson  
E. Leigh Burden  
Mary V. Kealy, Ed.D.  
Jeffrey K. Platenberg

Superintendent  
Deputy Superintendent  
Assistant Superintendent for Instruction  
Interim Assistant Superintendent for Personnel Services  
Assistant Superintendent for Business & Financial Services  
Assistant Superintendent for Pupil Services  
Assistant Superintendent for Support 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 328,533 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**



## INDEPENDENT AUDITORS' REPORT

To the Members of the Loudoun County Board of Supervisors  
County of Loudoun, 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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 *Specification for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note I (O) to the financial statements, the discretely presented component unit restated beginning net assets to correct previously reported depreciation expense and related accumulated depreciation. We audited the adjustments necessary to restate the July 1, 2011 net assets and, in our opinion, such adjustments are appropriate and have been properly applied.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2012, 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 grant agreements and other matters. The purpose of that 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and pension schedules as listed in the table of contents 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, the general fund budget to actual schedule and nonmajor budgetary comparison schedules, the capital assets schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, the general fund budget to actual schedule and nonmajor budgetary comparison schedules, and the capital assets schedules 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. The 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 information is 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.

*Cherry, Belknap & Holland, LLP*

Tysons Corner, Virginia  
November 30, 2012

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

# COUNTY OF LOUDOUN, VIRGINIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### June 30, 2012

The following discussion and analysis of the County of Loudoun's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2012. 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 2012

The assets of the total reporting entity, which includes the School Board component unit, exceeded liabilities by \$1.7 billion. Of this amount, \$200.3 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 \$841.0 million and general revenues of \$1.0 billion resulting in an increase in net assets of \$181.5 million over FY 2012. (Exhibit II)

The General Fund, on a financial resource basis, reported revenues in excess of expenditures and other financing sources and uses of \$6.0 million. (Exhibit V)

As of June 30, 2011, the County governmental funds reported combined fund balances of \$601.4 million, an increase of \$9.3 million. Approximately 52.2% or \$313.9 million is unrestricted and available to meet the County's current and future needs. (Exhibit III)

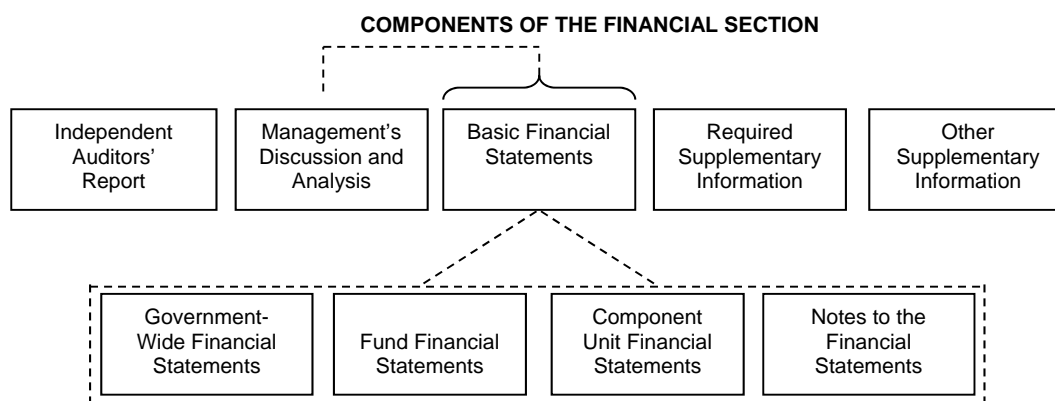
Total general fund revenues, excluding other financing sources and uses, exceeded final budget expectations by \$31.3 million. General fund expenditure savings totaled \$20.7 million compared to final budget expectations. (Schedule 1)

On December 15, 2011, the County sold \$5.0 million of Qualified School Construction Bonds (QSCB) through the Virginia Public School Authority. The proceeds of these bonds will be used to finance the construction of a new Leesburg area elementary school (ES-15). QSCBs are tax credit bonds that receive a direct federal subsidy in an amount that is expected to offset the interest payments made on the bonds resulting in zero or near zero interest cost. The estimated net savings to the county is \$1.725 million.

On February 16, 2012, the County defeased \$7.3 million of Lease Revenue Refunding Bonds and \$17.1 of General Obligation Bonds for a net present value savings of \$8.1 million.

#### 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 – *independent auditors' report*, *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 Assets 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 assets and changes in them. One can think of the County's net assets – the difference between assets and liabilities – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets 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 Assets 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 assets and a statement of changes in fiduciary net assets. 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 Assets:

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

**Table 1**  
**Summary Statement of Net Assets**  
**Comparison as of June 30, 2012 and 2011 (thousands)**

	Primary Government			Component Unit-Schools		
	FY 12	FY 11	Increase/ (Decrease)	FY 12	Restated FY 11	Increase/ (Decrease)
Current and Other Assets	\$ 1,110,575	\$ 1,100,281	\$ 10,294	\$ 151,326	\$ 252,108	\$ (100,782)
Capital Assets	946,333	894,689	51,644	1,315,698	1,256,382	59,316
<b>Total Assets</b>	<b>\$ 2,056,908</b>	<b>\$ 1,994,970</b>	<b>\$ 61,938</b>	<b>\$ 1,467,024</b>	<b>\$ 1,508,490</b>	<b>\$ (41,466)</b>
Other Liabilities	\$ 463,306	\$ 464,488	\$ (1,182)	\$ 75,528	\$ 76,409	\$ (881)
Long Term Liabilities	1,144,548	1,262,941	(118,393)	151,457	139,292	12,165
<b>Total Liabilities</b>	<b>\$ 1,607,854</b>	<b>\$ 1,727,429</b>	<b>\$ (119,575)</b>	<b>\$ 226,985</b>	<b>\$ 215,701</b>	<b>\$ 11,284</b>
<b><u>Net Assets</u></b>						
Invested in Capital Assets, Net of Related Debt	\$ 653,910	\$ 577,369	\$ 71,810	\$ 1,296,827	\$ 1,236,091	\$ 60,736
Restricted	281,341	268,799	(22,479)	25,723	69,473	(43,750)
Unrestricted	(486,197)	(578,627)	132,182	(82,512)	(12,775)	(69,737)
<b>Total Net Assets as restated (Deficit)</b>	<b>\$ 449,054</b>	<b>\$ 267,541</b>	<b>\$ 181,513</b>	<b>\$ 1,240,038</b>	<b>\$ 1,292,789</b>	<b>\$ (52,751)</b>

This overall change in the both the County and School's net assets 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 \$20.0 million. Attributing to the increase in cash are an increase in unspent funds in the General Fund of \$18.3 million, Public Facilities fund of \$10.0 million and Transportation District fund of \$3.8 million offset by a reduction in cash and bond proceeds for ongoing capital projects of \$12.6 million. Net receivables and amounts due from other governments decreased by \$10.5 million offset by other modest increases and decreases in other accounts. The decrease in Other Liabilities is due primarily to a decrease in accounts payable and property taxes not yet due, offset by an increase in prepaid taxes and accrued liabilities. The decrease in Long Term Liabilities is due primarily to the net reduction in bond payables and capital leases payables. Please refer to Note VIII and XIII of the notes to the financial statements for detailed information.

The decrease in the component unit-schools' Current and Other Assets is due primarily to the combination of (1) the decrease in cash of \$36.8 million and cash with fiscal agents of \$43.7 million resulting from the use of cash and bond proceeds toward the completion of capital projects, (2) the reduction of general fund cash used for operations of \$10.5 million and (3) the decrease of \$8.1 million in the receivable for due from other governments, an amount derived from pending reimbursements from the state and federal government. The decrease in Other Liabilities is due primarily to the reduction in accounts payable offset by an increase in accrued liabilities and modest increases in other accounts. The increase in Long Term Liabilities is primarily due to the combination of (1) the addition of \$12.8 million to the net obligation for other post employment benefits (OPEB) and (2) the decrease of \$1.4 million in capital leases. The increase in Capital Assets is due to increases in all types of capital assets. Please refer to Note VII of the notes to the financial statements for detailed information.

## Statement of Activities

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

**Table 2**  
**Changes in Net Assets**  
**Comparison for the years ended June 30, 2012 and 2011 (thousands)**

	Primary Government			Component Unit-Schools		
	FY 12	FY 11	Increase/ (Decrease)	FY 12	FY 11 Restated	Increase/ (Decrease)
<b>REVENUES</b>						
<b><u>Program Revenues:</u></b>						
Charges for Services	\$ 63,327	\$ 58,242	\$ 5,085	\$ 19,600	\$ 22,380	\$ (2,780)
Operating Grants and Contributions	84,070	64,136	19,934	32,446	39,299	(6,853)
Capital Grants and Contributions	44,375	18,665	25,710	14,393	2,576	11,817
<b><u>General Revenues:</u></b>						
Property Taxes	826,556	809,718	16,838	0	0	0
Other Taxes	136,675	130,429	6,246	0	0	0
Grants and Contributions not Restricted to Specific Programs	54,192	55,383	(1,191)	216,087	198,055	18,032
Other	5,122	6,594	(1,472)	5,215	204	5,011
Payment from County	0	0	0	501,922	521,184	(19,262)
<b>Total Revenues</b>	<b>\$ 1,214,317</b>	<b>\$ 1,143,167</b>	<b>\$ 71,150</b>	<b>\$ 789,663</b>	<b>\$ 783,698</b>	<b>\$ 5,965</b>
<b>EXPENSES</b>						
General Government Administration	\$ 70,317	\$ 62,046	\$ 8,271	\$ 0	\$ 0	\$ 0
Judicial Administration	13,915	12,714	1,201	0	0	0
Public Safety	154,480	139,449	15,031	0	0	0
Public Works	52,379	53,899	(1,520)	0	0	0
Health and Welfare	83,095	81,625	1,470	0	0	0
Parks, Recreation and Culture	48,707	44,867	3,840	0	0	0
Community Development	46,654	38,363	8,291	0	0	0
Education	516,791	523,832	(7,041)	842,414	814,170	28,244
Interest and Other Debt Service Charges	46,466	46,223	243		0	0
<b>Total Expenses</b>	<b>\$ 1,032,804</b>	<b>\$ 1,003,018</b>	<b>\$ 29,786</b>	<b>\$ 842,414</b>	<b>\$ 814,170</b>	<b>\$ 28,244</b>
<b>Change in Net Assets</b>	<b>\$ 181,513</b>	<b>\$ 140,149</b>	<b>\$ 41,364</b>	<b>\$ (52,751)</b>	<b>\$ (30,472)</b>	<b>\$ (22,279)</b>
Net Assets (Deficit) Beginning of Year, restated	267,541	127,392	140,149	1,292,789	1,323,261	(30,472)
<b>Net Assets as restated End of Year</b>	<b>\$ 449,054</b>	<b>\$ 267,541</b>	<b>\$ 181,513</b>	<b>\$ 1,240,038</b>	<b>\$ 1,292,789</b>	<b>\$ (52,751)</b>

## Revenues

For the fiscal year ended June 30, 2012, primary government revenues totaled \$1.2 billion, an increase of \$71.2 million from the prior fiscal year.

Property tax revenue, the County's largest revenue source, increased by \$16.9 million from the prior fiscal year due to the increase in 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 tax, a one-time adjustment as a result of a state sales tax audit, and an increase in recordation taxes of \$1.0 million. The increase of \$19.9 million in operating grants and contributions is primarily due to the donation of funds received from developers for various projects and a state grant for non-capital transportation improvements. The increase in capital grants and contributions is due to the donation of the Gum Springs Library building and donated land for parks. Charges for services increased by \$5.1 million due to additional fees collected during the year for Public Safety, and Community Development.

## Expenses

For the fiscal year ended June 30, 2012, expenses for governmental activities total \$1.0 billion.

Education continues to be one of the County's highest priorities and commitments. Of the total expenses, \$516.8 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 2012 decreased 7.0 million from the previous fiscal year. This

decrease is comprised of the reduction in the transfer to the Component Unit-Schools for operating expenses of \$17.3 million offset by an increase in contributions for capital projects. The increase in general government is due to the reappropriation of fund balance for projects. Public safety expenses are primarily attributed to staffing enhancements made as part of the FY 2012 budget for expanding facilities and to mitigate overtime, to maintain critical services no longer funded due to state and federal revenue reductions and an increase in construction related projects. The increase in community development expenses is due to additional construction related projects. The remaining expenditure categories reflect modest increases or decreases.

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

For the fiscal year ended June 30, 2012, the governmental funds reflect a combined fund balance of \$601,413,042 as illustrated below (refer to Exhibit III).

	Fiscal Year 2012				
	General	Capital Projects	Debt Service	Other Governmental	Total
Non-Spendable	\$ 3,141,458	\$ 1,118,820	\$ 0	\$ 1,857,368	\$ 6,117,646
Restricted	496,427	125,633,667	10,004,029	145,206,342	281,340,465
Committed	116,969,167	84,349,326	0	9,060,455	210,378,948
Assigned	35,150,320	913,820	19,089,898	2,621,456	57,775,494
Unassigned	46,465,428	0	0	(664,939)	45,800,489
<b>Total Fund Balances</b>	<b>\$ 202,222,800</b>	<b>\$ 212,015,633</b>	<b>\$ 29,093,927</b>	<b>\$ 158,080,682</b>	<b>\$ 601,413,042</b>

The General fund balance increased \$5,962,043 from the prior fiscal year. The fiscal year 2012 adopted fiscal plan included a net decrease of fund balance of \$11,976,754. Higher revenue collection in general property tax and other local taxes contributed to the addition to ending fund balance.

The Capital Projects fund balance decreased by \$16,331,052 million from the prior fiscal year. This decrease is attributable the spending of resources for ongoing capital projects.

The Debt Service fund balance increased \$9,210,631 from the prior fiscal year. This increase is due the combination of savings realized with debt defeasance and the return of unspent bond proceeds from the schools.

Other Governmental fund balances Increased by \$10,504,216 from the prior fiscal year. This increase is primarily due to the combination of (1) an increase in the Public Facilities of \$9,821,476 fund balance due to revenues in excess of expenditures to be used for future capital projects; (2) an increase in the Housing fund balance of \$2,334,555 to be used to provide affordable housing for county residents (3) an increase of \$3,326,417 in the Transportation District fund balance for future transportation projects, (4) a decrease in the Comprehensive Services Act fund balance of \$1,755,615, and (5) a decrease of \$3,144,516 in the Capital Asset Preservation fund balance due to the completion of prior years' projects.

### **General Fund Budgetary Highlights**

	Fiscal Year 2012		
	Original Budget	Amended Budget	Actual
<b><u>Revenues and Transfers In:</u></b>			
Taxes	\$ 907,225,145	\$ 907,225,145	\$ 938,471,850
Intergovernmental	89,011,946	92,804,700	88,231,805
Other	65,797,175	70,522,785	74,888,626
<b>Total Revenues and Transfers In</b>	<b>\$ 1,062,034,266</b>	<b>\$ 1,070,552,630</b>	<b>\$ 1,101,592,281</b>
<b><u>Expenditures and Transfers Out:</u></b>			
Expenditures	\$ 915,660,482	\$ 915,371,407	\$ 902,387,141
Transfers	158,350,538	193,328,902	193,243,097
<b>Total Expenditures and Transfers Out</b>	<b>\$ 1,074,011,020</b>	<b>\$ 1,108,700,309</b>	<b>\$ 1,095,630,238</b>
<b>Changes in Fund Balance</b>	<b>\$ (11,976,754)</b>	<b>\$ (38,147,679)</b>	<b>\$ 5,962,043</b>

The final amended budget for revenues and transfers in exceeded the original budget by \$8,518,364. This was primarily due to the anticipation of additional grant funding from the state and federal government and additional revenue from charges for services. The final amended budget appropriations, which include expenditures and transfers out, exceeded the original budget by \$34,689,289. This was due primarily to the reappropriation of 2011 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 \$31,039,651 and actual expenditures and transfers out were \$13,070,071 less than amended amounts. Highlights of the comparison of amended budget to actual figures for the fiscal year ended June 30, 2012, include the following:

- Actual tax revenues exceeded amended budget amounts by \$31,246,705 due to personal property of \$18,379,961, real and personal public service corporation property taxes of \$2,710,146, local sales and use taxes of \$6,752,346, business license taxes of \$3,971,888 and recordation taxes of \$1,631,535 offset by a slight decrease in real property tax of \$1,380,666. All other local taxes such as consumer utility tax, motor vehicle licenses, 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 less than amended budget amounts by \$4,572,895 primarily due to lower state reimbursements, timing differences in tax collections distributed to the county by the state, and modest increases and decreases in grants.
- Actual other revenues were greater than the amended budget amounts by \$4,365,841 primarily due to the combination of an increase in revenue for permits and licenses, and recovered costs offset by a decrease in overall charges for services.
- Actual expenditures were \$12,984,267 less than amended budget amounts.
- Actual general government administration expenditures were \$7,087,137 less than budgeted amounts primarily due to the centrally budgeted countywide personnel vacancy savings.
- Expenditures in health and welfare were \$4,488,244 less than budgeted amounts primarily due to reductions in grant funding received, thereby reducing the amount of expenditures.
- Actual expenditures in all other functions of the general government were less than budgeted amounts due to cost reduction / cost saving strategies implemented during in the fiscal year.

#### **Capital Assets**

At the end of fiscal year 2012, the County primary government had invested \$946,333,350 in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$51,644,174. 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, 2011</b>	<b>Net Additions/Deletions</b>	<b>Balance At June 30, 2012</b>
<b><u>Capital Assets:</u></b>			
Land	\$ 120,388,765	\$ 14,518,515	\$ 134,907,280
Buildings	322,919,312	49,906,593	372,825,905
Improvements Other Than Buildings	31,652,528	6,400,438	38,052,966
Equipment	158,559,902	842,915	159,402,817
Infrastructure	438,113,461	17,224,019	455,337,480
Construction in Progress	50,970,553	(16,128,359)	34,842,194
Accumulated Depreciation	(227,915,345)	(21,119,947)	(249,035,292)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 894,689,176</b>	<b>\$ 51,644,174</b>	<b>\$ 946,333,350</b>

The Component Unit-Schools capital assets reflected in the following table totaled \$1,315,697,747; which represents a net increase of \$59,315,749.

**Schools  
Change in Capital Assets**

	<b>Balance At June 30, 2011 restated</b>	<b>Net Additions/Deletions</b>	<b>Balance At 6/30/2012</b>
<b><u>Capital Assets:</u></b>			
Land	\$ 127,030,175	\$ 6,092,636	\$ 133,122,811
Buildings	1,173,851,636	146,878,047	1,320,729,683
Improvements Other Than Buildings	1,173,046	26,901	1,199,947
Equipment	119,098,721	2,199,669	121,298,390
Construction in Progress	165,083,331	(62,457,837)	102,625,494
Infrastructure	1,121	0	1,121
Accumulated Depreciation	(329,856,032)	(33,423,667)	(363,279,699)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 1,256,381,998</b>	<b>\$ 59,315,749</b>	<b>\$ 1,315,697,747</b>

During the fiscal year 2013 budget process, Loudoun County adopted a six-year Capital Improvement Program (CIP) that totaled \$1.4 billion. The fiscal years 2013-2018 plan includes three new elementary schools for \$102.5 million, two new and one expansion of middle schools for \$108.0 million, three new high schools for \$288.2 million, renovation of two existing high schools for \$87.8 million and design and construction of a Technology Academy for \$101.8 million. Other capital projects include the Dulles Corridor Rapid Transit System for \$155.0 million, other transportation projects for \$120.7 million, storm water management project for \$17.8 million, capital project management support for \$27.8 million, public safety capital improvements of \$158.2 million, health and welfare capital improvements of \$21.6 million, parks, recreation and cultural capital improvements of \$152.1 million and general government projects for \$86.9 million.

#### **Long Term Debt**

On December 15, 2011, the County sold \$5.0 million of Qualified School Construction Bonds (QSCB) through the Virginia Public School Authority. The proceeds of these bonds will be used to finance the construction of a new Leesburg area elementary school (ES-15). On February 16, 2012, the County defeased \$7.3 million Lease Revenue Refunding Bonds and \$17.1 General Obligation Bonds for a net present value savings of \$8.1 million.

At the end of fiscal year 2012, the County had \$1,061,410,363 in outstanding general obligation bonds, premiums, loans, and capital leases. This represents a net decrease of \$120,150,919 from last year. More detailed information on long term debt can be found in Note XIII of the notes to the financial statements.

In fiscal year 2012, Moody's Investors Services, Inc. reaffirmed the County's bond rating of Aaa. On August 2, 2011 Moody's assigned a negative outlook on Loudoun County's Aaa rating due to its indirect linkages to the federal government and to the weakened credit of the United States. Moody's negative outlook was based on an evaluation of the entire Washington Metropolitan Statistical Area as a whole and was not county specific. Both 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 reflect the prevailing conditions 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 and the 2012 assessed value of commercial properties in the county experienced a 4% increase when compared to the prior year. The unemployment rate is consistently one of the lowest in the nation at 4.1%.

While Loudoun remains a beautiful community with a thriving rural economy, growth has brought a six-fold increase in population during the last forty years. During the past decade, Loudoun County experienced success in attracting office, flex-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 2012, 38 business development projects selected Loudoun to locate or expand for approximately 3 million square feet and over 900 new jobs.

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 two areas of emerging strength, with the potential for future expansion -- life sciences, and 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 Commission, the Rural Economic Development Council, Small Business Development 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 fiscal year 2013, the county made changes to its retiree health care benefits to address rising costs of retiree health coverage and its impact on the county's OPEB obligation. The County implemented cost-sharing options that include a cap on the employer contribution to the retiree health premium and establishing retirement health savings accounts. The result of plan changes is an anticipated reduction of approximately 30% in the County's annual required contribution.

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

The Governmental Accounting Standards Board adopted Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions". This Statement sets criteria that establish when an effective hedging relationship continues and hedge accounting should continue to be applied. This Statement became effective for the fiscal year ended June 30, 2012. Implementation of this Statement had no financial impact on the County.

#### **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, Acting 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 ASSETS**  
**AS OF JUNE 30, 2012**

	<b>Primary Governmental Activities</b>	<b>Component Unit School Board</b>	<b>Total Reporting Entity</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 516,726,411	\$ 108,110,579	\$ 624,836,990
Restricted Cash and Investments	128,391,986	25,689,334	154,081,320
Receivables, Net:			
Taxes:			
Delinquent	15,864,653	-	15,864,653
Not Yet Due	400,255,211	-	400,255,211
Accounts	1,359,652	613,983	1,973,635
Due from Other Governments	41,677,231	15,201,811	56,879,042
Advances to Employees	-	1,050	1,050
Inventory	244,507	1,401,545	1,646,052
Prepaid Items	2,879,323	307,458	3,186,781
Notes and Loans Receivable, Net	3,176,056	-	3,176,056
Capital Assets:			
Non-depreciable	225,133,107	235,748,305	460,881,412
Depreciable, Net	721,200,243	1,079,949,442	1,801,149,685
Capital Assets, Net	946,333,350	1,315,697,747	2,262,031,097
<b>Total Assets</b>	<b>2,056,908,380</b>	<b>1,467,023,507</b>	<b>3,523,931,887</b>
<b>LIABILITIES</b>			
Accounts Payable	14,786,860	14,235,122	29,021,982
Accrued Interest Payable	12,302,888	319,923	12,622,811
Accrued Liabilities	20,795,055	57,274,587	78,069,642
Unearned Revenue:			
Property Taxes Not Yet Due	400,255,211	-	400,255,211
Property Taxes	9,116,001	-	9,116,001
Other	5,793,832	3,228,176	9,022,008
Other Liabilities	256,235	470,084	726,319
Long-term Liabilities:			
Due Within One Year:			
Compensated Absences	1,076,065	2,068,876	3,144,941
Claims Liabilities	5,193,850	8,366,328	13,560,178
Bonds Payable	83,599,360	-	83,599,360
Leases Payable	10,103,777	7,859,836	17,963,613
Due in More Than One Year:			
Compensated Absences	22,836,494	16,762,273	39,598,767
Claims Liabilities	2,785,686	1,707,162	4,492,848
Landfill Closure and Postclosure Care Costs	23,652,382	-	23,652,382
Net OPEB Obligation	27,593,184	103,682,000	131,275,184
Bonds Payable	839,667,226	-	839,667,226
Leases Payable	128,040,000	11,010,668	139,050,668
<b>Total Liabilities</b>	<b>1,607,854,106</b>	<b>226,985,035</b>	<b>1,834,839,141</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	653,910,318	1,296,827,243	1,181,750,230 A
Restricted for:			
Debt Service	10,004,029	-	10,004,029
Capital Projects	125,633,667	25,689,334	151,323,001
Permanent Fund-Nonexpendable	-	34,306	34,306
Other Purposes	145,702,769	-	145,702,769
Unrestricted	(486,196,509)	(82,512,411)	200,278,411 A
<b>Total Net Assets</b>	<b>\$ 449,054,274</b>	<b>\$ 1,240,038,472</b>	<b>\$ 1,689,092,746</b>

A The sum of the columns does not equal the Total Reporting Entity column by a difference of \$768,987,331 because the debt related to the School Board Component Unit is reflected in the primary government's governmental activities column reducing unrestricted net assets. The assets are reflected in the School Board Component Unit column as Invested in Capital Assets, net of related debt. The Total Reporting Entity column matches the asset with the debt and reports the net amount on the Invested in Capital Assets, net of related debt line.

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

Functions/Programs Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total Reporting Entity
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit School Board	
<b>Primary Government:</b>							
General Government Administration	\$ 70,316,709	\$ 1,196,643	\$ 852,241	\$ 6,998	\$ (68,260,827)		\$ (68,260,827)
Judicial Administration	13,914,515	1,540,865	2,858,269	-	(9,515,381)		(9,515,381)
Public Safety	154,479,975	13,472,302	15,563,101	814,451	(124,630,121)		(124,630,121)
Public Works	52,378,576	3,092,074	7,859,948	16,277,275	(25,149,279)		(25,149,279)
Health and Welfare	83,094,558	8,659,934	29,494,342	-	(44,940,282)		(44,940,282)
Parks, Recreation and Culture	48,706,940	16,373,314	4,789,092	25,036,800	(2,507,734)		(2,507,734)
Community Development	46,653,869	18,987,466	20,522,070	2,239,844	(4,904,489)		(4,904,489)
Education	516,790,758	4,647	2,131,387	-	(514,654,724)		(514,654,724)
Interest and Other Debt Service Charges	46,467,254	-	-	-	(46,467,254)		(46,467,254)
<b>Total Primary Government</b>	<b>\$ 1,032,803,154</b>	<b>\$ 63,327,245</b>	<b>\$ 84,070,450</b>	<b>\$ 44,375,368</b>	<b>\$ (841,030,091)</b>		<b>\$ (841,030,091)</b>
<b>Component Unit:</b>							
School Board	\$ 842,413,501	\$ 19,599,538	\$ 32,446,316	\$ 14,393,179		\$ (775,974,468)	\$ (775,974,468)
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes					826,556,065	-	826,556,065
Local Sales and Use Taxes					68,907,540	-	68,907,540
Consumer Utility Taxes					19,864,904	-	19,864,904
Business License Taxes					25,995,888	-	25,995,888
Franchise License Taxes					657,160	-	657,160
Motor Vehicle Licenses					5,861,761	-	5,861,761
Bank Franchise Taxes					1,457,653	-	1,457,653
Taxes on Recordation and Wills					8,988,228	-	8,988,228
Hotel and Motel Room Taxes					4,940,965	-	4,940,965
Payment from County					-	501,922,225	501,922,225
Interest and Investment Earnings					2,251,057	-	2,251,057
Grants and Contributions Not Restricted to Specific Programs					54,190,713	216,086,668	270,277,381
Revenue from Use of Money and Property					-	2,468,547	2,468,547
Miscellaneous					2,871,029	2,746,412	5,617,441
Total General Revenues					1,022,542,963	723,223,852	1,745,766,815
Change in Net Assets					181,512,872	(52,750,616)	128,762,256
Net Assets at Beginning of Year, as restated					267,541,402	1,292,789,088	1,560,330,490
Net Assets at End of Year					\$ 449,054,274	\$ 1,240,038,472	\$ 1,689,092,746

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 182,856,983	\$ 128,955,183	\$ 8,112,652	\$ 144,546,662	\$ 464,471,480
Restricted Cash and Investments	-	90,367,386	20,990,064	15,877,536	127,234,986
Receivables, Net:					
Taxes:					
Delinquent	14,831,614	-	-	1,033,039	15,864,653
Not Yet Due	400,255,211	-	-	-	400,255,211
Accounts	1,046,074	110,146	-	129,222	1,285,442
Due from Other Governments	38,551,899	79,432	-	3,045,900	41,677,231
Due from Other Funds	2,910	-	-	-	2,910
Inventory	-	-	-	157,456	157,456
Prepaid Items	988,316	1,118,820	-	676,998	2,784,134
Notes and Loans Receivable, Net	2,153,142	-	-	1,022,914	3,176,056
<b>Total Assets</b>	<u>\$ 640,686,149</u>	<u>\$ 220,630,967</u>	<u>\$ 29,102,716</u>	<u>\$ 166,489,727</u>	<u>\$ 1,056,909,559</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 5,958,529	\$ 7,294,311	\$ -	\$ 1,207,548	\$ 14,460,388
Accrued Liabilities	13,834,363	1,321,023	-	3,733,386	18,888,772
Prepaid Revenue	9,088,770	-	-	27,231	9,116,001
Deferred Revenue:					
Property Taxes Not Yet Due	400,255,211	-	-	-	400,255,211
Property Taxes	5,729,515	-	-	160,814	5,890,329
Other	3,513,564	-	-	3,113,107	6,626,671
Due to Other Funds	-	-	-	2,910	2,910
Other Liabilities	83,397	-	8,789	164,049	256,235
<b>Total Liabilities</b>	<u>438,463,349</u>	<u>8,615,334</u>	<u>8,789</u>	<u>8,409,045</u>	<u>455,496,517</u>
Fund Balances:					
Non-spendable	3,141,458	1,118,820	-	1,857,368	6,117,646
Restricted	496,427	125,633,667	10,004,029	145,206,342	281,340,465
Committed	116,969,167	84,349,326	-	9,060,455	210,378,948
Assigned	35,150,320	913,820	19,089,898	2,621,456	57,775,494
Unassigned	46,465,428	-	-	(664,939)	45,800,489
<b>Total Fund Balances</b>	<u>202,222,800</u>	<u>212,015,633</u>	<u>29,093,927</u>	<u>158,080,682</u>	<u>601,413,042</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 640,686,149</u>	<u>\$ 220,630,967</u>	<u>\$ 29,102,716</u>	<u>\$ 166,489,727</u>	<u>\$ 1,056,909,559</u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS FUND BALANCE**  
**TO THE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES NET ASSETS**  
**AS OF JUNE 30, 2012**

Fund balances - total governmental funds		\$ 601,413,042
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Amounts reported for governmental activities in the Statement of Net Assets (Exhibit I) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	1,135,658,797	
Less accumulated depreciation	<u>(217,424,747)</u>	918,234,050

Delinquent taxes and other long-term assets not available to pay for current period expenditures are deferred in the governmental funds.

6,723,168

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	(23,912,559)	
Landfill closure and postclosure care costs	(23,652,382)	
Net OPEB Obligation	(27,593,184)	
Governmental bonds payable	(879,925,000)	
Governmental leases payable	(138,143,777)	
Unamortized bond premium	<u>(43,341,586)</u>	(1,136,568,488)

Interest on long-term liabilities is not accrued in the governmental funds, but is rather recognized as an expenditure when due.

(12,302,888)

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 Assets.

71,555,390

Net Assets of Governmental Activities		<u><u>\$ 449,054,274</u></u>
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**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>General</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
General Property Taxes	\$ 816,069,274	\$ -	\$ -	\$ 12,454,662	\$ 828,523,936
Other Local Taxes	122,402,576	657,160	-	13,614,363	136,674,099
Permits and Licenses	18,621,150	-	-	90	18,621,240
Fines and Forfeitures	2,729,647	-	-	-	2,729,647
Use of Money and Property	4,160,930	1,701	446,576	244,988	4,854,195
Charges for Services	28,649,317	2,037,506	-	72,865	30,759,688
Gifts and Donations	243,315	21,500	-	32,330,636	32,595,451
Miscellaneous	327,277	-	852,203	180,232	1,359,712
Recovered Costs	8,700,502	(17,231)	-	1,441,578	10,124,849
Intergovernmental - Commonwealth	78,756,863	5,141,544	-	3,506,789	87,405,196
Intergovernmental - Federal	9,474,942	(4,181)	-	11,746,106	21,216,867
<b>Total Revenues</b>	<b>1,090,135,793</b>	<b>7,837,999</b>	<b>1,298,779</b>	<b>75,592,309</b>	<b>1,174,864,880</b>
<b>EXPENDITURES</b>					
Current Operating:					
General Government Administration	68,187,026	-	-	-	68,187,026
Judicial Administration	12,068,027	-	-	370,224	12,438,251
Public Safety	143,764,769	-	-	2,953,191	146,717,960
Public Works	15,888,934	17,240,454	-	13,201,309	46,330,697
Health and Welfare	63,520,767	-	-	16,759,789	80,280,556
Parks, Recreation and Culture	42,499,806	-	-	101,424	42,601,230
Community Development	35,728,843	-	-	10,205,793	45,934,636
Education	520,728,969	2,640,000	-	4,987,181	528,356,150
Capital Outlay	-	31,323,805	-	4,103,479	35,427,284
Debt Service:					
Principal Payments	-	-	118,704,451	-	118,704,451
Interest and Service Charges	-	-	52,075,247	-	52,075,247
<b>Total Expenditures</b>	<b>902,387,141</b>	<b>51,204,259</b>	<b>170,779,698</b>	<b>52,682,390</b>	<b>1,177,053,488</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>187,748,652</b>	<b>(43,366,260)</b>	<b>(169,480,919)</b>	<b>22,909,919</b>	<b>(2,188,608)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	10,817,426	38,354,437	167,223,969	8,907,330	225,303,162
Transfers Out	(193,243,097)	(11,319,229)	(96,050)	(26,314,794)	(230,973,170)
Payment from Component Unit	-	-	11,563,631	1,761	11,565,392
Issuance of Bonds and Leases	-	-	-	5,000,000	5,000,000
Sales of Capital Assets	639,062	-	-	-	639,062
<b>Total Other Financing Sources (Uses)</b>	<b>(181,786,609)</b>	<b>27,035,208</b>	<b>178,691,550</b>	<b>(12,405,703)</b>	<b>11,534,446</b>
<b>Net Change in Fund Balances</b>	<b>5,962,043</b>	<b>(16,331,052)</b>	<b>9,210,631</b>	<b>10,504,216</b>	<b>9,345,838</b>
<b>Fund Balances at Beginning of Year</b>	<b>196,260,757</b>	<b>228,346,685</b>	<b>19,883,296</b>	<b>147,576,466</b>	<b>592,067,204</b>
<b>Fund Balances at End of Year</b>	<b>\$ 202,222,800</b>	<b>\$ 212,015,633</b>	<b>\$ 29,093,927</b>	<b>\$ 158,080,682</b>	<b>\$ 601,413,042</b>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**RECONCILIATION OF CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**Net change in fund balances - total governmental funds** **\$ 9,345,838**

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit II) are different because:

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	37,726,538	
Less current year depreciation	<u>(29,557,183)</u>	8,169,355

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 assets differs from the change in fund balance by the cost of the capital asset.

(220,836)

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

40,734,017

Donations of capital assets from Component Unit increases net assets in the statement of activities, but do not appear in the governmental funds because they are not financial uses.

685,000

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred revenue related to taxes		(1,967,871)
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal payments	118,704,451	
Net debt proceeds and issuance premium	(5,000,000)	
Current year amortization of bond premium	<u>6,446,468</u>	120,150,919

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	(1,924,503)	
Change in landfill closure/post-closure liability	1,947,563	
Change in Net OPEB Obligation	(1,866,778)	
Change in accrued interest liability	<u>(838,475)</u>	(2,682,193)

Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

7,298,643

<b>Change in Net Assets of Governmental Activities</b>		<b><u>\$ 181,512,872</u></b>
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**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF NET ASSETS  
PROPRIETARY - INTERNAL SERVICE FUNDS  
AS OF JUNE 30, 2012**

**ASSETS**

## Current Assets:

Cash and Cash Equivalents	\$ 52,254,931
Restricted Cash and Investments	1,157,000
Receivables, Net	74,210
Inventory	87,051
Prepaid Items	95,189
Total Current Assets	<u>53,668,381</u>

## Noncurrent Assets:

## Capital Assets:

Depreciable, Net	<u>28,099,300</u>
Total Noncurrent Assets	<u>28,099,300</u>
<b>Total Assets</b>	<u><u>81,767,681</u></u>

**LIABILITIES**

## Current Liabilities:

Accounts Payable	326,472
Claims Liabilities	5,193,850
Accrued Liabilities	1,906,283
Total Current Liabilities	<u>7,426,605</u>

## Noncurrent Liabilities:

Claims Liabilities	<u>2,785,686</u>
Total Noncurrent Liabilities	<u>2,785,686</u>
<b>Total Liabilities</b>	<u><u>10,212,291</u></u>

**NET ASSETS**

Net Assets Invested in Capital Assets	28,099,300
Unrestricted	43,456,090
<b>Total Net Assets</b>	<u><u>\$ 71,555,390</u></u>

See accompanying notes to the financial statements.



**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY - INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<b>Operating Revenues:</b>	
Charges for Services	\$ 49,080,072
Use of Property	80,484
Miscellaneous	263,650
<b>Total Operating Revenues</b>	<u>49,424,206</u>
<b>Operating Expenses:</b>	
Personnel Services	935,977
Other Services and Charges	6,300,087
Materials and Supplies	591,455
Depreciation	5,356,692
Claims	34,885,374
<b>Total Operating Expenses</b>	<u>48,069,585</u>
<b>Operating Income</b>	1,354,621
<b>Non-Operating Revenues:</b>	
Gain on Sale of Capital Assets	<u>274,014</u>
<b>Net Income Before Operating Transfers</b>	1,628,635
Transfers In	6,688,433
Transfers Out	<u>(1,018,425)</u>
<b>Change in Net Assets</b>	7,298,643
<b>Net Assets at Beginning of Year</b>	64,256,747
<b>Net Assets at End of Year</b>	<u><u>\$ 71,555,390</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, 2012**

<b>Cash Flows from Operating Activities</b>	
Receipts from Customers	\$ 49,421,530
Payments to Suppliers for Goods and Services	(7,126,832)
Claims Paid	(34,970,764)
Payments to Employees	927,651
<b>Net Cash Provided by Operating Activities</b>	<u>8,251,585</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
Transfers In	6,688,433
Transfers Out	(1,018,425)
<b>Net Cash Provided by Non-capital Financing Activities</b>	<u>5,670,008</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Additions to Capital Assets	(7,709,325)
Proceeds from Sale of Capital Assets	350,009
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(7,359,316)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	6,562,277
Cash and Cash Equivalents (including those held with Fiscal Agents) at Beginning of Year	46,849,654
<b>Cash and Cash Equivalents (including those held with Fiscal Agents) at End of Year</b>	<u><u>\$ 53,411,931</u></u>
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
<b>Operating Income</b>	<u>\$ 1,354,621</u>
<b>Adjustment Not Affecting Cash:</b>	
Depreciation	5,356,692
<b>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</b>	
Receivables, Net	(2,676)
Inventory	(15,577)
Prepaid Items	(25,852)
Accounts Payable	(193,861)
Claims Liabilities	(85,390)
Accrued Liabilities	1,863,628
<b>Total Adjustments</b>	<u>6,896,964</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 8,251,585</u></u>
<b>Non-Cash Capital Related Financing Activities:</b>	
Gain on Sale of Capital Assets	274,014

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2012**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 8,267	\$ 15,982,110
Cash with Fiscal Agents	-	-	60,000
Investments, at Fair Value:			
Investments in Pooled Funds	35,973,399	-	-
<b>Total Assets</b>	<u>35,973,399</u>	<u>8,267</u>	<u>16,042,110</u>
<b>LIABILITIES</b>			
Accounts Payable and Funds Held in Trust for Others	217,906	-	16,042,110
<b>Total Liabilities</b>	<u>217,906</u>	<u>-</u>	<u>\$ 16,042,110</u>
<b>NET ASSETS</b>			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 35,755,493</u>	<u>\$ 8,267</u>	

See accompanying notes to the financial statements.

COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Pension Trust Fund	Private Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 9,202,116	\$ -
<b>Total Contributions</b>	<u>9,202,116</u>	<u>-</u>
Investment Earnings:		
Net Appreciation in Fair Value of Investments	587,884	-
Interest	568,545	12
<b>Total Investment Earnings</b>	<u>1,156,429</u>	<u>12</u>
Less Investment Expense:		
Investment Management Fees	(17,031)	-
<b>Net Investment Income</b>	<u>1,139,398</u>	<u>12</u>
<b>Total Additions</b>	<u>10,341,514</u>	<u>12</u>
<b>DEDUCTIONS</b>		
Benefits	1,794,171	-
Administrative Expense	1,103,565	-
<b>Total Deductions</b>	<u>2,897,736</u>	<u>-</u>
<b>Change in Net Assets</b>	7,443,778	12
<b>Net Assets at Beginning of Year</b>	28,311,715	8,255
<b>Net Assets at End of Year</b>	<u>\$ 35,755,493</u>	<u>\$ 8,267</u>

See accompanying notes to the financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**COUNTY OF LOUDOUN, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2012**

**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 and long-term liabilities (such as buildings and general obligation debt). 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 Assets and the Statement of Changes in Net Assets) 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 Assets - The Statement of Net Assets 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 Assets and report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government are broken down into three categories: (1) invested in capital assets, net of related debt; (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 Services Fund 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 Fund – 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 Funds - 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 Senior Center Trust Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the senior center. 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.

In accordance with the provisions of GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the County continues to apply all applicable GASB pronouncements and has elected to apply only those Financial Accounting Standards Board Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

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, which includes the Primary Government, Component Unit, and 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.

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, 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.

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 budgetary comparison schedules are reported as required supplementary information following the notes to the financial statements.

(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. Accordingly, real and personal property taxes are recorded as deferred revenues and property taxes receivable when billed, net of allowances for uncollectible amounts of \$3,206,987 as of June 30, 2012. 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 deferred 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.

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.

County investments, Pension Fund investments, and OPEB Trust Fund investment 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. It is managed in accordance with the "2a-7 like pool" risk limiting requirements of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". 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.

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.

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 Local Government Investment Pool (LGIP).

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



(E) DUE TO/DUE FROM OTHER FUNDS

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".

(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

Prepaid items are payments made to vendors for services that will benefit periods after June 30, 2012.

(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, 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 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 one year. 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.

Property, plant, and equipment of the primary government, as well as the School Board, is 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, 2012, \$18,508,954 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, 2012, \$161,351 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 this criteria will be compensated for 25% of unused sick leave to a maximum amount of \$10,000 per individual. As of June 30, 2012, \$5,242,254 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, 2012, \$10,681,453 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 \$14,809 per individual. As of June 30, 2012, \$8,149,696 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 assets. 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) FUND EQUITY

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. Committed fund balance are for amounts to be used for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors, while assigned fund balance represent tentative management plans that are subject to change. Unassigned fund balance represents the residual fund balance remaining after nonspendable, restricted, committed, and assigned fund balance is deducted.

(M) SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report.

(N) ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board adopted Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions". This Statement sets criteria that establish when an effective hedging relationship continues and hedge accounting should continue to be applied. This Statement became effective for the fiscal year ended June 30, 2012. Implementation of this Statement had no financial impact on the County.

(O) PRIOR PERIOD ADJUSTMENTS AND ACCOUNTING CHANGES

The beginning net assets of the Component Unit-School Board Governmental Activities on the government-wide Statement of Activities decreased by \$34,531,174 due to the improper timing of the capitalization of school buildings. Management, while reviewing capitalization policies, found that the capitalization of school buildings was not in compliance with Generally Accepted Accounting Policies (GAAP) in prior years. The proper capitalization of school buildings resulted in an increase of accumulated depreciation of \$34,531,174 for prior fiscal years and a change to the Loudoun County Public School's capitalization policy to include all buildings that are "in use and occupied".

**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, Aldie Sewer Service District, Comprehensive Services Act, Legal Resources Center, Hotel and Motel Room Tax, Hamilton Sewer Service District, Rental Assistance Program, Dulles Industrial Park Water and Sewer, Greenlea District, Public Facilities, and Transportation District. 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.

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 Local Government Investment Pool (the Virginia 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
State of Virginia 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	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. Fitch and Duff and Phelps rating not considered.
Certificates of Deposit - Commercial Banks	90% of Portfolio	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 Highline and be a qualified Virginia depository for certificates of deposit. If a Highline rating of 30 is not met, Banks are required to have 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 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, 2012, the Portfolio was invested as follows:

- 5.2% of the portfolio was invested in "Aaa" or better rated obligations
- 13.8% was invested in "A-1", "P-1", or better short term commercial paper/bankers' acceptances
- 44.6% was invested in "AAAm" rated state run pooled money market fund
- 36.2% 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 depending on the investment type.

#### Concentration of Credit Risk

As of June 30, 2012, 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:

<u>Issuer</u>	<u>% of Portfolio</u>
Capital One Bank	7.13%
TD Bank	6.97%
Cardinal Bank	5.41%

(fully collateralized money market funds and business checking account paper).  
TD Bank includes commercial paper which matured 07/17/12.

#### 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.

Fund	Maturity Date	Issue	Fair Value	Par/Cost	Yield	Step Features
General Fund	05/23/14	FHLB	\$4,994,070	\$5,000,000	0.41%	2 year no cal 1 month, monthly thereafter fixed rate, called 07/25/12
	06/21/17	FHLB	\$4,998,310	\$5,000,000	1.000%	5 year step increase, non call 3 months, quarterly thereafter, called 9/21/12
	12/28/16	FNMA	\$5,013,490	\$5,000,000	1.00%	5 year step increase - non 1 year, quarterly thereafter
	02/08/17	FNMA	\$5,007,905	\$5,000,000	0.50%	5 year step increase - non 1 year, and 2 year thereafter
	05/24/17	FNMA	\$5,003,715	\$5,000,000	0.75%	5 year step increase - non 1 year, annually thereafter
Proffer Fund	05/08/15	FFCB	\$5,000,235	\$5,000,000	0.56%	3 year fixed non call 1 year, continuously thereafter
	09/28/16	FNMA	\$4,007,860	\$4,000,000	1.00%	5 year step increase, non call 1 year, quarterly thereafter, called 09/28/12

On June 30, 2012, the County had the following investments and maturities (refer to Cash and Cash Equivalents in Exhibit I, Exhibit X, and Schedule 40):

Investment Type	Carrying Value	Maturity			
		Less Than 6 Months	Between 6 - 13 Months	Between 13 - 24 Months	Between 24 - 60 Months
Bank Deposits	\$ (417,213)	\$ (417,213)	\$ -	\$ -	\$ -
Money Market Funds (LGIP)	289,241,529	289,241,529	-	-	-
Certificates of Deposit - Commercial Banks	234,662,835	177,714,795	43,848,040	775,000	12,325,000
U.S. Government Agencies	33,990,000	-	-	5,000,000	28,990,000
Bankers Acceptances (BA's)	-	-	-	-	-
Commercial Paper (CP's)	89,843,103	69,924,478	19,918,625	-	-
Municipal Bonds	1,787,488	-	-	1,787,488	-
<b>Total Deposits and Investments</b>	<b>\$ 649,107,742</b>	<b>\$ 536,463,589</b>	<b>\$ 63,766,665</b>	<b>\$ 7,562,488</b>	<b>\$ 41,315,000</b>

The School Activity Funds' cash of \$5,546,893 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, 2012, 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 Local Government Investment Pool (LGIP), which is not SEC-registered. The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. It is managed in accordance with the "2a-7 like pool" risk limiting requirements of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". 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 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, 2012, the Primary Government's share in this pool was \$21,574,933 as

reported on the face of the OPEB trust fund statement as found in Exhibit 22 of the CAFR. At June, 2012, the Component Unit-School's share in this pool was \$53,926,479 as reported on the face of the Component Unit trust fund schedule 38.

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 6.0%. Plan contributions are currently held in a trust account with Comerica. Investments are held in debt securities, 64.8% of portfolio and income yield of 6.33%; equity securities, 34.3% of portfolio and income yield of 3.57%; short term investments of 0.9% of portfolio and income yield of 0.15%. On June 30, 2012, the market value of investments totaled \$14,398,466.

#### Restricted cash and investments

Restricted cash and investments, consisting of the following amounts:

	<b>Governmental Activities</b>	<b>Component Unit - Schools</b>
Capital Projects Fund:		
General Obligation Bond Proceeds	\$ 90,367,386	\$ 25,689,334
Debt Service Fund:		
Bond covenants	10,004,029	-
Bond proceeds held by SNAP for debt service and capital projects	10,986,035	-
Total Debt Service Fund	20,990,064	-
Other Governmental Funds:		
Transportation District Funds	14,092,458	-
Capital Asset Preservation Funds	1,785,078	-
Total Other Governmental Funds	15,877,536	-
Internal Service Funds:		
Self Insurance Fund	1,157,000	-
<b>Total Restricted Cash and Investments</b>	<b>128,391,986</b>	<b>25,689,334</b>

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

##### (A) RECEIVABLES

Receivables at June 30, 2012 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	\$ 418,293,812	\$ 1,046,074	\$ 38,551,899	\$ 457,891,785
Capital Projects Fund	-	110,146	79,432	189,578
Other Governmental Funds	1,033,039	129,222	3,045,900	4,208,161
Internal Service Funds	-	74,210	-	74,210
Gross Receivables	419,326,851	1,359,652	41,677,231	462,363,734
Less: allowance for uncollectibles	(3,206,987)	-	-	(3,206,987)
<b>Total Governmental Activities</b>	<b>\$ 416,119,864</b>	<b>\$ 1,359,652</b>	<b>\$ 41,677,231</b>	<b>\$ 459,156,747</b>
<b><u>Component Unit - Schools:</u></b>				
General Fund	\$ -	\$ 402,460	\$ 15,037,782	\$ 15,440,242
Special Revenue Fund	-	31,907	164,029	195,936
Internal Service Funds	-	179,616	-	179,616
<b>Total Component Unit - Schools</b>	<b>\$ -</b>	<b>\$ 613,983</b>	<b>\$ 15,201,811</b>	<b>\$ 15,815,794</b>

(B) PAYABLES

Payables at June 30, 2012 are as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Total Payables
<b><u>Governmental Activities:</u></b>				
General Fund	\$ 5,958,529	\$ 13,834,363	\$ -	\$ 19,792,892
Capital Projects Fund	7,294,311	1,321,023	-	8,615,334
Debt Service Fund	-	-	12,302,888	12,302,888
Other Governmental Funds	1,207,548	3,733,386	-	4,940,934
Internal Service Funds	326,472	1,906,283	-	2,232,755
<b>Total Governmental Activities</b>	<b>\$ 14,786,860</b>	<b>\$ 20,795,055</b>	<b>\$ 12,302,888</b>	<b>\$ 47,884,803</b>
<b><u>Component Unit - Schools:</u></b>				
General Fund	\$ 3,308,670	\$ 50,018,026	\$ -	\$ 53,326,696
Capital Projects Fund	10,194,381	3,204,602	-	13,398,983
Special Revenue Fund	61,282	1,105,344	-	1,166,626
Debt Service Funds	-	-	319,923	319,923
Internal Service Funds	670,789	2,946,615	-	3,617,404
<b>Total Component Unit - Schools</b>	<b>\$ 14,235,122</b>	<b>\$ 57,274,587</b>	<b>\$ 319,923</b>	<b>\$ 71,829,632</b>

**NOTE V – INTERFUND BALANCES**

Due to/from balances represent amounts paid by one entity on behalf of the other entity. Individual interfund balances at June 30, 2012 consist of the following:

	DUE TO
DUE FROM	General Fund
<b>Governmental Activities</b>	\$ -
County-Wide Sewer Service District Fund	\$ 2,910

**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, 2012 consist of the following:

	Transfers In					
Transfers	General Fund	Capital Projects Fund	Debt Service Fund	Non-major Funds	Internal Service Funds	Total
General Fund	\$ -	\$ 17,957,702	\$ 162,873,749	\$ 8,328,381	\$ 4,083,265	\$ 193,243,097
Capital Projects Fund	4,395,260	-	4,318,801	-	2,605,168	11,319,229
Debt Service Fund	96,050	-	-	-	-	96,050
Non-major Funds	6,273,116	19,516,735	31,419	493,524	-	26,314,794
Internal Service Funds	53,000	880,000	-	85,425	-	1,018,425
<b>Total Primary Government</b>	<b>\$ 10,817,426</b>	<b>\$ 38,354,437</b>	<b>\$ 167,223,969</b>	<b>\$ 8,907,330</b>	<b>\$ 6,688,433</b>	<b>\$ 231,991,595</b>

	Transfers In					
Transfers	General Fund	Capital Projects Fund	Debt Service Fund	Non-major Funds	Internal Service Funds	Total
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 2,582,000	\$ 2,582,000
<b>Total Component Unit - Schools</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,582,000</b>	<b>\$ 2,582,000</b>

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

Noncurrent notes and loans receivable consisted of the following at June 30, 2012.

Notes and Loans Receivable	\$ 4,518,348
Allowance for Uncollectibles	(1,342,292)
<b>Net Notes and Loans Receivable</b>	<b>\$ 3,176,056</b>

Of the gross amount of notes and loans receivable, \$588,355 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 in the County or 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 \$3,317,832 represents loans to individuals/families under the Affordable Housing Project.

**NOTE VIII – CAPITAL ASSETS**

Capital assets activity for the primary government for the year ended June 30, 2012 is as follows:

	Primary Government				
	Balance July 1, 2011	Additions/ Increases	Retirements/ Decreases	Transfers	Balance June 30, 2012
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 120,388,765	\$ 14,518,515	\$ -	\$ -	\$ 134,907,280
Infrastructure - Ponds	53,119,456	2,264,177	-	-	55,383,633
Construction in Progress	50,970,553	28,913,294	-	(45,041,653)	34,842,194
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 224,478,774</b>	<b>\$ 45,695,986</b>	<b>\$ -</b>	<b>\$ (45,041,653)</b>	<b>\$ 225,133,107</b>
<b>Depreciable Capital Assets:</b>					
Buildings	\$ 322,919,312	\$ 12,117,048	\$ -	\$ 37,789,545	\$ 372,825,905
Improvements Other Than Buildings	31,652,528	825,768	-	5,574,670	38,052,966
Equipment	158,559,902	14,221,037	(14,090,759)	712,637	159,402,817
Infrastructure	384,994,005	13,995,041	-	964,801	399,953,847
<b>Total Depreciable Capital Assets</b>	<b>\$ 898,125,747</b>	<b>\$ 41,158,894</b>	<b>\$ (14,090,759)</b>	<b>\$ 45,041,653</b>	<b>\$ 970,235,535</b>
<b>Less Accumulated Depreciation for:</b>					
Buildings	\$ (44,479,134)	\$ (14,052,502)	\$ -	\$ -	\$ (58,531,636)
Improvements Other Than Buildings	(12,680,750)	(1,256,492)	-	-	(13,937,242)
Equipment	(96,587,186)	(12,655,743)	13,793,928	-	(95,449,001)
Infrastructure	(74,168,275)	(6,949,138)	-	-	(81,117,413)
<b>Total Accumulated Depreciation</b>	<b>\$ (227,915,345)</b>	<b>\$ (34,913,875)</b>	<b>\$ 13,793,928</b>	<b>\$ -</b>	<b>\$ (249,035,292)</b>
<b>Depreciable Capital Assets, Net</b>	<b>\$ 670,210,402</b>	<b>\$ 6,245,019</b>	<b>\$ (296,831)</b>	<b>\$ 45,041,653</b>	<b>\$ 721,200,243</b>
<b>Total Capital Assets</b>	<b>\$ 894,689,176</b>	<b>\$ 51,941,005</b>	<b>\$ (296,831)</b>	<b>\$ -</b>	<b>\$ 946,333,350</b>

Primary government capital assets, net of accumulated depreciation, at June 30, 2012 are comprised of the following:

General Capital Assets, Net	\$ 918,234,050
Internal Service Fund Capital Assets, Net	28,099,300
<b>Total Capital Assets, Net</b>	<b>\$ 946,333,350</b>

Depreciation was charged to governmental functions as follows:

General government administration	\$ 8,450,128
Judicial administration	1,376,150
Public safety	8,373,333
Public works	8,351,945
Health and welfare	2,365,848
Parks, recreation and culture	5,585,282
Community development	411,189
<b>Total Depreciation</b>	<b>\$ 34,913,875</b>

Capital asset activity for the Schools for the year ended June 30, 2012 is as follows:

	Component Unit - School				
	Balance July 1, 2011 as restated	Additions/ Increases	Retirements/ Decreases	Transfers	Balance June 30, 2012
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 127,030,175	\$ 6,777,636	\$ (685,000)	\$ -	\$ 133,122,811
Construction in Progress	165,083,331	84,459,201	-	(146,917,038)	102,625,494
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 292,113,506</b>	<b>\$ 91,236,837</b>	<b>\$ (685,000)</b>	<b>\$(146,917,038)</b>	<b>\$ 235,748,305</b>
<b>Depreciable Capital Assets:</b>					
Buildings	\$ 1,173,851,636	\$ 558,353	\$ (589,869)	\$ 146,909,563	\$ 1,320,729,683
Improvements Other Than Buildings	1,173,046	26,901	-	-	1,199,947
Equipment	119,098,721	4,786,691	(2,594,497)	7,475	121,298,390
Infrastructure	1,121	-	-	-	1,121
<b>Total Depreciable Capital Assets</b>	<b>\$ 1,294,124,524</b>	<b>\$ 5,371,945</b>	<b>\$ (3,184,366)</b>	<b>\$ 146,917,038</b>	<b>\$ 1,443,229,141</b>
<b>Less Accumulated Depreciation for:</b>					
Buildings	\$ (237,532,869)	\$ (27,393,797)	\$ 410,452	\$ -	\$ (264,516,214)
Improvements Other Than Buildings	(833,810)	(42,553)	-	-	(876,363)
Equipment	(91,489,269)	(8,969,484)	2,571,771	-	(97,886,982)
Infrastructure	(84)	(56)	-	-	(140)
<b>Total Accumulated Depreciation</b>	<b>\$ (329,856,032)</b>	<b>\$ (36,405,890)</b>	<b>\$ 2,982,223</b>	<b>\$ -</b>	<b>\$ (363,279,699)</b>
<b>Depreciable Capital Assets, Net</b>	<b>\$ 964,268,492</b>	<b>\$ (31,033,945)</b>	<b>\$ (202,143)</b>	<b>\$ 146,917,038</b>	<b>\$ 1,079,949,442</b>
<b>Total Capital Assets, restated</b>	<b>\$ 1,256,381,998</b>	<b>\$ 60,202,892</b>	<b>\$ (887,143)</b>	<b>\$ -</b>	<b>\$ 1,315,697,747</b>

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

	Program Authorization	Transferred to Fixed Assets by June 30, 2012	Construction In Progress At June 30, 2012	Construction Commitments At June 30, 2012	Remaining to Be Committed At June 30, 2012
General Government Administration	\$ 196,759,435	\$ 65,552,968	\$ 14,242,485	\$ 19,503,750	\$ 97,460,232
Judicial Administration	31,123,905	31,016,728	-	11,280	95,897
Public Safety	209,039,284	112,436,403	11,930,322	14,948,334	69,724,225
Public Works	393,656,632	97,879,405	3,519,286	9,047,344	283,210,597
Health and Welfare	8,275,024	8,871,585	-	43,880	(640,441)
Parks, Recreation and Culture	87,777,520	48,362,610	5,150,101	5,406,420	28,858,389
<b>Total Primary Government</b>	<b>\$ 926,631,800</b>	<b>\$ 364,119,699</b>	<b>\$ 34,842,194</b>	<b>\$ 48,961,008</b>	<b>\$ 478,708,899</b>
Education	\$ 1,147,683,626	\$ 883,193,149	\$ 102,625,494	\$ 50,351,569	111,513,414
<b>Total Component Unit-Schools</b>	<b>\$ 1,147,683,626</b>	<b>\$ 883,193,149</b>	<b>\$ 102,625,494</b>	<b>\$ 50,351,569</b>	<b>\$ 111,513,414</b>

#### **NOTE IX - 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 \$100,000 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 and 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 \$600,000. 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 \$400,000 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 Wells Fargo Disability Management, and the Component Unit - Schools' administrator is VACo.

	WORKERS' COMPENSATION		
	Primary Government	Component Unit - Schools	Total
<b><u>Fiscal Year 2012</u></b>			
Unpaid Claims Beginning of Fiscal Year	\$ 5,907,156	\$ 3,395,419	\$ 9,302,575
Incurred Claims (Including IBNR)	1,830,905	1,797,501	3,628,406
Claim Payments	(1,951,624)	(2,042,410)	(3,994,034)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 5,786,437</b>	<b>\$ 3,150,510</b>	<b>\$ 8,936,947</b>
<b><u>Fiscal Year 2011</u></b>			
Unpaid Claims Beginning of Fiscal Year	\$ 5,167,135	\$ 2,957,073	\$ 8,124,208
Incurred Claims (Including IBNR)	2,869,336	2,555,552	5,424,888
Claim Payments	(2,129,315)	(2,117,206)	(4,246,521)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 5,907,156</b>	<b>\$ 3,395,419</b>	<b>\$ 9,302,575</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 full-time and part-time staff working twenty (20) or more hours per week, and long-term full-time temporary employees. Eligible employees for the Component Unit - Schools are regular staff working seventeen and one-half (17.5) or more hours per week. Group coverage for Medicare eligible retirees transitioned to a fully-insured Medicare Advantage program, through a CIGNA partnership with Humana, as of September 1, 2009 in an effort to mitigate costs for this group. Non-Medicare eligible retiree health care continues to be self-insured by the County. 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. 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 (HAS) 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 with a \$200 deductible, 70% out-of-network with 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 HAS/HRA contribution. Medco Health Solutions 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 have purchased specific stop loss insurance from Connecticut General Life Insurance Company (CIGNA) limiting claims against the self-insurance program to \$300,000 per occurrence for individual claims. 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 2012</b>			
Unpaid Claims Beginning of Fiscal Year	\$ 2,157,770	\$ 6,170,883	\$ 8,328,653
Incurred Claims (Including IBNR)	33,054,469	103,095,987	136,150,456
Claim Payments	(33,019,140)	(102,343,890)	(135,363,030)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 2,193,099</b>	<b>\$ 6,922,980</b>	<b>\$ 9,116,079</b>
<b>Fiscal Year 2011</b>			
Unpaid Claims Beginning of Fiscal Year	\$ 1,752,029	\$ 5,397,116	\$ 7,149,145
Incurred Claims (Including IBNR)	31,698,209	92,781,569	124,479,778
Claim Payments	(31,292,468)	(92,007,802)	(123,300,270)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 2,157,770</b>	<b>\$ 6,170,883</b>	<b>\$ 8,328,653</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, 2012, 368 retirees or individuals who qualify for disability retirement, met the eligibility requirements and are enrolled in the program. During fiscal year 2012, expenditures of \$3,018,264 were recorded for retirement health care benefits. These amounts are not accrued over the employees' time of service, but are expensed as incurred.

#### **NOTE X – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLANS**

1. Plan Description

The Loudoun County OPEB Trust Fund is a single-employer defined benefit healthcare plan (the Plan) administered by Loudoun 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 GASB Statement No. 45 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 GASB Statement 45. 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 83.72 percent and 64.36 percent, respectively.

The Primary Government and the Component Unit – Schools' annual OPEB cost and the net OPEB obligation based on an estimated rate of 6.5% including an inflation component of 2.5%, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method on a closed basis for 2012 is as follows:

	Primary Government	Component Unit - Schools
Discount Rate	6.50%	6.50%
Annual Required Contribution (ARC)	\$ 11,405,000	\$ 32,757,000
Interest on Net OPEB Obligation	1,672,216	5,904,000
Adjustment to Annual Required Contribution	(1,608,001)	(2,585,737)
<b>Annual OPEB Cost (expense)</b>	<b>\$ 11,469,215</b>	<b>\$ 36,075,263</b>
Actual Contributions	(9,602,437)	(23,218,531)
Increase in net OPEB Obligation	1,866,778	12,856,732
Net OPEB Obligation, Beginning of Year	25,726,406	90,825,268
<b>Net OPEB Obligation, End of Year</b>	<b>\$ 27,593,184</b>	<b>\$ 103,682,000</b>
Actual Contribution Rate	83.72%	64.36%

The Primary Government and the Component Unit – School's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, the net OPEB Obligation for FY 2012 and the preceding fiscal year were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Contributed	Net OPEB Obligation
<b>Primary Government</b>			
7/1/2011	\$ 11,469,215	83.72%	\$ 27,593,184
7/1/2010	\$ 10,146,332	80.62%	\$ 25,726,406
7/1/2009	\$ 10,451,743	67.60%	\$ 23,759,856
7/1/2008	\$ 12,217,502	42.26%	\$ 20,373,495
<b>Component Unit - Schools</b>			
7/1/2011	\$ 36,075,263	64.36%	\$ 103,682,000
7/1/2010	\$ 30,439,222	64.55%	\$ 90,825,268
7/1/2009	\$ 31,542,472	47.54%	\$ 80,033,159
7/1/2008	\$ 34,628,926	32.56%	\$ 63,485,655

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, 2012, 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>						
7/1/2011	\$ 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>						
7/1/2011	\$ 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%

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, 2011 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 2012 was determined as part of July 1, 2011 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.

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.

#### **NOTE XI - OPERATING LEASES**

The County has various long-term non-cancelable operating lease agreements for property and equipment, which expire through fiscal year 2017. Total costs for such leases were \$8,951,815 for fiscal year 2012. 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, 2012. Non-cancelable operating leases include the following minimum annual rental payments as of June 30, 2012:

<b>Fiscal Year</b>	<b>Primary Government</b>
2013	\$ 7,480,094
2014	2,474,917
2015	1,098,058
2016	228,784
2017	76,037
<b>Total</b>	<b>\$ 11,357,890</b>

#### **NOTE XII - CAPITAL LEASES**

Capital leases for property and equipment include the following minimum annual lease payments as of June 30, 2012.

<b>Fiscal Year</b>	<b>Primary Government</b>	<b>Component Unit-Schools</b>
2013	\$ 16,267,312	\$ 8,223,296
2014	16,263,151	5,607,127
2015	16,449,948	3,880,288
2016	15,307,741	1,812,119
2017	14,968,096	-
2018-2022	56,344,215	-
2023-2027	35,440,848	-
2028-2031	18,922,256	-
<b>Subtotal</b>	<b>\$ 189,963,567</b>	<b>\$ 19,522,830</b>
Less: Amounts representing interest	(51,819,790)	(652,326)
<b>Capital Lease Obligations</b>	<b>\$ 138,143,777</b>	<b>\$ 18,870,504</b>

Capital leases payable as of June 30, 2012, are composed of the following individual items:

<b>Date Issued</b>	<b>Final Maturity</b>	<b>Interest Rate</b>	<b>Issued Amount</b>	<b>Balance at June 30, 2012</b>	<b>Type of Project Financed (the assets acquired secured the related capital lease)</b>
<b>Primary Government</b>					
12/16/03	Dec 2012	3.54%	3,726,000	418,777	Commuter Bus Lease
12/13/03	Dec 2023	4.20%	35,000,000	20,685,000	Public Safety Facilities
12/10/08	Oct 2028	4.69%	46,240,000	39,515,000	Public Safety Facilities
06/17/09	Oct 2019	2.97%	36,000,000	28,800,000	Capital Vehicles / Computer Equipment
11/19/09	Oct 2016	2.55%	7,745,000	5,530,000	Capital Vehicles / Computer Equipment
03/15/10	Feb 2030	3.43%	985,000	905,000	Public Safety Facilities
06/16/10	Oct 2030	3.84%	7,140,000	6,780,000	Landfill Facilities
06/28/11	May 2031	3.89%	36,240,000	35,510,000	Government Office Facilities
<b>Total Primary Government</b>			<b>\$ 173,076,000</b>	<b>\$ 138,143,777</b>	
<b>Component Unit - Schools</b>					
07/23/08	Jul 2012	3.36%	\$ 10,000,000	\$ 2,500,000	School Equipment
08/26/09	Aug 2013	2.58%	6,363,000	3,262,504	School Equipment
09/29/10	Sep 2014	1.59%	8,144,000	6,108,000	School Equipment
07/20/11	Jul 2015	1.41%	7,000,000	7,000,000	School Equipment
<b>Total Component Unit - Schools</b>			<b>\$ 31,507,000</b>	<b>\$ 18,870,504</b>	

Assets acquired under capital leases by major asset class for the Primary Government at June 30, 2012, are as follows:

Primary Government		
Major Asset Class	Issued Amount	Balance at June 30, 2012
Buildings	\$ 125,605,000	\$ 103,395,000
Computer Equipment	32,216,400	25,293,600
Vehicles	15,254,600	9,455,177
<b>Total Primary Government</b>	<b>\$ 173,076,000</b>	<b>\$ 138,143,777</b>

#### **NOTE XIII – 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, 2012:

	Balance at June 30, 2011	Additions	Reductions	Balance at June 30, 2012	Amounts Due Within One Year
<b>Primary Government</b>					
Compensated Absences	\$ 21,988,056	\$ 3,456,959	\$ 1,532,456	\$ 23,912,559	\$ 1,076,065
Claims Payable	8,064,926	34,970,764	35,056,154	7,979,536	5,193,850
Landfill Closure and Postclosure Care	25,599,945	-	1,947,563	23,652,382	-
Other Post-Employment Benefits	25,726,406	1,866,778	-	27,593,184	-
General Obligation Bonds and Loans	974,845,000	5,000,000	99,920,000	879,925,000	77,615,000
Unamortized Bond Premium	49,788,054	-	6,446,468	43,341,586	5,984,360
Capital Leases	156,928,228	-	18,784,451	138,143,777	10,103,777
<b>Total Primary Government</b>	<b>\$ 1,262,940,615</b>	<b>\$ 45,294,501</b>	<b>\$ 163,687,092</b>	<b>\$ 1,144,548,024</b>	<b>\$ 99,973,052</b>
<b>Component Unit - Schools</b>					
Compensated Absences	\$ 18,609,101	\$ 2,102,845	\$ 1,880,797	\$ 18,831,149	\$ 2,068,876
Claims Payable	9,566,302	113,183,566	112,676,378	10,073,490	8,366,328
Other Post-Employment Benefits	90,825,268	12,856,732	-	103,682,000	-
Capital Leases	20,291,271	7,000,000	8,420,767	18,870,504	7,859,836
<b>Total Component Unit-Schools</b>	<b>\$ 139,291,942</b>	<b>\$ 135,143,143</b>	<b>\$ 122,977,942</b>	<b>\$ 151,457,143</b>	<b>\$ 18,295,040</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 X for additional information on Other Post-Employment Benefits liability.

Bonds and loans payable as of June 30, 2012, are as follows:

#### **General Obligation Bonds:**

**Balance at June 30, 2012**

\$16,665,000 School Construction Bonds, Series 1994B, due in annual installments from \$710,000 to \$865,000 through 2013, interest from 6.10% to 6.30%. The proceeds of these bonds were used for new school construction as well as improvements in existing schools.	\$1,720,000
\$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.	3,000,000
\$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.	5,140,000
\$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.	8,080,000
\$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.	1,350,000
\$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.	6,010,000
\$110,715,000 Public Improvement Bonds, Series 2003A, due in annual installments of \$4,985,000 to \$6,720,000 through 2022, interest from 3.00% to 5.00%. The proceeds of these bonds were used to finance the acquisition, construction, renovation, and equipping of public schools in the County, a fire/sheriff station, public libraries, and park and recreation facilities in the County.	4,895,000
\$14,075,000 Refunding Bonds, Series 2003B, due in annual installments of \$1,400,000 to	

\$2,535,000 through 2013, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1993.	1,110,000
\$111,000,000 Public Improvement Bonds, Series 2004A, due in annual installments of \$4,705,000 to \$7,120,000 through 2024, interest from 3.25% to 5.25%. 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.	9,410,000
\$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.	43,225,000
\$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.	130,335,000
\$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.	39,495,000
\$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.	24,975,000
\$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.	11,400,000
\$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.	31,725,000
\$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.	3,840,000
\$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.	63,720,000
\$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.	10,445,000
\$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.	144,910,000
\$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.	127,960,000
\$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.	89,120,000
\$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.	62,740,000
\$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.	50,320,000

\$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.

5,000,000

**Total General Obligation Bonds**

**\$879,925,000**

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>
2013	\$ 77,615,000	\$ 40,117,777
2014	77,835,000	36,528,088
2015	73,320,000	32,860,184
2016	72,205,000	29,322,646
2017	70,310,000	25,867,866
2018-2022	296,090,000	83,910,138
2023-2027	175,570,000	28,178,732
2028-2031	36,980,000	3,065,354
<b>Total General Obligations and Loans Payable</b>	<b>\$ 879,925,000</b>	<b>\$ 279,850,785</b>

Debt Defeasance

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, 2012, \$387,845,000 of bonds outstanding are considered defeased. This amount includes \$7,275,000 of Lease Revenue Refunding Bonds and \$17,085,000 of General Obligation Bonds which the County advanced defeased on February 16, 2012, for a net present value savings of \$8,051,695. There were no refundings completed in the year ended June 30, 2012.

**NOTE XIV - 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 \$23,652,382 liability for landfill closure and postclosure care cost at June 30, 2012 represents the estimated liability based on the usage of 71.7% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care in the amount of \$8,940,899 as the remaining estimated capacity is used. The estimated remaining life of the Loudoun County Landfill Disposal Unit is 10.4 years. The Woods Road Disposal Unit was recently completed adding 1,487,360 cubic yards of disposal capacity and filling of this cell began in March 2012. The liability accrued at June 30, 2012 is based on what it would cost to perform all closure and postclosure care in 2012. Actual cost may differ from this estimate due to inflation, changes in technology or changes in regulation.

**NOTE XV – 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 assets.

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 XVI- 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 XVII - 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 Defined Benefit Pension Plan  
 Administering Entity: Virginia Retirement System (VRS)

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service credit. Two defined benefit plans for local government employees are administered by VRS. Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Employees covered under Plan 1 are eligible for an unreduced retirement benefit at age 65 with 5 years of service or at age 50 with 30 years of service payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service. AFC for Plan 1 is defined as the highest consecutive 36 months of reported compensation. Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Employees covered under Plan 2 are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. Under Plan 2, AFC is 1.7 percent of the average of the member's 60 consecutive months of highest compensation for each year of credited service. Participating law enforcement officers and firefighters in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for an annual cost-of-living adjustment (COLA) beginning in their second year of retirement. Under Plan 1, the COLA cannot exceed 5%; under Plan 2, the COLA cannot exceed 6%. Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing to the System at P O Box 2500, Richmond, VA 23218-2500.

**2. Funding Policy and Status**

Employees are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution has been assumed both by the County and the School Board for their respective employees. If an employee leaves covered employment, the accumulated contributions plus interest earned may be refunded to the employee. Each participating employer is required by State statute to contribute the remaining amounts necessary to fund the System using the actuarial basis specified by the Code of Virginia (1950), as amended, and approved by the VRS Board of Trustees. State statute may be amended only by the Commonwealth of Virginia Legislature. Contributions made by the Primary Government and the Component Unit – Schools for their employees other than professional employees of the Schools represent 8.61% and 7.22%, respectively, of covered payroll for the fiscal year, while employee contributions represent 5%. Total contributions made by the Schools to the VRS Statewide teacher cost-sharing pool for professional employees of the Schools for the three fiscal years 2010, 2011, and 2012 were \$46,418,753, \$37,095,872, and \$48,852,640 respectively, and represented 12.01%, 9.56%, and 11.90% of the covered payroll, respectively.

For the year ended June 2012, the Primary Government and the Component Unit – Schools 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>						
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%
<b>Component Unit - Schools</b>						
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%



3. Annual Pension Cost

For 2012, the Primary Government and Component Unit-Schools' annual pension cost of \$22,527,794 and \$6,133,882 respectfully, was equal to the Primary Government and Component Unit-Schools' required and actual contributions. The required contribution was determined as part of the June 30, 2010 actuarial valuation using the entry age normal actuarial cost method. The amortization method used is a level percent, open method with an amortization period of 20 years. The actuarial assumptions included (a) 7.00% investment rate of return, (b) projected salary increases of 3.75% to 5.60% per year, and (c) 2.50% per year cost-of-living adjustment for Plan 1 members and 2.25% for Plan 2 members. Both (a) and (b) included an inflation component of 2.50%. The actuarial value of the Primary Government and Component Unit-Schools' assets is equal to the modified market value of assets. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period.

Trend Information - Primary Government			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2012	\$ 22,527,794	100%	\$ -
June 30, 2011	\$ 21,613,590	100%	\$ -
June 30, 2010	\$ 20,996,618	100%	\$ -
June 30, 2009	\$ 21,253,078	100%	\$ -

Trend Information - Component Unit-Schools			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2012	\$ 6,133,882	100%	\$ -
June 30, 2011	\$ 5,936,049	100%	\$ -
June 30, 2010	\$ 6,324,055	100%	\$ -
June 30, 2009	\$ 6,378,248	100%	\$ -

(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 1,747 members; no member is in retirement status, 489 are former members with vested benefits, resulting in 1,258 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, 2011 and June 30, 2012, the funding progress is 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)
6/30/2012	\$ 14,180,560	\$ 15,887,640	\$ 1,707,080	89.26%	N/A	N/A
6/30/2011	\$ 12,672,374	\$ 14,459,192	\$ 1,786,818	87.64%	N/A	N/A

3. Annual Pension Cost

The Primary Governments' contributions to the Plan of \$830,205 were equal to the annual required contribution and annual pension cost for each year. The annual and required contribution was determined through a June 30, 2012 actuarial valuation using the Attained Age Normal Frozen Initial Liability cost method. The amortization method used is a fifteen year, level dollar method. The actuarial assumptions included 5.5% investment rate of return. 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, 2012	\$ 830,205	100%	\$ -
June 30, 2011	\$ 787,679	100%	\$ -
June 30, 2010	\$ 765,362	100%	\$ -
June 30, 2009	\$ 682,708	100%	\$ -

4. Financial Statements

Statement of Net Assets		Statement of Changes in Pension Trust Net Assets	
<b>Assets</b>		Contributions - Employer	\$ 787,679
Cash and Cash Equivalents	\$ 14,398,466	Interest	619,954
Accounts Receivable	0	Less: Benefits	(434,374)
<b>Total Assets</b>	<b>14,398,466</b>	Administration Expense	(48,925)
<b>Liabilities</b>		<b>Change in Net Assets</b>	<b>924,334</b>
Accounts Payable	217,906		
<b>Total Liabilities</b>	<b>217,906</b>	Net Assets at Beginning of Year	13,256,226
<b>Net Assets Held in Trust</b>	<b>\$ 14,180,560</b>	<b>Net Assets at End of Year</b>	<b>\$ 14,180,560</b>

**NOTE XVIII - DEFERRED REVENUE**

Deferred revenue, representing taxes not yet due of \$400,255,211, uncollected delinquent tax billings of \$5,890,329, business license tax billings of \$832,840, grants of \$7,370,313 not available for funding of current expenditures, and miscellaneous revenue of \$1,651,694 totaled \$416,000,387 for both Primary Government and Schools as of June 30, 2012. 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, 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 \$51.5 million at June 30, 2012.

**NOTE XIX - EXCESS EXPENDITURES OVER APPROPRIATIONS**

As of June 30, 2012, the following fund had excess of expenditures over appropriations:

The Legal Resources Center Fund expenditures for the fiscal year 2012 exceeded its legal budget of \$98,566 by \$2,167. The additional expenditures were covered by the use of fund balance.

**NOTE XX – FUND BALANCE CLASSIFICATION**

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 Unrestricted 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.

Specific purpose details for fund balance classifications displayed in the aggregate for governmental funds as of June 30, 2012 are as follows:

<b>FY 2012</b>	<b>General</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Other Governmental</b>	<b>Total Governmental Funds</b>
<b>Nonspendable:</b>					
Inventories	\$ -	\$ -	\$ -	\$ 157,456	\$ 157,456
Notes and Loans	2,153,142	-	-	1,022,914	3,176,056
Prepays	988,316	1,118,820	-	676,998	2,784,134
<b>Subtotal Nonspendable</b>	<b>\$ 3,141,458</b>	<b>\$ 1,118,820</b>	<b>\$ -</b>	<b>\$ 1,857,368</b>	<b>\$ 6,117,646</b>
<b>Restricted for:</b>					
Alterations to General Govt Bldgs	\$ -	\$ 3,517,300	\$ -	\$ 800,000	\$ 4,317,300
Fire / Sheriff Stations Construction	-	26,524,428	-	7,279,333	33,803,761
Radio Communications System	-	-	-	2,048,802	2,048,802
Road, Transportation, Pedestrian	-	37,562,555	-	41,923,053	79,485,608
Health and Welfare Programs	496,427	908,376	-	1,642,060	3,046,863
Housing Assistance Programs	-	-	-	13,506,223	13,506,223
Library Improvements, Materials, Equipment	-	-	-	4,610,777	4,610,777
Parks and Library Construction	-	28,514,304	-	21,312,927	49,827,231
Community Development / Transit	-	5,102,504	-	48,665,688	53,768,192
Bond Covenants	-	-	10,004,029	-	10,004,029
School Land Acquisition	-	23,504,200	-	3,417,479	26,921,679
<b>Subtotal Restricted</b>	<b>\$ 496,427</b>	<b>\$ 125,633,667</b>	<b>\$ 10,004,029</b>	<b>\$ 145,206,342</b>	<b>\$ 281,340,465</b>
<b>Committed to:</b>					
Fiscal Reserve	\$ 109,077,486	\$ -	\$ -	\$ 296,458	\$ 109,373,944
Fire / Rescue Revolving Loans	3,473,728	-	-	-	3,473,728
Computer System Repl. / Upgrades	787,642	-	-	2,391,475	3,179,117
ERP Project / Initiatives	-	22,843,894	-	-	22,843,894
Courts Complex Improvements	135,647	107,177	-	221,178	464,002
Firing Range / CAD System	327,281	12,783,079	-	-	13,110,360
County Facilities Repairs/Improvements	1,400,569	-	-	2,549,658	3,950,227
Road and Landfill Construction	-	14,423,610	-	-	14,423,610
Health and Welfare Programs	930,205	516,029	-	-	1,446,234
CSA At Risk Youth	-	-	-	3,024,091	3,024,091
Park and Library Improvement	506,720	723,479	-	304,220	1,534,419
Community Development / Transit	329,889	8,529,698	-	273,375	9,132,962
County / School Land Acquisitions	-	24,422,360	-	-	24,422,360
<b>Subtotal Committed</b>	<b>\$ 116,969,167</b>	<b>\$ 84,349,326</b>	<b>\$ -</b>	<b>\$ 9,060,455</b>	<b>\$ 210,378,948</b>
<b>Assigned to:</b>					
Debt Service	\$ -	\$ -	\$ 14,264,716	\$ -	\$ 14,264,716
Other Purposes	35,150,320	913,820	4,825,182	2,621,456	43,510,778
<b>Subtotal Assigned</b>	<b>\$ 35,150,320</b>	<b>\$ 913,820</b>	<b>\$ 19,089,898</b>	<b>\$ 2,621,456</b>	<b>\$ 57,775,494</b>
<b>Unassigned</b>	<b>\$ 46,465,428</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (664,939)</b>	<b>\$ 45,800,489</b>
<b>Subtotal Unassigned</b>	<b>\$ 46,465,428</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (664,939)</b>	<b>\$ 45,800,489</b>
<b>Total Fund Balance</b>	<b>\$ 202,222,800</b>	<b>\$ 212,015,633</b>	<b>\$ 29,093,927</b>	<b>\$ 158,080,682</b>	<b>\$ 601,413,042</b>

#### **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, 2012, the outstanding principal balance on the bonds is \$182,105,000. 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 July 3, 2012, the Board of Supervisors authorized the issuance of general obligation public improvement bonds in an amount not to exceed \$70,625,000 for capital projects. General obligation bonds of \$64,500,000 were sold on July 17, 2012 with closing on July 26, 2012.

Only September 18<sup>th</sup>, the Board of Supervisors requested the Loudoun County Industrial Development Authority to refinance the Series 2003A Public Safety Facility Lease Revenue Bonds to achieve annual debt service savings.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Budgeted Amounts</b>		<b>Actual Amount</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Resources (Inflows)</b>				
General Property Taxes	\$ 796,687,042	\$ 796,687,042	\$ 816,069,274	\$ 19,382,232
Other Local Taxes	110,538,103	110,538,103	122,402,576	11,864,473
Permits and Licenses	14,679,698	14,734,790	18,621,150	3,886,360
Fines and Forfeitures	2,912,150	2,912,150	2,729,647	(182,503)
Use of Money and Property	4,370,672	4,383,111	4,160,930	(222,181)
Charges for Services	27,654,580	29,906,559	28,649,317	(1,257,242)
Gifts and Donations	29,317	237,474	243,315	5,841
Miscellaneous	341,512	341,766	327,277	(14,489)
Sales of Capital Assets	-	98,738	639,062	540,324
Recovered Costs	7,012,690	6,835,770	8,700,502	1,864,732
Intergovernmental - Commonwealth	81,019,440	82,659,361	78,756,863	(3,902,498)
Intergovernmental - Federal	7,992,506	10,145,339	9,474,942	(670,397)
Transfers from Other Funds	8,796,556	11,072,427	10,817,426	(255,001)
<b>Amounts Available for Appropriation</b>	<b>1,062,034,266</b>	<b>1,070,552,630</b>	<b>1,101,592,281</b>	<b>31,039,651</b>
<b>Charges to Appropriations (Outflows)</b>				
General Government Administration	62,596,989	75,274,163	68,187,026	7,087,137
Judicial Administration	12,960,826	13,005,937	12,068,027	937,910
Public Safety	144,935,116	145,563,533	143,764,769	1,798,764
Public Works	15,392,772	17,675,265	15,888,934	1,786,331
Health and Welfare	67,827,964	68,009,011	63,520,767	4,488,244
Parks, Recreation and Culture	45,766,186	45,432,575	42,499,806	2,932,769
Community Development	36,345,409	37,366,284	35,728,843	1,637,441
Education	529,835,220	513,044,639	520,728,969	(7,684,330)
Transfers to Other Funds	158,350,538	193,328,902	193,243,097	85,805
<b>Total Charges to Appropriations</b>	<b>1,074,011,020</b>	<b>1,108,700,309</b>	<b>1,095,630,238</b>	<b>13,070,071</b>
<b>Excess (Deficiency) of Resources Over</b>				
<b>Charges to Appropriations</b>	<b>(11,976,754)</b>	<b>(38,147,679)</b>	<b>5,962,043</b>	<b>44,109,722</b>
<b>Fund Balance at Beginning of Year</b>	<b>196,260,757</b>	<b>196,260,757</b>	<b>196,260,757</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 184,284,003</b>	<b>\$ 158,113,078</b>	<b>\$ 202,222,800</b>	<b>\$ 44,109,722</b>

**COUNTY OF LOUDOUN, VIRGINIA  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
JUNE 30, 2012**

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 for the fiscal year, commencing on the following July 1, to the Board of Supervisors. 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 Appropriation 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 character 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	6/30/2012	\$ 14,180,560	\$ 15,887,640	\$ 1,707,080	89.26%	N/A	N/A
	6/30/2011	13,250,214	15,037,032	1,786,818	88.12%	N/A	N/A
	6/30/2010	11,888,743	13,377,690	1,488,947	88.87%	N/A	N/A
	6/30/2009	11,777,673	13,294,146	1,516,473	88.59%	N/A	N/A
	6/30/2008	11,144,542	12,672,783	1,528,241	87.94%	N/A	N/A
	6/30/2007	10,656,000	12,194,000	1,538,000	87.39%	N/A	N/A
Virginia Retirement System	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%
	6/30/2006	213,516,765	259,948,057	46,431,292	82.14%	129,870,022	35.75%

All six year-recommended trend information for Volunteer Fire and Rescue Retirement System has been calculated using the Entry 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 and 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.

All six 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 assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading.

\* Expressing plan net assets 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		
Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
6/30/2012	\$ 22,527,794	100%	6/30/2012	\$ 830,205	100%
6/30/2011	21,613,590	100%	6/30/2011	787,679	100%
6/30/2010	20,996,618	100%	6/30/2010	765,362	100%
6/30/2009	21,253,078	100%	6/30/2009	682,708	100%
6/30/2008	20,550,113	100%	6/30/2008	701,629	100%
6/30/2007	18,827,144	100%	6/30/2007	719,556	100%
6/30/2006	15,721,494	100%	6/30/2006	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>	6/30/2011	\$ 80,916,644	\$ 101,879,533	\$ 20,962,889	79.42%	\$ 48,578,343	43.15%
Virginia Retirement	6/30/2010	74,726,828	94,531,489	19,804,661	79.05%	48,480,310	40.85%
System	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%
	6/30/2005	37,762,238	46,094,763	8,332,525	81.92%	30,433,893	27.38%

All six 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 assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading.

\* Expressing plan net assets 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
6/30/2012	\$ 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%
6/30/2006	4,321,644	100%



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

		(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>	07/01/2011	\$ 15,055,000	\$ 111,771,000	\$ 96,716,000	13.47%	\$ 163,737,000	59.07%
Other Post Employment	07/01/2009	3,061,877	125,234,991	122,173,114	2.44%	169,779,501	71.96%
Benefits	07/01/2007	-	138,900,336	138,900,336	0.00%	149,394,123	92.98%
 <b>Component Unit</b>	07/01/2011	\$ 35,159,000	\$ 313,999,000	\$ 278,840,000	11.20%	\$ 365,332,000	76.33%
Other Post Employment	07/01/2009	7,183,273	341,943,541	334,760,268	2.10%	433,438,915	77.23%
Benefits	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 4.0%, 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 X in the Notes to the Financial Statements section for more information.



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## **OTHER SUPPLEMENTARY INFORMATION**

## **GENERAL FUND**

## General Fund

**General Fund** (100) - 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, 2012**  
**(With Comparative Actual Amounts for 2011)**

	2012			2011
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
<b>From local sources:</b>				
<u>General property taxes:</u>				
Real property taxes	\$ 667,973,692	\$ 666,593,026	\$ (1,380,666)	\$ 663,226,629
Real and personal public service corporation property taxes	20,606,510	23,316,656	2,710,146	22,269,350
Personal property taxes	101,777,840	120,157,801	18,379,961	107,109,666
Machinery and tools taxes	1,095,000	1,036,651	(58,349)	1,099,851
Penalties and interest	5,234,000	4,965,140	(268,860)	5,512,039
Total general property taxes	796,687,042	816,069,274	19,382,232	799,217,535
<u>Other local taxes:</u>				
Local sales and use taxes	51,612,964	58,365,310	6,752,346	53,832,926
Consumer utility taxes	20,697,000	19,864,904	(832,096)	20,236,914
Business license taxes	22,024,000	25,995,888	3,971,888	25,355,444
Motor vehicle licenses	5,500,000	5,861,761	361,761	5,663,926
Bank franchise taxes	1,400,000	1,457,653	57,653	2,015,493
Taxes on recordation and wills	7,249,139	8,880,674	1,631,535	7,832,258
Hotel and motel room taxes	2,055,000	1,976,386	(78,614)	2,017,841
Total other local taxes	110,538,103	122,402,576	11,864,473	116,954,802
<u>Permits, privilege fees and regulatory licenses:</u>				
Animal licenses	278,463	374,277	95,814	382,385
Permits and other licenses	14,456,327	18,246,873	3,790,546	14,062,237
Total permits, privilege fees and regulatory licenses	14,734,790	18,621,150	3,886,360	14,444,622
<u>Fines and forfeitures:</u>				
Fines and forfeitures	2,912,150	2,729,647	(182,503)	2,705,771
Total fines and forfeitures	2,912,150	2,729,647	(182,503)	2,705,771
<u>Revenue from use of money and property:</u>				
Revenue from use of money	1,602,546	1,772,853	170,307	1,833,866
Revenue from use of property	2,780,565	2,388,077	(392,488)	2,197,055
Total revenue from use of money and property	4,383,111	4,160,930	(222,181)	4,030,921
<u>Charges for services:</u>				
Boards, Commissions and Committees	-	1,082	1,082	899
County Administrator	-	243	243	138
County Attorney	600	676	76	875
County Assessor	3,100	4,743	1,643	4,264
Treasurer	345,500	475,065	129,565	449,600
Commissioner of the Revenue	60,000	80,272	20,272	68,668
Clerk of the Circuit Court	845,000	886,208	41,208	814,076
Commonwealth's Attorney	-	11,221	11,221	6,026
Sheriff's Office	675,600	589,545	(86,055)	678,591
Management and Financial Services	-	72	72	(15)
General Services	-	-	-	(832)
Building and Development	50,250	33,419	(16,831)	68,406
Fire, Rescue and Emergency Management	-	1,472	1,472	1,247
Planning	1,800	227	(1,573)	230
Construction and Waste Management	2,767,424	2,647,128	(120,296)	2,785,794
Mapping and Geographic Information	25,472	23,213	(2,259)	24,283
Animal Services	100,400	65,289	(35,111)	68,740
Health Services	9,800	1,448	(8,352)	4,061
Transportation Services	7,702,759	7,702,759	-	6,893,452
Library	4,996	4,431	(565)	5,508
Community Court Services	80,843	7,217	(73,626)	19,500
Mental Health, Substance Abuse and Development Svcs	699,364	679,884	(19,480)	680,924
Parks, Recreation and Community Services	16,533,651	15,433,703	(1,099,948)	14,867,135
Total charges for services	29,906,559	28,649,317	(1,257,242)	27,441,570
<u>Miscellaneous revenue:</u>				
Gifts and donations	237,474	243,315	5,841	149,585

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Amounts for 2011)**

	2012		2011	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Miscellaneous revenue	341,766	327,277	(14,489)	453,245
Sales of fixed assets	98,738	639,062	540,324	300
Total miscellaneous revenue	677,978	1,209,654	531,676	603,130
<u>Recovered costs:</u>				
Recovered costs	6,835,770	8,700,502	1,864,732	8,637,503
Total recovered costs	6,835,770	8,700,502	1,864,732	8,637,503
<b>Total from local sources</b>	<b>966,675,503</b>	<b>1,002,543,050</b>	<b>35,867,547</b>	<b>974,035,854</b>
<b>From the Commonwealth:</b>				
<u>Non-categorical aid:</u>				
Motor vehicle carrier's taxes	4,000	7,261	3,261	5,865
Mobile home titling taxes	-	10,129	10,129	2,555
Taxes on deeds	1,969,000	1,977,392	8,392	1,962,608
Auto Daily Rental Tax	6,000,000	4,122,230	(1,877,770)	6,473,006
State Property Tax Reimbursement	48,071,000	48,070,701	(299)	48,070,701
State revenue reductions	(102,000)	-	102,000	(1,134,433)
Total non-categorical aid	55,942,000	54,187,713	(1,754,287)	55,380,302
<u>Shared expenses:</u>				
Commonwealth's Attorney	753,332	747,818	(5,514)	786,470
Sheriff's Office	11,908,369	10,364,351	(1,544,018)	10,188,194
Commissioner of Revenue	306,457	304,652	(1,805)	320,314
Treasurer	295,166	294,660	(506)	313,568
General Registrar	79,107	64,157	(14,950)	73,297
Electoral boards	109,442	96,482	(12,960)	13,229
Clerk of the Circuit Court	847,063	926,179	79,116	984,107
Technology Trust Fund	-	-	-	190,500
Total shared expenses	14,298,936	12,798,299	(1,500,637)	12,869,679
<u>Categorical aid:</u>				
<b>Welfare/Family Services:</b>				
<b>Parks, Recreation and Community Services:</b>				
Special transportation	10,832	10,833	1	18,163
Community based services	30,923	30,925	2	30,923
Home delivered meals	37,769	37,770	1	37,724
State match for Title III Older American's Act Program	5,831	5,832	1	-
Fan care	369	1,221	852	750
V4A Senior medicare patrol program	5,450	6,900	1,450	-
Total Parks, Recreation and Community Services	91,174	93,481	2,307	87,560
<b>Family Services:</b>				
VA promising practices program (VP3)	55,400	55,400	-	-
General relief assistance	-	(2,947)	(2,947)	(1,272)
State Adoption Assistance	234,600	264,894	30,294	169,869
Adult Foster Care Assisted Living Facilities	137,719	108,367	(29,352)	125,258
Allocated Services S & O Auxiliary State Alloc Gen Relief	20,365	5,969	(14,396)	13,142
Fuel assistance	-	-	-	9,400
Family Access to Medicaid Insurance Services	10,183	2,893	(7,290)	3,341
Juvenile accountability incentive	-	-	-	926
Food stamp program	287,350	215,872	(71,478)	228,772
Temporary assistance to needy families	134,611	47,598	(87,013)	193,598
Low Income to home energy assistance	121,062	118,295	(2,767)	194,788
Social Services Block Grants	93,880	187,636	93,756	204,279
Child care and development	914,007	524,880	(389,127)	780,823
Family Preservation Support	234,350	5,053	(229,297)	96,000
Foster Care Title IV-E	104,063	81,157	(22,906)	-
Adoption assistance	212,995	219,034	6,039	183,768
Chafee Foster Care Independence Program	3,819	2,914	(905)	2,635
Medical Assistance Program	236,437	128,406	(108,031)	142,700
View Transitional - TANF	131,139	128,302	(2,837)	-
Social Services block grant- Special Need Adoption	-	134,257	134,257	1,148

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Amounts for 2011)**

	2012		2011	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Chafee education and training	1,834	1,875	41	1,783
Title IV-B Child welfare services	-	190	190	350
Respite care for foster families	3,825	669	(3,156)	3,240
Total Family Services	2,937,639	2,230,714	(706,925)	2,354,548
Total Welfare/Family Services	3,028,813	2,324,195	(704,618)	2,442,108
Parks, Recreation and Community Services:				
Regional Organizations				
Local Government Challenge Grant	5,000	5,000	-	5,000
Total Regional Organization	5,000	5,000	-	5,000
Total Parks, Recreation and Community Services	5,000	5,000	-	5,000
Total categorical aid	3,033,813	2,329,195	(704,618)	2,447,108
Other categorical aid:				
Clerk of Circuit Court:				
Item conservation	-	-	-	10,983
Total Clerk of Circuit Court	-	-	-	10,983
County Administration				
Civil War Cavalry Battles	197	197	-	-
Regional Community Recovery Funding	6,006	6,006	-	-
Total County Administrator	6,203	6,203	-	-
Commonwealth's Attorney:				
Virginia domestic violence victim fund	39,254	39,254	-	37,134
Total Commonwealth's Attorney	39,254	39,254	-	37,134
Fire and Rescue:				
EMS motor vehicle registration	22,976	41,669	18,693	241,907
Fire Service-Insurance Fee	857,514	857,514	-	-
Virginia fire program mini grant	-	-	-	10,000
Public emergency assistance	-	770	770	-
OEMS consolidated grants	-	-	-	133,019
Total Fire and Rescue	880,490	899,953	19,463	384,926
Construction and Waste Management				
Litter control	52,963	52,963	-	46,962
Total Office of Solid Waste Management	52,963	52,963	-	46,962
Transportation Services:				
State Transportation Efficiency Improvement Fund	280,092	280,092	-	276,136
Mini Grants	1,800	1,800	-	-
State formula assistance	1,312,913	1,312,913	-	1,127,106
State capital assistance	411,564	411,564	-	414,507
TMP Commuter Bus - State Highway Transportation Fund	966,497	966,497	-	796,157
Total Transportation Services	2,972,866	2,972,866	-	2,613,906
Library:				
Library Aids	177,736	177,736	-	189,710
Total library	177,736	177,736	-	189,710
Community Corrections:				
Community Corrections Program	631,773	596,603	(35,170)	622,437
Total Community Corrections	631,773	596,603	(35,170)	622,437
Mental Health, Substance Abuse and Development Svcs:				
Employment Services for Disabilities	30,000	71,390	41,390	49,491
Mental Health Pharmacy	376,970	348,540	(28,430)	48,112
RDAP medication management	20,421	20,421	-	3,579
Mental health law reform	246,422	246,421	(1)	419,365
Wounded warrior	94,364	94,365	1	309,687
SA Women	-	300	300	-



**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Amounts for 2011)**

	2012		2011	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Substance Abuse state funds (unrestricted)	516,151	516,151	-	516,151
Mental Health State Funds (Unrestricted)	900,764	1,016,264	115,500	900,764
Development Services (DVS) State Funds (Unrestricted)	273,746	273,748	2	216,467
Mental health transformation	70,000	70,000	-	74,326
MR family support	10,311	10,310	(1)	39,890
NGRI	11,000	11,000	-	5,000
Mental Health juvenile detention	116,611	102,331	(14,280)	64,667
Development Service (DVS) children's family support	77	77	-	14,923
SA SARPOS	49,059	49,059	-	49,059
Children's mental health	60,631	60,631	-	75,000
Discharge assistance project	253,039	253,039	-	253,039
Early intervention	-	-	-	80,202
Children and adolescents with SED	121,415	121,415	-	195,470
MR OBRA	6,716	2,777	(3,939)	-
Virginia tobacco settlement foundation	39,134	28,401	(10,733)	25,323
Mental health state children services	25,000	25,000	-	25,000
Mental health aftercare	115,500	-	(115,500)	115,500
Regional discharge assistance project (RDAP)	281,424	299,005	17,581	310,146
Regional community recovery funding	44,969	44,969	-	142,504
Total Mental Health, Substance Abuse and Development Sv	3,663,724	3,665,614	1,890	3,933,665
<b>Parks, Recreation and Community Services:</b>				
Care coordination program	42,750	42,751	1	42,750
Total Parks, Recreation and Community Services	42,750	42,751	1	42,750
<b>Family Services:</b>				
JDC block grant	552,764	565,820	13,056	642,114
Juvenile confinement	134,476	137,595	3,119	144,797
Homeless intervention programs	229,613	229,613	-	229,613
Emergency Shelter Grant	-	54,685	54,685	50,788
Total Family Services	916,853	987,713	70,860	1,067,312
Total other categorical aid	9,384,612	9,441,656	57,044	8,949,785
<b>Total from the Commonwealth</b>	<b>82,659,361</b>	<b>78,756,863</b>	<b>(3,902,498)</b>	<b>79,646,874</b>
<b>From the Federal government:</b>				
<u>Payments in lieu of taxes:</u>				
Non-departmental:				
Federally owned entitlement lands	1,800	3,000	1,200	2,975
Total payments in lieu of taxes	1,800	3,000	1,200	2,975
<u>Categorical aid:</u>				
<b>Welfare/Family Services:</b>				
<b>Parks, Recreation and Community Services:</b>				
MFP rebalancing demonstration-Local contact agency	-	2,198	2,198	-
Programs for the aging-Title III-Part D	7,005	7,005	-	-
Programs for the aging-Title III-Part F	-	-	-	6,851
Programs for the aging-Title III-Part C	97,747	97,747	-	97,098
Programs for the aging-Title III-Part B	76,306	76,306	-	78,197
Medicare improvements for patients and providers	10,400	10,400	-	-
CMS research demo evaluations	23,674	25,083	1,409	31,933
Retired seniors' volunteer program	-	-	-	30,410
Programs for the aging-Title IV	-	-	-	896
Programs for the aging - Title III- G	934	934	-	-
Total Parks, Recreation and Community Services	216,066	219,673	3,607	245,385
<b>Family Services:</b>				
Temporary assistance to needy families	184,503	468,977	284,474	724,239
Fuel Assistance	140	33,470	33,330	-
State Children's Insurance Program	31,352	20,706	(10,646)	19,108
Juvenile accountability incentive	22,535	22,535	-	19,647
Child care for homeless children	4,640	-	(4,640)	-
Food stamp program	770,925	1,101,226	330,301	972,615

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Amounts for 2011)**

	2012		2011	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Refugee and entrant assistance	52,500	21,309	(31,191)	30,939
Low Income Home Energy Assistance	669,829	800,045	130,216	780,432
Child care assistance	1,095,393	881,074	(214,319)	1,145,748
Discretionary grants	122,202	314,523	192,321	339,429
Child care and development	1,281,585	609,487	(672,098)	960,775
Family Preservation Support	138,014	39,889	(98,125)	43,515
Adoption assistance	354,360	283,882	(70,478)	253,390
Chafee Foster Care Independence Program	12,983	14,655	1,672	13,412
Medicaid assistance	651,472	658,285	6,813	593,529
View Transitional (2309)	196,708	195,236	(1,472)	-
Social Services Block Grant	10,183	15,313	5,130	6,807
Low-income home energy assistance	-	-	-	27,324
Chafee education and training	8,354	7,501	(853)	7,131
Child welfare services	-	1,382	1,382	2,761
Respite care for foster families	-	371	371	82
Total Family Services	5,607,678	5,489,866	(117,812)	5,940,883
Family Services - Stimulus:				
ARRA child care and development block grant	-	-	-	118,670
ARRA foster care Title IV-E	-	-	-	9,386
ARRA adoption assistance	-	-	-	11,164
ARRA homeless prevention and rapid rehousing	51,008	51,008	-	147,471
ARRA SNAP	-	-	-	49,185
Total Family Services - Stimulus	51,008	51,008	-	335,876
Total Welfare/Family Services	5,874,752	5,760,547	(114,205)	6,522,144
Total categorical aid	5,874,752	5,760,547	(114,205)	6,522,144
Other categorical aid:				
Boards, Commissions & Committees				
Voting access for individual with disabilities	-	48,190	48,190	-
Election reform payments made to State	-	46,125	46,125	-
Total Boards, Commission & Committees	-	94,315	94,315	-
Commonwealth's Attorney:				
Violence Against Women	28,854	28,854	-	26,224
Total Commonwealth's Attorney	28,854	28,854	-	26,224
Sheriff's Office:				
Enhancing response to crime victims	-	-	-	34,778
HIDTA	7,500	5,625	(1,875)	7,500
Byrne discretionary grants	-	-	-	180,443
SHSP license plate reader program	2,000	-	(2,000)	15,000
Internet crimes against children task force program	-	-	-	3,964
SHSP bomb squad program	-	-	-	223,116
State criminal alien assistance	187,270	187,270	-	108,489
Alcohol traffic safety	31,515	31,515	-	8,215
Domestic violence grant	-	-	-	33,133
Total Sheriff's Office	228,285	224,410	(3,875)	614,638
Courts:				
HIDTA	29,409	11,118	(18,291)	30,439
Drug court discretionary grant	-	-	-	3,427
Drug court expansion	-	-	-	27,151
Total Courts	29,409	11,118	(18,291)	61,017
Building and Development:				
Chesapeake bay program	16,713	16,713	-	4,834
Total Building and Development	16,713	16,713	-	4,834

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Amounts for 2011)**

	2012			2011
	Final Budget	Actual	Variance Positive (Negative)	Actual
Fire and Rescue:				
Emergency Management Performance Grants	229	229	-	241
SHSP bomb squad program	206,749	206,749	-	602,199
Public emergency assistance	-	5,252	5,252	-
Homeland security grant program	374,342	132,219	(242,123)	155,746
Homeland security equipment	432,444	85,775	(346,669)	599,472
Total Fire and Rescue	1,013,764	430,224	(583,540)	1,357,658
Health Services:				
SHSP Bomb Squad Program	-	-	-	1,374
Total Health Services	-	-	-	1,374
Construction & Waste Management				
Highway planning & Construction (SAFETY-LU)	11,762	12,033	271	-
Total Construction & Waste Management	11,762	12,033	271	-
Transportation Services:				
Highway planning and construction	37,628	37,628	-	35,253
Total Transportation Services	37,628	37,628	-	35,253
Library Services				
Promotion of the humanities	-	-	-	94
Total Library Services	-	-	-	94
Community Corrections:				
Domestic violence grant	-	-	-	51,696
Total Community Corrections	-	-	-	51,696
Mental Health, Substance Abuse and Development Svcs:				
Community development block grant	1,994	1,994	-	69,587
Prevention and treatment of drug abuse	392,903	390,170	(2,733)	393,343
HIDTA	-	-	-	56,191
Path	48,141	56,042	7,901	52,538
Community mental health services	12,358	11,984	(374)	12,358
FBG/POMS	23,176	22,712	(464)	23,176
Total Mental Health, Substance Abuse and Dev. Svcs	478,572	482,902	4,330	607,193
Parks, Recreation and Community Services:				
National family caregiver support- Title III E	24,938	24,938	-	22,617
Highway planning and construction (SAFETEA_LU)	-	-	-	38,296
Nutrition Service Incentive Program	63,462	63,462	-	82,193
Aging services network community based	-	-	-	2,790
Total Parks, Recreation and Community Services	88,400	88,400	-	145,896
Juvenile Court Services:				
Domestic violence grant	-	-	-	25,600
Total Juvenile Court Services	-	-	-	25,600
Family Services:				
USDA Meal Reimbursement	25,000	26,938	1,938	26,577
Community development block grant	773,273	773,272	(1)	711,358
Supportive Housing	170,815	169,825	(990)	170,631
CDBG Neighborhood stabilization program	45,912	45,912	-	162,803
Emergency Shelter Grant	48,320	-	(48,320)	40,000
Housing counseling assistance	13,284	10,084	(3,200)	20,284
Total Family Services	1,076,604	1,026,031	(50,573)	1,131,653
Other categorical aid: Stimulus				
Commonwealth's Attorney:				
ARRA violence against women	-	-	-	31,625
Total Commonwealth's Attorney	-	-	-	31,625

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Amounts for 2011)**

	2012			2011
	Final Budget	Actual	Variance Positive (Negative)	Actual
Sheriff's Office:				
ARRA JAG grant	90,971	90,942	(29)	13,100
Total Sheriff's Office	90,971	90,942	(29)	13,100
Construction & Waste Management:				
ARRA EECBG	1,167,825	1,167,825	-	711,410
Total Construction & Waste Management	1,167,825	1,167,825	-	711,410
MH, Substance Abuse and Development Services				
ARRA Early intervention-substance abuse	-	-	-	35,191
Total MH, Substance Abuse and Development Svcs	-	-	-	35,191
Total other categorical aid	4,268,787	3,711,395	(557,392)	4,854,456
<b>Total from the Federal government</b>	<b>10,145,339</b>	<b>9,474,942</b>	<b>(670,397)</b>	<b>11,379,575</b>
<b>Total Revenues</b>	<b>1,059,480,203</b>	<b>1,090,774,855</b>	<b>31,294,652</b>	<b>1,065,062,303</b>
<b>EXPENDITURES</b>				
<u>General government administration:</u>				
Legislative:				
Boards, Commissions and Committees	2,160,198	1,965,899	194,299	2,676,718
Office of the County Administrator	867,792	658,758	209,034	621,375
Total legislative	3,027,990	2,624,657	403,333	3,298,093
General and financial administration:				
County Administrator	1,576,685	1,685,061	(108,376)	1,662,068
County Attorney	3,168,583	3,031,375	137,208	2,572,973
County Assessor	3,412,905	3,359,949	52,956	3,160,282
Treasurer	3,996,667	3,840,337	156,330	3,653,833
Commissioner of Revenue	2,775,114	2,683,395	91,719	2,475,054
Management and Financial Services	10,597,520	9,255,049	1,342,471	9,132,376
Information Technology	21,611,110	20,340,790	1,270,320	16,549,450
General Services	3,403,628	3,010,554	393,074	2,986,572
Construction & Waste Management	4,445,556	3,880,366	565,190	3,590,617
Nondepartmental	14,815,336	12,518,686	2,296,650	10,726,346
Total general and financial administration	69,803,104	63,605,562	6,197,542	56,509,571
Elections administration:				
General Registrar	2,117,846	1,620,196	497,650	898,673
General Services	325,223	336,611	(11,388)	309,888
Total elections administration	2,443,069	1,956,807	486,262	1,208,561
Total general government administration	75,274,163	68,187,026	7,087,137	61,016,225
<u>Judicial administration:</u>				
Courts:				
Clerk of the Circuit Court	3,592,160	3,371,858	220,302	3,276,241
Sheriff's Office	4,193,116	3,906,840	286,276	3,814,508
General Services	809,183	672,553	136,630	586,343
Courts (Circuit and District)	1,185,326	1,076,124	109,202	974,535
Total courts	9,779,785	9,027,375	752,410	8,651,627
Commonwealth's Attorney:				
Commonwealth's Attorney	3,202,492	3,021,665	180,827	3,027,833
General Services	23,660	18,987	4,673	16,673
Total Commonwealth's Attorney	3,226,152	3,040,652	185,500	3,044,506
Total judicial administration	13,005,937	12,068,027	937,910	11,696,133
<u>Public safety:</u>				
Law enforcement and traffic control:				
Regional Organizations & Contributions	463,036	463,036	-	296,640
Sheriff's Office	49,768,393	49,238,730	529,663	46,439,108
General Services	2,508,946	2,366,767	142,179	2,268,187
Total law enforcement and traffic control	52,740,375	52,068,533	671,842	49,003,935

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Amounts for 2011)**

	2012			2011
	Final Budget	Actual	Variance Positive (Negative)	Actual
Fire, rescue and emergency management:				
General Services	2,073,045	1,952,321	120,724	1,710,684
Fire, Rescue and Emergency Services	49,876,462	49,939,035	(62,573)	48,196,325
Total Fire, rescue and emergency management	51,949,507	51,891,356	58,151	49,907,009
Corrections and juvenile detention:				
Sheriff's Office	18,674,532	19,156,544	(482,012)	17,455,445
General Services	1,276,041	1,181,577	94,464	981,342
Regional Organizations & Contributions	522,188	516,544	5,644	522,192
Community Corrections	1,870,721	1,652,845	217,876	1,558,637
Juvenile Court Service Unit	1,964,167	1,762,031	202,136	1,681,149
Family Services	2,682,270	2,479,015	203,255	2,507,662
Total corrections and juvenile detention	26,989,919	26,748,556	241,363	24,706,427
Inspections:				
General Services	278,322	278,143	179	260,030
Building and Development	6,645,017	6,421,339	223,678	6,379,815
Total inspections	6,923,339	6,699,482	223,857	6,639,845
Other protection:				
General Services	108,359	65,984	42,375	102,998
Fire, Rescue and Emergency Management	4,157,948	3,729,113	428,835	3,938,363
Animal Control	2,694,086	2,561,745	132,341	2,352,315
Total Other protection	6,960,393	6,356,842	603,551	6,393,676
Total public safety	145,563,533	143,764,769	1,798,764	136,650,892
<u>Public works:</u>				
Maintenance of highways, bridges and sidewalks:				
General Services	3,246,104	2,802,763	443,341	1,541,601
Total maint. of highways, streets, bridges & sidewalks	3,246,104	2,802,763	443,341	1,541,601
Construction and waste removal:				
General Services	58,358	53,862	4,496	55,551
Construction and Waste Management	6,485,191	5,912,041	573,150	5,493,933
Total construction and waste removal	6,543,549	5,965,903	577,646	5,549,484
Maintenance of general buildings and grounds:				
General Services	7,885,612	7,120,268	765,344	9,583,518
Total maintenance of general buildings and grounds	7,885,612	7,120,268	765,344	9,583,518
Total public works	17,675,265	15,888,934	1,786,331	16,674,603
<u>Health and welfare:</u>				
Health:				
Regional Organizations & Contributions	341,758	341,757	1	341,756
Health Services	4,224,038	3,988,747	235,291	3,998,000
Total health	4,565,796	4,330,504	235,292	4,339,756
Mental Health, Substance Abuse and Development Svcs:				
Regional Organizations & Contributions	15,000	15,000	-	15,000
General Services	1,971,143	2,008,956	(37,813)	2,089,986
Mental Health, Substance Abuse and Development Svcs	29,847,718	28,911,175	936,543	28,921,562
Total Mental Health, Substance Abuse and Dev. Svcs	31,833,861	30,935,131	898,730	31,026,548
Welfare/Family Services:				
Regional Organizations & Contributions	1,103,267	1,103,267	-	984,177
General Services	1,416,042	1,311,896	104,146	1,246,469
Parks, Recreation and Community Services	5,889,103	5,260,217	628,886	4,854,451
Family Services	23,200,942	20,579,752	2,621,190	21,081,299
Total welfare/family services	31,609,354	28,255,132	3,354,222	28,166,396
Total health and welfare	68,009,011	63,520,767	4,488,244	63,532,700

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Amounts for 2011)**

	2012		2011	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<u>Parks, recreation and culture:</u>				
Parks, Recreation and Community Services:				
Regional Organizations & Contributions	1,330,555	1,330,555	-	908,063
General Services	2,156,544	1,867,112	289,432	1,642,088
Parks, Recreation and Community Services	29,802,028	27,487,966	2,314,062	26,466,526
Total Parks, Recreation and Community Services	33,289,127	30,685,633	2,603,494	29,016,677
Cultural enrichment:				
Regional Organizations & Contributions	253,178	252,678	500	252,178
General Services	16,864	16,864	-	-
Total cultural enrichment	270,042	269,542	500	252,178
Library:				
General Services	568,597	525,031	43,566	445,589
Library Services	11,304,809	11,019,600	285,209	10,707,176
Total library	11,873,406	11,544,631	328,775	11,152,765
Total parks, recreation and culture	45,432,575	42,499,806	2,932,769	40,421,620
<u>Community development:</u>				
Planning and Community Development:				
County Administrator	879,202	742,154	137,048	31,939
Public Information	-	-	-	659,484
Regional Organizations & Contributions	649,695	649,695	-	570,764
General Services	-	-	-	104,964
Building and Development	13,293,432	12,800,476	492,956	12,310,399
Planning	3,418,472	3,146,389	272,083	2,882,619
Economic Development	2,378,131	2,098,353	279,778	1,698,027
Construction and Waste Management	12,033	12,033	-	1,000
Office of Mapping and Geographic Information	2,168,001	2,108,072	59,929	2,075,172
Office of Transportation Services	1,595,753	1,279,881	315,872	1,299,293
Parks Recreation & Community Services	-	-	-	41,150
Total planning and community development	24,394,719	22,837,053	1,557,666	21,674,811
Environmental management:				
Regional Organizations & Contributions	776,518	768,062	8,456	-
General Services	42,967	47,077	(4,110)	39,096
Total environmental management	819,485	815,139	4,346	39,096
Cooperative extension program:				
General Services	82,663	82,663	-	80,645
Extension Services	556,593	508,193	48,400	485,177
Total cooperative extension program	639,256	590,856	48,400	565,822
Transit:				
Office of Transportation Services	11,512,824	11,485,795	27,029	10,234,854
Total transit	11,512,824	11,485,795	27,029	10,234,854
Total community development	37,366,284	35,728,843	1,637,441	32,514,583
<u>Education:</u>				
Operation and maintenance services:				
General Services	4,400	2,339	2,061	(3,550)
Total operation and maintenance services	4,400	2,339	2,061	(3,550)
Community colleges:				
Regional Organizations & Contributions	473,015	473,015	-	385,112
Total community colleges	473,015	473,015	-	385,112
Total education	477,415	475,354	2,061	381,562
<b>Total Expenditures</b>	<b>402,804,183</b>	<b>382,133,526</b>	<b>20,670,657</b>	<b>362,888,318</b>
<b>Excess of revenues over expenditures</b>	<b>656,676,020</b>	<b>708,641,329</b>	<b>51,965,309</b>	<b>702,173,985</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, 2012**  
**(With Comparative Actual Amounts for 2011)**

	2012		Variance Positive (Negative)	2011
	Final Budget	Actual		Actual
<b>Other financing sources (uses):</b>				
Transfers-in	11,072,427	10,817,426	(255,001)	7,554,976
Transfers-out	(193,328,902)	(193,243,097)	85,805	(226,003,438)
Transfers from School Board	17,267,996	17,267,996	-	-
Transfers to School Board	(529,835,220)	(537,521,611)	(7,686,391)	(474,552,264)
<b>Total other financing sources (uses)</b>	<b>(694,823,699)</b>	<b>(702,679,286)</b>	<b>(7,855,587)</b>	<b>(693,000,726)</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>(38,147,679)</b>	<b>5,962,043</b>	<b>44,109,722</b>	<b>9,173,259</b>
<b>Fund balances at beginning of year</b>	<b>196,260,757</b>	<b>196,260,757</b>	<b>-</b>	<b>187,087,498</b>
<b>Fund balances at end of year</b>	<b>\$ 158,113,078</b>	<b>\$ 202,222,800</b>	<b>\$ 44,109,722</b>	<b>\$ 196,260,757</b>



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## **Nonmajor Governmental Funds**

# Nonmajor Governmental Funds

## Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Route 28 Special Improvements Fund** (200) - 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** (202) - 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** (203) - 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** (205) - 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** (206) - 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** (207) - 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** (208) - 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** (209) - 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** (210) - 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** (213) - 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** (214) - 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** (215) - 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** (216) - 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** (700) - 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** (701) - 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** (706) - 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** (707) - 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** (709) - 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** (716) - 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** (717) - 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** (719) - 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** (720) - 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.

## Capital Funds

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** (300) - 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.

**Capital Asset Preservation Fund** (301) - 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 general government. Financing is provided primarily by transfers from the General Fund.

**Capital Projects Financing Fund** (302) - This fund is a pass-through fund that is used to account for the issuance of general obligation bonds and transfer to the appropriate capital projects.

## Debt Service Funds

**Debt Service Fund** (400) - 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  
AS OF JUNE 30, 2012**

	Special Revenue Funds					
	Route 28 Special Improv.	Aldie Sewer Service District	Comprehensive Services Act	Legal Resource Center	Federally Forfeited Property	Hotel and Motel Room Tax
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 1,893,234	\$ 102,645	\$ 2,439,792	\$ 62,805	\$ 165,380	\$ 1,332,001
Restricted Cash and Investments	-	-	-	-	-	-
Receivables, Net:						
Taxes	149,153	472	-	-	-	872,225
Accounts	-	-	-	-	-	-
Due from Other Governments	-	-	986,324	-	-	-
Inventory	-	-	-	-	-	-
Prepaid Items	-	-	-	-	15,018	-
Notes and Loans Receivable, Net	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,042,387</b>	<b>\$ 103,117</b>	<b>\$ 3,426,116</b>	<b>\$ 62,805</b>	<b>\$ 180,398</b>	<b>\$ 2,204,226</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ 2,548	\$ -	\$ 356,281	\$ 1,887	\$ 27,870	\$ -
Accrued Liabilities	1,863,851	-	-	3,682	-	-
Prepaid Revenue	26,835	-	-	-	-	-
Property Taxes	149,153	472	-	-	-	-
Other	-	-	39,222	-	100,663	-
Due to Other Funds	-	-	-	-	-	-
Other Liabilities	-	-	6,522	-	13,440	-
<b>Total Liabilities</b>	<b>2,042,387</b>	<b>472</b>	<b>402,025</b>	<b>5,569</b>	<b>141,973</b>	<b>-</b>
Fund Balances:						
Non-spendable	-	-	-	-	15,018	-
Restricted	-	-	-	-	23,407	1,907,768
Committed	-	-	3,024,091	57,236	-	296,458
Assigned	-	102,694	-	-	-	-
Unassigned	-	(49)	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>102,645</b>	<b>3,024,091</b>	<b>57,236</b>	<b>38,425</b>	<b>2,204,226</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,042,387</b>	<b>\$ 103,117</b>	<b>\$ 3,426,116</b>	<b>\$ 62,805</b>	<b>\$ 180,398</b>	<b>\$ 2,204,226</b>

County-Wide Sewer Service District	Hamilton Sewer Service District	Community Devel. Authority	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District	State Federal Grant
\$ -	\$ 328,196	\$ 1,662,481	\$ 1,555,883	\$ 68,218	\$ 22,019	\$ 449,872
-	-	-	-	-	-	-
-	4,460	-	-	6,729	-	-
-	-	-	106,203	-	-	-
-	-	-	11,976	-	-	498,910
-	-	-	-	-	-	-
-	-	-	655,430	-	-	6,550
16,336	165	-	-	-	-	-
\$ 16,336	\$ 332,821	\$ 1,662,481	\$ 2,329,492	\$ 74,947	\$ 22,019	\$ 955,332
\$ -	\$ -	\$ -	\$ 11,501	\$ -	\$ -	\$ 114,889
-	54,514	1,662,481	15,987	68,218	22,019	25,138
-	396	-	-	-	-	-
-	4,460	-	-	6,729	-	-
-	-	-	2,157,917	-	-	815,305
2,910	-	-	-	-	-	-
-	-	-	144,087	-	-	-
2,910	59,370	1,662,481	2,329,492	74,947	22,019	955,332
16,336	165	-	655,430	-	-	6,550
-	-	-	-	-	-	-
-	273,286	-	-	-	-	-
-	-	-	-	-	-	-
(2,910)	-	-	(655,430)	-	-	(6,550)
13,426	273,451	-	-	-	-	-
\$ 16,336	\$ 332,821	\$ 1,662,481	\$ 2,329,492	\$ 74,947	\$ 22,019	\$ 955,332

**COUNTY OF LOUDOUN, VIRGINIA  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2012**

<b>Special Revenue Funds</b>							
	<b>Public Facilities</b>	<b>Sheriff's</b>	<b>Animal Shelter</b>	<b>Housing</b>	<b>Transportation District</b>	<b>Uran Holocaust</b>	
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 103,919,189	\$ 33,502	\$ 219,255	\$ 13,492,102	\$ 5,357,234	\$ 311,936	
Restricted Cash and Investments	-	-	-	-	14,092,458	-	
Receivables, Net:							
Taxes	-	-	-	-	-	-	
Accounts	-	-	-	-	-	-	
Due from Other Governments	-	-	-	-	1,548,690	-	
Property held for resale	-	-	-	157,456	-	-	
Prepaid Items	-	-	-	-	-	-	
Notes and Loans Receivable, Net	-	-	-	1,006,413	-	-	
<b>Total Assets</b>	<b>\$ 103,919,189</b>	<b>\$ 33,502</b>	<b>\$ 219,255</b>	<b>\$ 14,655,971</b>	<b>\$ 20,998,382</b>	<b>\$ 311,936</b>	
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 236,279	\$ -	\$ -	\$ -	\$ 2,825	\$ 15	
Accrued Liabilities	-	-	-	-	1	-	
Prepaid Revenue	-	-	-	-	-	-	
Property Taxes	-	-	-	-	-	-	
Other	-	-	-	-	-	-	
Due to Other Funds	-	-	-	-	-	-	
Other Liabilities	-	-	-	-	-	-	
<b>Total Liabilities</b>	<b>236,279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,826</b>	<b>15</b>	
Fund Balances:							
Non-spendable	-	-	-	1,163,869	-	-	
Restricted	103,682,910	33,502	219,255	13,492,102	18,495,556	311,921	
Committed	-	-	-	-	-	-	
Assigned	-	-	-	-	2,500,000	-	
Unassigned	-	-	-	-	-	-	
<b>Total Fund Balances</b>	<b>103,682,910</b>	<b>33,502</b>	<b>219,255</b>	<b>14,655,971</b>	<b>20,995,556</b>	<b>311,921</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 103,919,189</b>	<b>\$ 33,502</b>	<b>\$ 219,255</b>	<b>\$ 14,655,971</b>	<b>\$ 20,998,382</b>	<b>\$ 311,936</b>	

			Capital Funds		Total
Rt 15 Bypass	Horton		Capital	Capital	Other
Beautification	Program	Symington	Asset	Project	Governmental
	For the Arts		Preservation	Financing	Funds
\$ 7,440	\$ 18,313	\$ 4,175,721	\$ 6,929,444	\$ -	\$ 144,546,662
-	-	-	1,785,078	-	15,877,536
-	-	-	-	-	1,033,039
-	-	23,019	-	-	129,222
-	-	-	-	-	3,045,900
-	-	-	-	-	157,456
-	-	-	-	-	676,998
-	-	-	-	-	1,022,914
\$ 7,440	\$ 18,313	\$ 4,198,740	\$ 8,714,522	\$ -	\$ 166,489,727
\$ -	\$ -	\$ 3,622	\$ 449,831	\$ -	\$ 1,207,548
-	-	-	17,495	-	3,733,386
-	-	-	-	-	27,231
-	-	-	-	-	160,814
-	-	-	-	-	3,113,107
-	-	-	-	-	2,910
-	-	-	-	-	164,049
-	-	3,622	467,326	-	8,409,045
-	-	-	-	-	1,857,368
7,440	18,313	4,195,118	2,819,050	-	145,206,342
-	-	-	5,409,384	-	9,060,455
-	-	-	18,762	-	2,621,456
-	-	-	-	-	(664,939)
7,440	18,313	4,195,118	8,247,196	-	158,080,682
\$ 7,440	\$ 18,313	\$ 4,198,740	\$ 8,714,522	\$ -	\$ 166,489,727



**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**OTHER GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Special Revenue Funds</b>					
	<b>Route 28 Special Improvements</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>REVENUES</b>						
General Property Taxes	\$ 8,887,472	\$ 22,951	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-	2,964,579
Permits and Licenses	-	-	-	-	-	-
Use of Money and Property	-	-	-	-	333	-
Charges for Services	-	-	-	72,865	-	-
Gifts and Donations	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Recovered Costs	-	-	558,174	-	(121,281)	-
Intergovernmental - Commonwealth	-	-	2,794,482	-	-	-
Intergovernmental - Federal	-	-	-	-	157,251	-
<b>Total Revenues</b>	<b>8,887,472</b>	<b>22,951</b>	<b>3,352,656</b>	<b>72,865</b>	<b>36,303</b>	<b>2,964,579</b>
<b>EXPENDITURES</b>						
Current Operating:						
Judicial Administration	-	-	-	100,733	13,892	-
Public Safety	-	-	-	-	200,687	-
Public Works	9,358,614	27,476	-	-	-	-
Health and Welfare	-	-	6,417,108	-	-	-
Parks, Recreation and Culture	-	-	-	-	-	-
Community Development	-	-	-	-	-	2,130,261
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>9,358,614</b>	<b>27,476</b>	<b>6,417,108</b>	<b>100,733</b>	<b>214,579</b>	<b>2,130,261</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(471,142)</b>	<b>(4,525)</b>	<b>(3,064,452)</b>	<b>(27,868)</b>	<b>(178,276)</b>	<b>834,318</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	493,607	-	4,771,542	-	-	-
Transfers Out	-	-	(3,462,705)	-	-	(845,505)
Payments from Component Unit	-	-	-	-	-	-
Issuance Premium	-	-	-	-	-	-
Bond and Loan Proceeds	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>493,607</b>	<b>-</b>	<b>1,308,837</b>	<b>-</b>	<b>-</b>	<b>(845,505)</b>
<b>Net Change in Fund Balances</b>	<b>22,465</b>	<b>(4,525)</b>	<b>(1,755,615)</b>	<b>(27,868)</b>	<b>(178,276)</b>	<b>(11,187)</b>
<b>Fund Balances at Beginning of Year</b>	<b>(22,465)</b>	<b>107,170</b>	<b>4,779,706</b>	<b>85,104</b>	<b>216,701</b>	<b>2,215,413</b>
<b>Fund Balances at End of Year</b>	<b>\$ -</b>	<b>\$ 102,645</b>	<b>\$ 3,024,091</b>	<b>\$ 57,236</b>	<b>\$ 38,425</b>	<b>\$ 2,204,226</b>

County-Wide Sewer Service District	Hamilton Sewer Service District	Community Development Authority	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District	State Federal Grant
\$ -	\$ 109,876	\$ 3,251,841	\$ -	\$ 137,325	\$ 45,197	\$ -
-	-	-	-	-	-	11,572
-	-	-	-	-	-	-
304	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	19,372	-	-	-
77	-	-	303,710	-	-	-
-	-	-	-	-	-	681,881
-	-	-	8,565,390	-	-	3,023,465
381	109,876	3,251,841	8,888,472	137,325	45,197	3,716,918
-	-	-	-	-	-	255,599
-	-	-	-	-	-	2,139,627
-	197,893	-	-	135,206	45,197	-
-	-	-	8,904,322	-	-	1,244,074
-	-	-	-	-	-	-
-	-	3,251,841	-	-	-	77,618
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	197,893	3,251,841	8,904,322	135,206	45,197	3,716,918
381	(88,017)	-	(15,850)	2,119	-	-
-	88,000	-	15,850	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	88,000	-	15,850	-	-	-
381	(17)	-	-	2,119	-	-
13,045	273,468	-	-	(2,119)	-	-
\$ 13,426	\$ 273,451	\$ -	\$ -	\$ -	\$ -	\$ -

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**OTHER GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Special Revenue Funds</b>					
	<b>Public Facilities</b>	<b>Sheriff's</b>	<b>Animal Shelter</b>	<b>Housing</b>	<b>Transportation District</b>	<b>Uran Holocaust</b>
<b>REVENUES</b>						
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	10,542,230	-
Permits and Licenses	-	-	-	-	-	-
Use of Money and Property	144,869	-	413	17,676	24,896	478
Charges for Services	-	-	-	-	-	-
Gifts and Donations	29,661,246	7,279	302,000	2,351,111	-	-
Miscellaneous	-	1,025	-	159,835	-	-
Recovered Costs	-	-	-	218	-	-
Intergovernmental - Commonwealth	-	-	11,077	-	19,349	-
Intergovernmental - Federal	-	-	-	-	-	-
<b>Total Revenues</b>	<b>29,806,115</b>	<b>8,304</b>	<b>313,490</b>	<b>2,528,840</b>	<b>10,586,475</b>	<b>478</b>
<b>EXPENDITURES</b>						
Current Operating:						
Judicial Administration	-	-	-	-	-	-
Public Safety	600,817	4,335	7,725	-	-	-
Public Works	79,403	-	-	-	-	-
Health and Welfare	-	-	-	194,285	-	-
Parks, Recreation and Culture	-	-	-	-	-	8,168
Community Development	-	-	-	-	4,746,073	-
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>680,220</b>	<b>4,335</b>	<b>7,725</b>	<b>194,285</b>	<b>4,746,073</b>	<b>8,168</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>29,125,895</b>	<b>3,969</b>	<b>305,765</b>	<b>2,334,555</b>	<b>5,840,402</b>	<b>(7,690)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	(19,306,180)	-	(155,000)	-	(2,513,985)	-
Payments from Component Unit	1,761	-	-	-	-	-
Issuance Premium	-	-	-	-	-	-
Bond and Loan Proceeds	-	-	-	-	-	-
<b>Total Other Financing Sources (uses)</b>	<b>(19,304,419)</b>	<b>-</b>	<b>(155,000)</b>	<b>-</b>	<b>(2,513,985)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>9,821,476</b>	<b>3,969</b>	<b>150,765</b>	<b>2,334,555</b>	<b>3,326,417</b>	<b>(7,690)</b>
<b>Fund Balances at Beginning of Year</b>	<b>93,861,434</b>	<b>29,533</b>	<b>68,490</b>	<b>12,321,416</b>	<b>17,669,139</b>	<b>319,611</b>
<b>Fund Balances at End of Year</b>	<b>\$ 103,682,910</b>	<b>\$ 33,502</b>	<b>\$ 219,255</b>	<b>\$ 14,655,971</b>	<b>\$ 20,995,556</b>	<b>\$ 311,921</b>

			<b>Capital Funds</b>		<b>Total Other Governmental Funds</b>
<b>Rt 15 Bypass Beautification</b>	<b>Horton Program For the Arts</b>	<b>Symington</b>	<b>Capital Asset Preservation</b>	<b>Capital Projects Financing</b>	
\$	-	\$	-	\$	\$
-	-	-	95,982	-	12,454,662
-	-	-	90	-	13,614,363
12	27	55,980	-	-	90
-	-	-	-	-	244,988
-	1,000	8,000	-	-	72,865
-	-	-	-	-	32,330,636
-	-	-	-	-	180,232
-	-	-	700,680	-	1,441,578
-	-	-	-	-	3,506,789
-	-	-	-	-	11,746,106
12	1,027	63,980	796,752	-	75,592,309
-	-	-	-	-	370,224
-	-	-	-	-	2,953,191
-	-	-	3,357,520	-	13,201,309
-	-	-	-	-	16,759,789
-	420	92,836	-	-	101,424
-	-	-	-	-	10,205,793
-	-	-	-	4,987,181	4,987,181
-	-	-	4,103,479	-	4,103,479
-	420	92,836	7,460,999	4,987,181	52,682,390
12	607	(28,856)	(6,664,247)	(4,987,181)	22,909,919
-	-	-	3,538,331	-	8,907,330
-	-	-	(18,600)	(12,819)	(26,314,794)
-	-	-	-	-	1,761
-	-	-	-	-	-
-	-	-	-	5,000,000	5,000,000
-	-	-	3,519,731	4,987,181	(12,405,703)
12	607	(28,856)	(3,144,516)	-	10,504,216
7,428	17,706	4,223,974	11,391,712	-	147,576,466
\$ 7,440	\$ 18,313	\$ 4,195,118	\$ 8,247,196	\$ -	\$ 158,080,682

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**ROUTE 28 SPECIAL IMPROVEMENTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 9,094,202	\$ 8,887,472	\$ (206,730)
Transfers from Other Funds	692,803	493,607	(199,196)
<b>Amounts Available for Appropriation</b>	<u>9,787,005</u>	<u>9,381,079</u>	<u>(405,926)</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Works	9,787,005	9,358,614	428,391
<b>Total Charges to Appropriations</b>	<u>9,787,005</u>	<u>9,358,614</u>	<u>428,391</u>
<b>Excess (Deficiency) of Resources Over</b>			
<b>Charges to Appropriations</b>	-	22,465	22,465
<b>Fund Balance at Beginning of Year</b>	(22,465)	(22,465)	-
<b>Fund Balance at End of Year</b>	<u>\$ (22,465)</u>	<u>\$ -</u>	<u>\$ 22,465</u>

COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
ALDIE SEWER SERVICE DISTRICT FUND  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 23,000	\$ 22,951	\$ (49)
<b>Amounts Available for Appropriation</b>	<u>23,000</u>	<u>22,951</u>	<u>(49)</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Works	27,476	27,476	-
<b>Total Charges to Appropriations</b>	<u>27,476</u>	<u>27,476</u>	<u>-</u>
<b>Excess (Deficiency) of Resources Over Charges to Appropriations</b>	(4,476)	(4,525)	(49)
<b>Fund Balance at Beginning of Year</b>	107,170	107,170	-
<b>Fund Balance at End of Year</b>	<u>\$ 102,694</u>	<u>\$ 102,645</u>	<u>\$ (49)</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
COMPREHENSIVE SERVICES ACT FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Recovered Costs	\$ 1,140,000	\$ 558,174	\$ (581,826)
Intergovernmental - Commonwealth	4,394,157	2,794,482	(1,599,675)
Transfers from Other Funds	4,771,542	4,771,542	-
<b>Amounts Available for Appropriation</b>	<u>10,305,699</u>	<u>8,124,198</u>	<u>(2,181,501)</u>
<b>Charges to Appropriations (Outflows)</b>			
Health and Welfare	10,122,699	6,417,108	3,705,591
Transfers to Other Funds	3,462,705	3,462,705	-
<b>Total Charges to Appropriations</b>	<u>13,585,404</u>	<u>9,879,813</u>	<u>3,705,591</u>
<b>Excess (Deficiency) of Resources Over Charges to Appropriations</b>	(3,279,705)	(1,755,615)	1,524,090
<b>Fund Balance at Beginning of Year</b>	4,779,706	4,779,706	-
<b>Fund Balance at End of Year</b>	<u>\$ 1,500,001</u>	<u>\$ 3,024,091</u>	<u>\$ 1,524,090</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
LEGAL RESOURCES CENTER FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Charges for Services	\$ 55,626	\$ 72,865	\$ 17,239
Intergovernmental - Commonwealth	42,823	-	(42,823)
<b>Amounts Available for Appropriation</b>	<u>98,449</u>	<u>72,865</u>	<u>(25,584)</u>
<b>Charges to Appropriations (Outflows)</b>			
Judicial Administration	98,566	100,733	(2,167)
<b>Total Charges to Appropriations</b>	<u>98,566</u>	<u>100,733</u>	<u>(2,167)</u>
<b>Excess (Deficiency) of Resources Over Charges to Appropriations</b>	(117)	(27,868)	(27,751)
<b>Fund Balance at Beginning of Year</b>	85,104	85,104	-
<b>Fund Balance at End of Year</b>	<u>\$ 84,987</u>	<u>\$ 57,236</u>	<u>\$ (27,751)</u>



**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**HOTEL AND MOTEL ROOM TAX FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Other Local Taxes	\$ 3,083,000	\$ 2,964,579	\$ (118,421)
<b>Amounts Available for Appropriation</b>	<u>3,083,000</u>	<u>2,964,579</u>	<u>(118,421)</u>
 <b>Charges to Appropriations (Outflows)</b>			
Community Development	2,130,262	2,130,261	1
Transfers to Other Funds	845,505	845,505	-
<b>Total Charges to Appropriations</b>	<u>2,975,767</u>	<u>2,975,766</u>	<u>1</u>
<b>Excess (Deficiency) of Resources Over</b>			
<b>Charges to Appropriations</b>	107,233	(11,187)	(118,420)
<b>Fund Balance at Beginning of Year</b>	2,215,413	2,215,413	-
<b>Fund Balance at End of Year</b>	<u>\$ 2,322,646</u>	<u>\$ 2,204,226</u>	<u>\$ (118,420)</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
HAMILTON SEWER SERVICE DISTRICT FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 113,953	\$ 109,876	\$ (4,077)
Transfers from Other Funds	88,000	88,000	-
<b>Amounts Available for Appropriation</b>	<u>201,953</u>	<u>197,876</u>	<u>(4,077)</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Works	201,953	197,893	4,060
<b>Total Charges to Appropriations</b>	<u>201,953</u>	<u>197,893</u>	<u>4,060</u>
<b>Excess (Deficiency) of Resources Over Charges to Appropriations</b>	-	(17)	(17)
<b>Fund Balance at Beginning of Year</b>	273,468	273,468	-
<b>Fund Balance at End of Year</b>	<u>\$ 273,468</u>	<u>\$ 273,451</u>	<u>\$ (17)</u>

COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
RENTAL ASSISTANCE PROGRAM FUND  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Miscellaneous	\$ -	\$ 19,372	\$ 19,372
Recovered Costs	305,000	303,710	(1,290)
Intergovernmental - Federal	8,823,724	8,565,390	(258,334)
Transfers from Other Funds	15,850	15,850	-
<b>Amounts Available for Appropriation</b>	<u>9,144,574</u>	<u>8,904,322</u>	<u>(240,252)</u>
<b>Charges to Appropriations (Outflows)</b>			
Health and Welfare	<u>9,144,574</u>	<u>8,904,322</u>	<u>240,252</u>
<b>Total Charges to Appropriations</b>	<u>9,144,574</u>	<u>8,904,322</u>	<u>240,252</u>
<b>Excess (Deficiency) of Resources Over</b>			
<b>Charges to Appropriations</b>	-	-	-
<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**  
**DULLES INDUSTRIAL PARK WATER AND SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 147,063	\$ 137,325	\$ (9,738)
<b>Amounts Available for Appropriation</b>	<u>147,063</u>	<u>137,325</u>	<u>(9,738)</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Works	147,063	135,206	11,857
<b>Total Charges to Appropriations</b>	<u>147,063</u>	<u>135,206</u>	<u>11,857</u>
<b>Excess (Deficiency) of Resources Over Charges to Appropriations</b>	-	2,119	2,119
<b>Fund Balance at Beginning of Year</b>	(2,119)	(2,119)	-
<b>Fund Balance at End of Year</b>	<u><u>\$ (2,119)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,119</u></u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GREENLEA TAX DISTRICT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 45,197	\$ 45,197	\$ -
<b>Amounts Available for Appropriation</b>	<u>45,197</u>	<u>45,197</u>	<u>-</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Works	45,197	45,197	-
<b>Total Charges to Appropriations</b>	<u>45,197</u>	<u>45,197</u>	<u>-</u>
<b>Excess (Deficiency) of Resources Over Charges to Appropriations</b>	-	-	-
<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  
PUBLIC FACILITIES FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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	\$ 2,803,591	\$ 144,869	\$ (2,658,722)
Gifts and Donations	16,001,237	29,661,246	13,660,009
Transfers from School Board	1,761	1,761	-
<b>Amounts Available for Appropriation</b>	<b>18,806,589</b>	<b>29,807,876</b>	<b>11,001,287</b>
<b>Charges to Appropriations (Outflows)</b>			
Public Safety	260,555	600,817	(340,262)
Public Works	103,231	79,403	23,828
Community Development	207,427	-	207,427
Transfers to Other Funds	18,235,376	19,306,180	(1,070,804)
<b>Total Charges to Appropriations</b>	<b>18,806,589</b>	<b>19,986,400</b>	<b>(1,179,811)</b>
<b>Excess (Deficiency) of Resources Over Charges to Appropriations</b>	<b>-</b>	<b>9,821,476</b>	<b>9,821,476</b>
<b>Fund Balance at Beginning of Year</b>	<b>93,861,434</b>	<b>93,861,434</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 93,861,434</b>	<b>\$ 103,682,910</b>	<b>\$ 9,821,476</b>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**TRANSPORTATION DISTRICT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Other Local Taxes	\$ 8,748,261	\$ 10,542,230	\$ 1,793,969
Use of Money and Property	109,341	24,896	(84,445)
Intergovernmental - Commonwealth	-	19,349	19,349
<b>Amounts Available for Appropriation</b>	<u>8,857,602</u>	<u>10,586,475</u>	<u>1,728,873</u>
<b>Charges to Appropriations (Outflows)</b>			
Community Development	2,325,438	4,746,073	(2,420,635)
Transfers to Other Funds	2,425,971	2,513,985	(88,014)
<b>Total Charges to Appropriations</b>	<u>4,751,409</u>	<u>7,260,058</u>	<u>(2,508,649)</u>
<b>Excess (Deficiency) of Resources Over Charges to Appropriations</b>	4,106,193	3,326,417	(779,776)
<b>Fund Balance at Beginning of Year</b>	17,669,139	17,669,139	-
<b>Fund Balance at End of Year</b>	<u>\$ 21,775,332</u>	<u>\$ 20,995,556</u>	<u>\$ (779,776)</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Project Authorization</b>
<b>REVENUES</b>				
Other Local Taxes	\$ 1,636,669	\$ 657,160	\$ 2,293,829	\$ 2,293,829
Use of Money and Property	123,011	1,701	124,712	123,010
Charges for Services	15,131,287	2,037,506	17,168,793	15,760,767
Gifts and Donations	901,661	21,500	923,161	901,661
Miscellaneous	130,131	-	130,131	130,131
Recovered Costs	722,686	(17,231)	705,455	706,847
Intergovernmental - Commonwealth	7,886,003	5,141,544	13,027,547	83,183,590
Intergovernmental - Federal	5,707,399	(4,181)	5,703,218	7,360,713
<b>Total Revenues</b>	<b>32,238,847</b>	<b>7,837,999</b>	<b>40,076,846</b>	<b>110,460,548</b>
<b>EXPENDITURES</b>				
Public Works	82,104,496	17,240,454	99,344,950	543,692,067
Education	3,334,204	2,640,000	5,974,204	5,974,204
Capital Outlay	212,776,312	31,323,805	244,100,117	341,837,807
<b>Total Expenditures</b>	<b>298,215,012</b>	<b>51,204,259</b>	<b>349,419,271</b>	<b>891,504,078</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(265,976,165)</b>	<b>(43,366,260)</b>	<b>(309,342,425)</b>	<b>(781,043,530)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	510,795,889	38,354,437	549,150,326	808,835,798
Transfers Out	(28,479,810)	(11,319,229)	(39,799,039)	(39,799,039)
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 (Uses)</b>	<b>494,322,850</b>	<b>27,035,208</b>	<b>521,358,058</b>	<b>781,043,530</b>
<b>Net Change in Fund Balances</b>	<b>\$ 228,346,685</b>	<b>(16,331,052)</b>	<b>\$ 212,015,633</b>	<b>\$ -</b>
<b>Fund Balance at Beginning of Year</b>		<b>228,346,685</b>		
<b>Fund Balance at End of Year</b>		<b>\$ 212,015,633</b>		



**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL ASSET PRESERVATION PROGRAM FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Project Authorization</b>
<b>REVENUES</b>				
Other Local Taxes	\$ 1,285,465	\$ 95,982	\$ 1,381,447	\$ 1,373,243
Permits and Licenses	974	90	1,064	974
Recovered Costs	1,683,990	700,680	2,384,670	2,299,670
<b>Total Revenues</b>	<u>2,970,429</u>	<u>796,752</u>	<u>3,767,181</u>	<u>3,673,887</u>
<b>EXPENDITURES</b>				
Public Works	12,910,046	3,357,520	16,267,566	19,675,629
Capital Outlay	30,931,382	4,103,479	35,034,861	39,780,700
<b>Total Expenditures</b>	<u>43,841,428</u>	<u>7,460,999</u>	<u>51,302,427</u>	<u>59,456,329</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>(40,870,999)</u>	<u>(6,664,247)</u>	<u>(47,535,246)</u>	<u>(55,782,442)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	52,455,901	3,538,331	55,994,232	55,994,232
Transfers Out	(193,190)	(18,600)	(211,790)	(211,790)
<b>Total Other Financing Sources (Uses)</b>	<u>52,262,711</u>	<u>3,519,731</u>	<u>55,782,442</u>	<u>55,782,442</u>
<b>Net Change in Fund Balances</b>	<u>\$ 11,391,712</u>	<u>(3,144,516)</u>	<u>\$ 8,247,196</u>	<u>\$ -</u>
<b>Fund Balance at Beginning of Year</b>		11,391,712		
<b>Fund Balance at End of Year</b>		<u>\$ 8,247,196</u>		

COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FINANCING FUND  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Issuance of Bonds	\$ 93,057,819	\$ 5,000,000	\$ (88,057,819)
Lease Purchase Financing	64,605,132	-	(64,605,132)
<b>Amounts Available for Appropriation</b>	<u>157,662,951</u>	<u>5,000,000</u>	<u>(152,662,951)</u>
<b>Charges to Appropriations (Outflows)</b>			
Education and Transfers to School Board	92,660,000	4,987,181	87,672,819
Transfers to Other Funds	65,002,951	12,819	64,990,132
<b>Total Charges to Appropriations</b>	<u>157,662,951</u>	<u>5,000,000</u>	<u>152,662,951</u>
<b>Excess (Deficiency) of Resources Over</b>			
<b>Charges to Appropriations</b>	-	-	-
<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  
DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

	<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	\$ 500,000	\$ 446,576	\$ (53,424)
Miscellaneous revenue	754,218	852,203	97,985
Transfers from Other Funds	167,223,969	167,223,969	-
Payment from Component Units	11,563,631	11,563,631	-
Issuance Premium	255,000	-	(255,000)
<b>Amounts Available for Appropriation</b>	<b>180,296,818</b>	<b>180,086,379</b>	<b>(210,439)</b>
<b>Charges to Appropriations (Outflows)</b>			
Debt Service	175,265,376	170,779,698	4,485,678
Transfers to Other Funds	351,050	96,050	255,000
<b>Total Charges to Appropriations</b>	<b>175,616,426</b>	<b>170,875,748</b>	<b>4,740,678</b>
<b>Excess of Resources Over Charges to Appropriations</b>	<b>4,680,392</b>	<b>9,210,631</b>	<b>4,530,239</b>
<b>Fund Balance at Beginning of Year</b>	<b>19,883,296</b>	<b>19,883,296</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 24,563,688</b>	<b>\$ 29,093,927</b>	<b>\$ 4,530,239</b>

## **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** (600) - 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** (601) - 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 ASSETS**  
**AS OF JUNE 30, 2012**

	<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:							
Cash and Cash Equivalents	\$ 197,840	\$ 1,994,463	\$ 62,874	\$ 81,948	\$ 23,792,074	\$ 26,125,732	\$ 52,254,931
Restricted Cash and investments	-	-	-	-	-	1,157,000	1,157,000
Receivables, Net	2,279	9,697	-	-	-	62,234	74,210
Inventory	-	-	76,808	10,243	-	-	87,051
Prepaid Items	-	-	-	-	-	95,189	95,189
Total Current Assets	<u>200,119</u>	<u>2,004,160</u>	<u>139,682</u>	<u>92,191</u>	<u>23,792,074</u>	<u>27,440,155</u>	<u>53,668,381</u>
Noncurrent Assets:							
Capital Assets:							
Depreciable, Net	-	828,801	-	10,198	27,260,301	-	28,099,300
Total Noncurrent Assets	<u>-</u>	<u>828,801</u>	<u>-</u>	<u>10,198</u>	<u>27,260,301</u>	<u>-</u>	<u>28,099,300</u>
<b>Total Assets</b>	<u>\$ 200,119</u>	<u>\$ 2,832,961</u>	<u>\$ 139,682</u>	<u>\$ 102,389</u>	<u>\$ 51,052,375</u>	<u>\$ 27,440,155</u>	<u>\$ 81,767,681</u>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	\$ 101,733	\$ 25,852	\$ 2,082	\$ 481	\$ 178,168	\$ 18,156	\$ 326,472
Claims Liabilities	-	-	-	-	-	5,193,850	5,193,850
Accrued Liabilities	12,933	-	5,716	14,661	-	1,872,973	1,906,283
Total Current Liabilities	<u>114,666</u>	<u>25,852</u>	<u>7,798</u>	<u>15,142</u>	<u>178,168</u>	<u>7,084,979</u>	<u>7,426,605</u>
Noncurrent Liabilities:							
Claims Liabilities	-	-	-	-	-	2,785,686	2,785,686
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,785,686</u>	<u>2,785,686</u>
<b>Total Liabilities</b>	<u>\$ 114,666</u>	<u>\$ 25,852</u>	<u>\$ 7,798</u>	<u>\$ 15,142</u>	<u>\$ 178,168</u>	<u>\$ 9,870,665</u>	<u>\$ 10,212,291</u>
<b>NET ASSETS</b>							
Net Assets, Invested in							
Capital Assets	\$ -	\$ 828,801	\$ -	\$ 10,198	\$ 27,260,301	\$ -	\$ 28,099,300
Unrestricted	85,453	1,978,308	131,884	77,049	23,613,906	17,569,490	43,456,090
<b>Total Net Assets</b>	<u>\$ 85,453</u>	<u>\$ 2,807,109</u>	<u>\$ 131,884</u>	<u>\$ 87,247</u>	<u>\$ 50,874,207</u>	<u>\$ 17,569,490</u>	<u>\$ 71,555,390</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF CHANGES IN PROPRIETARY NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<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	\$ 1,061,343	\$ 1,530,209	\$ 695,607	\$ 825,903	\$ 6,937,805	\$ 38,029,205	\$ 49,080,072
Use of property	25,812	54,672	-	-	-	-	80,484
Miscellaneous	-	-	-	-	15,762	247,888	263,650
<b>Total Operating Revenues</b>	<b>1,087,155</b>	<b>1,584,881</b>	<b>695,607</b>	<b>825,903</b>	<b>6,953,567</b>	<b>38,277,093</b>	<b>49,424,206</b>
<b>Operating Expenses:</b>							
Personnel services	-	-	236,562	672,337	-	27,078	935,977
Other services and charges	910,744	1,068,245	61,299	46,276	31,574	4,181,949	6,300,087
Materials and supplies	90,958	48,218	384,781	39,071	28,427	-	591,455
Depreciation	-	443,608	-	2,040	4,911,044	-	5,356,692
Claims	-	-	-	-	-	34,885,374	34,885,374
<b>Total Operating Expenses</b>	<b>1,001,702</b>	<b>1,560,071</b>	<b>682,642</b>	<b>759,724</b>	<b>4,971,045</b>	<b>39,094,401</b>	<b>48,069,585</b>
<b>Operating Income (Loss)</b>	<b>85,453</b>	<b>24,810</b>	<b>12,965</b>	<b>66,179</b>	<b>1,982,522</b>	<b>(817,308)</b>	<b>1,354,621</b>
<b>Non-Operating Revenues:</b>							
Gain on Sale of Capital Assets	-	-	-	-	274,014	-	274,014
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>274,014</b>	<b>-</b>	<b>274,014</b>
<b>Net Income (Loss) Before Transfers</b>	<b>85,453</b>	<b>24,810</b>	<b>12,965</b>	<b>66,179</b>	<b>2,256,536</b>	<b>(817,308)</b>	<b>1,628,635</b>
Transfers In	-	-	-	-	2,958,753	3,729,680	6,688,433
Transfers Out	-	-	-	-	(880,000)	(138,425)	(1,018,425)
<b>Total Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,078,753</b>	<b>3,591,255</b>	<b>5,670,008</b>
<b>Change in Net Assets</b>	<b>85,453</b>	<b>24,810</b>	<b>12,965</b>	<b>66,179</b>	<b>4,335,289</b>	<b>2,773,947</b>	<b>7,298,643</b>
<b>Net Assets at Beginning of Year</b>	<b>-</b>	<b>2,782,299</b>	<b>118,919</b>	<b>21,068</b>	<b>46,538,918</b>	<b>14,795,543</b>	<b>64,256,747</b>
<b>Net Assets at End of Year</b>	<b>\$ 85,453</b>	<b>\$ 2,807,109</b>	<b>\$ 131,884</b>	<b>\$ 87,247</b>	<b>\$ 50,874,207</b>	<b>\$ 17,569,490</b>	<b>\$ 71,555,390</b>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY - INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Central Service Funds</b>					<b>Self</b>	
	<b>Duplicating</b>	<b>Telephone</b>	<b>Mail</b>	<b>Support</b>	<b>Vehicle Replacement</b>	<b>Insurance</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>							
Receipts from Customers	\$ 1,086,925	\$ 1,586,293	\$ 698,007	\$ 825,903	\$ 6,953,567	\$ 38,270,835	\$ 49,421,530
Payments to Suppliers for Goods and Services	(990,988)	(1,127,125)	(461,065)	(85,114)	(47,337)	(4,415,203)	(7,126,832)
Claims Paid	-	-	-	-	-	(34,970,764)	(34,970,764)
Payments to Employees	6,413	-	(243,006)	(681,651)	-	1,845,895	927,651
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>102,350</b>	<b>459,168</b>	<b>(6,064)</b>	<b>59,138</b>	<b>6,906,230</b>	<b>730,763</b>	<b>8,251,585</b>
<b>Cash Flows from Non-capital Financing Activities:</b>							
Transfers In	-	-	-	-	2,958,753	3,729,680	6,688,433
Transfers Out	-	-	-	-	(880,000)	(138,425)	(1,018,425)
<b>Net Cash Provided by Non-capital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,078,753</b>	<b>3,591,255</b>	<b>5,670,008</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>							
Additions to Capital Assets	-	(430,624)	-	(12,238)	(7,266,463)	-	(7,709,325)
Proceeds from Sale of Capital Assets	-	-	-	-	350,009	-	350,009
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>-</b>	<b>(430,624)</b>	<b>-</b>	<b>(12,238)</b>	<b>(6,916,454)</b>	<b>-</b>	<b>(7,359,316)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>102,350</b>	<b>28,544</b>	<b>(6,064)</b>	<b>46,900</b>	<b>2,068,529</b>	<b>4,322,018</b>	<b>6,562,277</b>
Cash and Cash Equivalents (including those held with Fiscal Agents) at Beginning of Year	95,490	1,965,919	68,938	35,048	21,723,545	22,960,714	46,849,654
<b>Cash and Cash Equivalents (including those held with Fiscal Agents) at End of Year</b>	<b>\$ 197,840</b>	<b>\$ 1,994,463</b>	<b>\$ 62,874</b>	<b>\$ 81,948</b>	<b>\$ 23,792,074</b>	<b>\$ 27,282,732</b>	<b>\$ 53,411,931</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>							
<b>Operating Income (Loss)</b>	<b>\$ 85,453</b>	<b>\$ 24,810</b>	<b>\$ 12,965</b>	<b>\$ 66,179</b>	<b>\$ 1,982,522</b>	<b>\$ (817,308)</b>	<b>\$ 1,354,621</b>
<b>Adjustment Not Affecting Cash:</b>							
Depreciation	-	443,608	-	2,040	4,911,044	-	5,356,692
<b>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</b>							
Receivables, Net	(230)	1,412	2,400	-	-	(6,258)	(2,676)
Inventory	-	-	(15,577)	-	-	-	(15,577)
Prepaid Items	-	-	-	-	2,898	(28,750)	(25,852)
Accounts Payable	10,714	(10,662)	592	233	9,766	(204,504)	(193,861)
Claims Liabilities	-	-	-	-	-	(85,390)	(85,390)
Accrued Liabilities	6,413	-	(6,444)	(9,314)	-	1,872,973	1,863,628
<b>Total Adjustments</b>	<b>16,897</b>	<b>434,358</b>	<b>(19,029)</b>	<b>(7,041)</b>	<b>4,923,708</b>	<b>1,548,071</b>	<b>6,896,964</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 102,350</b>	<b>\$ 459,168</b>	<b>\$ (6,064)</b>	<b>\$ 59,138</b>	<b>\$ 6,906,230</b>	<b>\$ 730,763</b>	<b>\$ 8,251,585</b>
<b>Non-Cash Capital Related Financing Activities:</b>							
Gain on Sale of Capital Assets	-	-	-	-	274,014	-	274,014



## **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** (712) - 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** (722) - 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** (708) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the maintenance and improvement of the Vietnam Memorial.

### Agency Funds

**Special Welfare Trust Fund** (703) - 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** (710) - 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** (713) - This fund is used to account for employee withholdings, employer contributions, and payments made for employee benefits.

**Adult Detention Center (ADC) Inmate Trust Fund** (721) - 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 ASSETS  
 AS OF JUNE 30, 2012

	Volunteer Fire and Rescue Trust Fund	OPEB Trust Fund	Total
<b>ASSETS</b>			
Investments, at Fair Value:			
Investment in Pooled Funds	\$ 14,398,466	\$ 21,574,933	\$ 35,973,399
<b>Total Assets</b>	<u>14,398,466</u>	<u>21,574,933</u>	<u>35,973,399</u>
<b>LIABILITIES</b>			
Accounts Payable	217,906	-	217,906
<b>Total Liabilities</b>	<u>217,906</u>	<u>-</u>	<u>217,906</u>
<b>NET ASSETS</b>			
Held in Trust for Pension Benefits	<u>\$ 14,180,560</u>	<u>\$ 21,574,933</u>	<u>\$ 35,755,493</u>

COUNTY OF LOUDOUN, VIRGINIA  
**STATEMENT OF CHANGES IN PENSION TRUST NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Volunteer Fire and Rescue Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 787,679	\$ 8,414,437	\$ 9,202,116
<b>Total Contributions</b>	<u>787,679</u>	<u>8,414,437</u>	<u>9,202,116</u>
Investment Earnings:			
Net Appreciation in Fair Value of Investments	53,015	534,869	587,884
Interest	566,939	1,606	568,545
<b>Total Investment Earnings</b>	<u>619,954</u>	<u>536,475</u>	<u>1,156,429</u>
Less Investment Expense:			
Investment Management Fees	-	(17,031)	(17,031)
<b>Net Investment Income</b>	<u>619,954</u>	<u>519,444</u>	<u>1,139,398</u>
<b>Total Additions</b>	<u>1,407,633</u>	<u>8,933,881</u>	<u>10,341,514</u>
<b>DEDUCTIONS</b>			
Benefits	434,374	1,359,797	1,794,171
Administrative Expense	48,925	1,054,640	1,103,565
<b>Total Deductions</b>	<u>483,299</u>	<u>2,414,437</u>	<u>2,897,736</u>
<b>Change in Net Assets</b>	924,334	6,519,444	7,443,778
<b>Net Assets at Beginning of Year</b>	13,256,226	15,055,489	28,311,715
<b>Net Assets at End of Year</b>	<u>\$ 14,180,560</u>	<u>\$ 21,574,933</u>	<u>\$ 35,755,493</u>

COUNTY OF LOUDOUN, VIRGINIA  
 COMBINING STATEMENT OF PRIVATE PURPOSE TRUST NET ASSETS  
 AS OF JUNE 30, 2012

	<u>War Memorial</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 8,267
	<u>8,267</u>
<b>Total Assets</b>	<u>\$ 8,267</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ -
<b>Total Liabilities</b>	<u>\$ -</u>
<b>NET ASSETS</b>	
Held in Trust for Private Purposes	<u>\$ 8,267</u>

COUNTY OF LOUDOUN, VIRGINIA  
 STATEMENT OF CHANGES IN PRIVATE PURPOSE TRUST NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>War Memorial</u>
<b>ADDITIONS</b>	
Investment Earnings:	
Interest	\$ 12
<b>Total Investment Earnings</b>	<u>12</u>
<b>Total Additions</b>	<u>12</u>
<b>DEDUCTIONS</b>	
Benefits	<u>-</u>
<b>Total Deductions</b>	<u>-</u>
<b>Change in Net Assets</b>	12
<b>Net Assets at Beginning of Year</b>	8,255
<b>Net Assets at End of Year</b>	<u><u>\$ 8,267</u></u>

COUNTY OF LOUDOUN, VIRGINIA  
 COMBINING BALANCE SHEET - AGENCY FUND  
 AS OF JUNE 30, 2012

	Special Welfare	Performance Bonds	Employee Benefits Distribution	ADC Inmate	Total
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 167,650	\$ 13,327,039	\$ 2,174,463	\$ 312,958	\$ 15,982,110
Cash with Fiscal Agents	-	-	60,000	-	60,000
<b>Total Assets</b>	<u>\$ 167,650</u>	<u>\$ 13,327,039</u>	<u>\$ 2,234,463</u>	<u>\$ 312,958</u>	<u>\$ 16,042,110</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 27,898	\$ 27,960	\$ 2,234,463	\$ -	\$ 2,290,321
Funds Held in Trust for Others	139,752	13,299,079	-	312,958	13,751,789
<b>Total Liabilities</b>	<u>\$ 167,650</u>	<u>\$ 13,327,039</u>	<u>\$ 2,234,463</u>	<u>\$ 312,958</u>	<u>\$ 16,042,110</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b><u>Special Welfare Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 191,389	\$ 291,591	\$ 315,330	\$ 167,650
<b>Total Assets</b>	<u>\$ 191,389</u>	<u>\$ 291,591</u>	<u>\$ 315,330</u>	<u>\$ 167,650</u>
Liabilities:				
Accounts Payable	\$ 2,626	\$ 165,291	\$ 140,019	\$ 27,898
Funds Held in Trust for Others	188,763	126,300	175,311	139,752
<b>Total Liabilities</b>	<u>\$ 191,389</u>	<u>\$ 291,591</u>	<u>\$ 315,330</u>	<u>\$ 167,650</u>
 <b><u>Performance Bond Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 14,973,233	\$ 9,606,565	\$ 11,252,759	\$ 13,327,039
<b>Total Assets</b>	<u>\$ 14,973,233</u>	<u>\$ 9,606,565</u>	<u>\$ 11,252,759</u>	<u>\$ 13,327,039</u>
Liabilities:				
Accounts Payable	\$ 316,287	\$ 5,487,119	\$ 5,775,446	\$ 27,960
Funds Held in Trust for Others	14,656,946	4,119,446	5,477,313	13,299,079
<b>Total Liabilities</b>	<u>\$ 14,973,233</u>	<u>\$ 9,606,565</u>	<u>\$ 11,252,759</u>	<u>\$ 13,327,039</u>
 <b><u>Employee Benefits Distribution Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 133,298	\$ 92,014,492	\$ 89,973,327	\$ 2,174,463
Cash with Fiscal Agents	60,000	-	-	60,000
<b>Total Assets</b>	<u>\$ 193,298</u>	<u>\$ 92,014,492</u>	<u>\$ 89,973,327</u>	<u>\$ 2,234,463</u>
Liabilities:				
Accounts Payable	\$ 193,298	\$ 92,014,492	\$ 89,973,327	\$ 2,234,463
<b>Total Liabilities</b>	<u>\$ 193,298</u>	<u>\$ 92,014,492</u>	<u>\$ 89,973,327</u>	<u>\$ 2,234,463</u>
 <b><u>Adult Detention Center (ADC) Inmate Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 273,262	\$ 1,173,687	\$ 1,133,991	\$ 312,958
<b>Total Assets</b>	<u>\$ 273,262</u>	<u>\$ 1,173,687</u>	<u>\$ 1,133,991</u>	<u>\$ 312,958</u>
Liabilities:				
Funds Held in Trust for Others	\$ 273,262	\$ 1,173,687	\$ 1,133,991	\$ 312,958
<b>Total Liabilities</b>	<u>\$ 273,262</u>	<u>\$ 1,173,687</u>	<u>\$ 1,133,991</u>	<u>\$ 312,958</u>
 <b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 15,571,182	\$ 103,086,335	\$ 102,675,407	\$ 15,982,110
Cash with Fiscal Agents	60,000	-	-	60,000
<b>Total Assets</b>	<u>\$ 15,631,182</u>	<u>\$ 103,086,335</u>	<u>\$ 102,675,407</u>	<u>\$ 16,042,110</u>
Liabilities:				
Accounts Payable	\$ 512,211	\$ 97,666,902	\$ 95,888,792	\$ 2,290,321
Funds Held in Trust for Others	15,118,971	5,419,433	6,786,615	13,751,789
<b>Total Liabilities</b>	<u>\$ 15,631,182</u>	<u>\$ 103,086,335</u>	<u>\$ 102,675,407</u>	<u>\$ 16,042,110</u>





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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  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
COMPONENT UNIT - SCHOOL BOARD  
JUNE 30, 2012

	General	Capital Improvements	Special Revenue	Capital Asset Replacement	Debt Service	Permanent Peabody	Total School Board
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 82,559,295	\$ -	\$ 6,190,258	\$ 2,061,145	\$ 6,447	\$ 34,306	\$ 90,851,451
Restricted Cash and Investments	-	25,689,334	-	-	-	-	25,689,334
Receivables, Net:							
Accounts	402,460	-	31,907	-	-	-	434,367
Due from Other Governments	15,037,782	-	164,029	-	-	-	15,201,811
Advances to Employees	1,050	-	-	-	-	-	1,050
Inventory of Supplies	-	-	625,415	-	-	-	625,415
Prepaid Items	256,428	50,000	1,030	-	-	-	307,458
<b>Total Assets</b>	<b>\$ 98,257,015</b>	<b>\$ 25,739,334</b>	<b>\$ 7,012,639</b>	<b>\$ 2,061,145</b>	<b>\$ 6,447</b>	<b>\$ 34,306</b>	<b>\$ 133,110,886</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 3,308,670	\$ 5,403,421	\$ 61,282	\$ 241,268	\$ -	\$ -	\$ 9,014,641
Retainage Payable	-	4,549,692	-	-	-	-	4,549,692
Accrued Liabilities	50,018,026	3,204,602	1,105,344	-	-	-	54,327,972
Deferred Revenue - Other	1,771,233	-	694,820	-	-	-	2,466,053
Other Liabilities	470,084	-	-	-	-	-	470,084
<b>Total Liabilities</b>	<b>55,568,013</b>	<b>13,157,715</b>	<b>1,861,446</b>	<b>241,268</b>	<b>-</b>	<b>-</b>	<b>70,828,442</b>
Fund Balances:							
Non-spendable:							
Inventories	-	-	625,415	-	-	-	625,415
Prepaid Items	257,478	50,000	1,030	-	-	-	308,508
Permanent Fund-Nonexpendable	-	-	-	-	-	34,306	34,306
Restricted for:							
Grantors	139,923	-	164,029	-	-	-	303,952
Bond Covenants	-	12,531,619	-	-	-	-	12,531,619
Committed to:							
Fiscal Reserve	24,859,396	-	-	-	-	-	24,859,396
Subsequent year appropriations	-	-	-	-	-	-	-
Capital Fund	-	-	-	1,578,424	-	-	1,578,424
Assigned	16,381,727	-	4,360,719	241,453	6,447	-	20,990,346
Unassigned	1,050,478	-	-	-	-	-	1,050,478
<b>Total Fund Balances</b>	<b>42,689,002</b>	<b>12,581,619</b>	<b>5,151,193</b>	<b>1,819,877</b>	<b>6,447</b>	<b>34,306</b>	<b>62,282,444</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 98,257,015</b>	<b>\$ 25,739,334</b>	<b>\$ 7,012,639</b>	<b>\$ 2,061,145</b>	<b>\$ 6,447</b>	<b>\$ 34,306</b>	<b>\$ 133,110,886</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, 2012**

	<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	\$ 1,628,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,628,008
Charges for Services	2,402,513	-	17,197,010	-	-	-	19,599,523
Gifts and Donations	1,420,468	-	-	-	-	-	1,420,468
Miscellaneous	1,780,581	-	15	-	-	-	1,780,596
Recovered Costs	990,753	-	-	-	-	-	990,753
Intergovernmental - Commonwealth	219,389,530	-	315,085	-	-	-	219,704,615
Intergovernmental - Federal	20,745,133	-	6,637,846	-	-	-	27,382,979
Payments from Primary Government	508,025,867	25,956,809	-	2,285,002	8,879,353	-	545,147,031
<b>Total Revenues</b>	<u>756,382,853</u>	<u>25,956,809</u>	<u>24,149,956</u>	<u>2,285,002</u>	<u>8,879,353</u>	<u>-</u>	<u>817,653,973</u>
<b>EXPENDITURES</b>							
Current Operating:							
Education	762,713,770	477,861	22,207,178	4,096,689	-	1,400	789,496,898
Payments to Primary Government	17,267,996	11,563,631	-	-	-	-	28,831,627
Capital Outlay	-	91,790,756	-	77,426	-	-	91,868,182
Debt service:							
Principal Payments	-	-	-	-	8,420,767	-	8,420,767
Interest and Service Charges	-	-	-	-	500,063	-	500,063
Transfer to Other Funds	2,582,000	-	-	-	-	-	2,582,000
<b>Total Expenditures</b>	<u>782,563,766</u>	<u>103,832,248</u>	<u>22,207,178</u>	<u>4,174,115</u>	<u>8,920,830</u>	<u>1,400</u>	<u>921,699,537</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(26,180,913)</u>	<u>(77,875,439)</u>	<u>1,942,778</u>	<u>(1,889,113)</u>	<u>(41,477)</u>	<u>(1,400)</u>	<u>(104,045,564)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Lease/Purchase Financing	7,000,000	-	-	-	-	-	7,000,000
Sales of Capital Assets	236,970	-	-	-	-	-	236,970
<b>Total Other Financing Sources (Uses)</b>	<u>7,236,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,236,970</u>
<b>Net Change in Fund Balances</b>	<u>(18,943,943)</u>	<u>(77,875,439)</u>	<u>1,942,778</u>	<u>(1,889,113)</u>	<u>(41,477)</u>	<u>(1,400)</u>	<u>(96,808,594)</u>
<b>Fund Balances at Beginning of Year</b>	<u>61,632,945</u>	<u>90,457,058</u>	<u>3,208,415</u>	<u>3,708,990</u>	<u>47,924</u>	<u>35,706</u>	<u>159,091,038</u>
<b>Fund Balances at End of Year</b>	<u>\$ 42,689,002</u>	<u>\$ 12,581,619</u>	<u>\$ 5,151,193</u>	<u>\$ 1,819,877</u>	<u>\$ 6,447</u>	<u>\$ 34,306</u>	<u>\$ 62,282,444</u>

COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL GENERAL FUND  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ 1,771,944	\$ 1,628,008	\$ (143,936)
Charges for Services	2,131,446	2,402,513	271,067
Gifts and Donations	1,380,255	1,420,468	40,213
Miscellaneous	1,241,036	1,780,581	539,545
Recovered Costs	450,000	990,753	540,753
Intergovernmental - Commonwealth	219,693,143	219,389,530	(303,613)
Intergovernmental - Federal	20,593,793	20,745,133	151,340
Sales of Capital Assets	-	236,970	236,970
Payment from Primary Government	508,025,867	508,025,867	-
Lease/Purchase Financing	7,000,000	7,000,000	-
<b>Amounts Available for Appropriation</b>	<u>762,287,484</u>	<u>763,619,823</u>	<u>1,332,339</u>
<b>Charges to Appropriations (Outflows)</b>			
Education	782,142,691	762,713,770	19,428,921
<b>Nondepartmental:</b>			
Transfers to Other Funds	-	2,582,000	(2,582,000)
Payment to Primary Government	17,267,996	17,267,996	-
<b>Total Charges to Appropriations</b>	<u>799,410,687</u>	<u>782,563,766</u>	<u>16,846,921</u>
<b>Excess (Deficiency) of Resources Over Charges to Appropriations</b>	(37,123,203)	(18,943,943)	18,179,260
<b>Fund Balance at Beginning of Year</b>	61,632,945	61,632,945	-
<b>Fund Balance at End of Year</b>	<u>\$ 24,509,742</u>	<u>\$ 42,689,002</u>	<u>\$ 18,179,260</u>

COUNTY OF LOUDOUN, VIRGINIA  
 BUDGETARY COMPARISON SCHEDULE OF  
 SCHOOL SPECIAL REVENUE FUND - CAFETERIA  
 COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Charges for Services	\$ 20,126,431	\$ 17,197,010	\$ (2,929,421)
Miscellaneous	6,000	15	(5,985)
Intergovernmental - Commonwealth	320,377	315,085	(5,292)
Intergovernmental - Federal	4,626,000	6,637,846	2,011,846
<b>Amounts Available for Appropriation</b>	<u>25,078,808</u>	<u>24,149,956</u>	<u>(928,852)</u>
<b>Charges to Appropriations (Outflows)</b>			
Education	25,078,808	22,207,178	2,871,630
<b>Total Charges to Appropriations</b>	<u>25,078,808</u>	<u>22,207,178</u>	<u>2,871,630</u>
<b>Excess (Deficiency) of Resources Over</b>			
<b>Charges to Appropriations</b>	-	1,942,778	1,942,778
<b>Fund Balance at Beginning of Year</b>	3,208,415	3,208,415	-
<b>Fund Balance at End of Year</b>	<u>\$ 3,208,415</u>	<u>\$ 5,151,193</u>	<u>\$ 1,942,778</u>

COUNTY OF LOUDOUN, VIRGINIA  
 BUDGETARY COMPARISON SCHEDULE OF  
 SCHOOL CAPITAL IMPROVEMENTS FUND  
 COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Payment from Primary Government	\$ 105,943,238	\$ 25,956,809	\$ (79,986,429)
<b>Amounts Available for Appropriation</b>	<u>105,943,238</u>	<u>25,956,809</u>	<u>(79,986,429)</u>
<b>Charges to Appropriations (Outflows)</b>			
Education	-	477,861	(477,861)
Capital Outlay	94,379,607	91,790,756	2,588,851
<b>Nondepartmental:</b>			
Payment to Primary Government	11,563,631	11,563,631	-
<b>Total Charges to Appropriations</b>	<u>105,943,238</u>	<u>103,832,248</u>	<u>2,110,990</u>
<b>Excess (Deficiency) of Resources Over</b>			
<b>Charges to Appropriations</b>	-	(77,875,439)	(77,875,439)
<b>Fund Balance at Beginning of Year</b>	<u>90,457,058</u>	<u>90,457,058</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 90,457,058</u></u>	<u><u>\$ 12,581,619</u></u>	<u><u>\$ (77,875,439)</u></u>



COUNTY OF LOUDOUN, VIRGINIA  
 BUDGETARY COMPARISON SCHEDULE OF  
 SCHOOL CAPITAL ASSET PRESERVATION FUND  
 COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Payment from Primary Government	\$ 2,285,002	\$ 2,285,002	\$ -
<b>Amounts Available for Appropriation</b>	<u>2,285,002</u>	<u>2,285,002</u>	<u>-</u>
<b>Charges to Appropriations (Outflows)</b>			
Education	2,311,154	4,096,689	(1,785,535)
Capital Outlay	(26,152)	77,426	(103,578)
<b>Total Charges to Appropriations</b>	<u>2,285,002</u>	<u>4,174,115</u>	<u>(1,889,113)</u>
<b>Excess (Deficiency) of Resources Over</b>			
<b>Charges to Appropriations</b>	-	(1,889,113)	(1,889,113)
<b>Fund Balance at Beginning of Year</b>	3,708,990	3,708,990	-
<b>Fund Balance at End of Year</b>	<u>\$ 3,708,990</u>	<u>\$ 1,819,877</u>	<u>\$ (1,889,113)</u>

COUNTY OF LOUDOUN, VIRGINIA  
 BUDGETARY COMPARISON SCHEDULE OF  
 SCHOOL DEBT SERVICE FUND  
 COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Payment from Primary Government	\$ 8,879,353	\$ 8,879,353	\$ -
<b>Amounts Available for Appropriation</b>	<u>8,879,353</u>	<u>8,879,353</u>	<u>-</u>
<b>Charges to Appropriations (Outflows)</b>			
<b>Nondepartmental:</b>			
Debt Service	8,927,277	8,920,830	6,447
<b>Total Charges to Appropriations</b>	<u>8,927,277</u>	<u>8,920,830</u>	<u>6,447</u>
<b>Excess (Deficiency) of Resources Over</b>			
<b>Charges to Appropriations</b>	(47,924)	(41,477)	6,447
<b>Fund Balance at Beginning of Year</b>	47,924	47,924	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ 6,447</u>	<u>\$ 6,447</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF PROPRIETARY NET ASSETS**  
**PROPRIETARY - INTERNAL SERVICE FUNDS**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Central Service Fund</b>	<b>Self Insurance Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,126,758	\$ 16,132,370	\$ 17,259,128
Cash with Fiscal Agents	-	-	-
Receivables, Net	-	179,616	179,616
Inventory of Supplies	776,130	-	776,130
Total Current Assets	<u>1,902,888</u>	<u>16,311,986</u>	<u>18,214,874</u>
Noncurrent Assets:			
Capital Assets:			
Depreciable, Net	3,281,578	-	3,281,578
Total Noncurrent Assets	<u>3,281,578</u>	<u>-</u>	<u>3,281,578</u>
<b>Total Assets</b>	<u><b>\$ 5,184,466</b></u>	<u><b>\$ 16,311,986</b></u>	<u><b>\$ 21,496,452</b></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 639,887	\$ 20,902	\$ 660,789
Retainage Payable	10,000	-	10,000
Claims Liabilities	-	8,366,328	8,366,328
Accrued Liabilities	-	2,946,615	2,946,615
Deferred Revenue	-	762,123	762,123
Total Current Liabilities	<u>649,887</u>	<u>12,095,968</u>	<u>12,745,855</u>
Noncurrent Liabilities:			
Claims Liabilities	-	1,707,162	1,707,162
Total Noncurrent Liabilities	<u>-</u>	<u>1,707,162</u>	<u>1,707,162</u>
<b>Total Liabilities</b>	<u><b>\$ 649,887</b></u>	<u><b>\$ 13,803,130</b></u>	<u><b>\$ 14,453,017</b></u>
<b>NET ASSETS</b>			
Net Assets, Invested in			
Capital Assets	\$ 3,281,578	-	\$ 3,281,578
Unrestricted	1,253,001	2,508,856	3,761,857
<b>Total Net Assets</b>	<u><b>\$ 4,534,579</b></u>	<u><b>\$ 2,508,856</b></u>	<u><b>\$ 7,043,435</b></u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF CHANGES IN PROPRIETARY NET ASSETS**  
**PROPRIETARY - INTERNAL SERVICE FUNDS**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Central Service Fund</b>	<b>Self Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 19,538,102	\$ 106,053,234	\$ 125,591,336
Use of property	46,739	-	46,739
<b>Total Operating Revenues</b>	<u>19,584,841</u>	<u>106,053,234</u>	<u>125,638,075</u>
<b>Operating Expenses:</b>			
Personnel services	4,701,225	39,192	4,740,417
Other services and charges	2,054,202	7,782,515	9,836,717
Materials and supplies	12,312,885	8,484	12,321,369
Depreciation	164,595	-	164,595
Claims	-	104,893,488	104,893,488
<b>Total Operating Expenses</b>	<u>19,232,907</u>	<u>112,723,679</u>	<u>131,956,586</u>
<b>Operating Income (Loss)</b>	<u>351,934</u>	<u>(6,670,445)</u>	<u>(6,318,511)</u>
<b>Net Income (Loss) Before Transfers</b>	<u>351,934</u>	<u>(6,670,445)</u>	<u>(6,318,511)</u>
Transfers In	-	2,582,000	2,582,000
<b>Total Transfers</b>	<u>-</u>	<u>2,582,000</u>	<u>2,582,000</u>
<b>Change in Net Assets</b>	351,934	(4,088,445)	(3,736,511)
<b>Net Assets at Beginning of Year</b>	4,182,645	6,597,301	10,779,946
<b>Net Assets at End of Year</b>	<u>\$ 4,534,579</u>	<u>\$ 2,508,856</u>	<u>\$ 7,043,435</u>

**COUNTY OF LOUDOUN, VIRGINIA  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY - INTERNAL SERVICE FUNDS  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Central Service Fund</b>	<b>Self Insurance Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers	\$ 19,585,963	\$ 105,933,916	\$ 125,519,879
Payments to Suppliers for Goods and Services	(14,879,423)	(8,984,337)	(23,863,760)
Claims Paid	-	(104,386,300)	(104,386,300)
Payments to Employees	(4,701,225)	2,907,423	(1,793,802)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>5,315</u>	<u>(4,529,298)</u>	<u>(4,523,983)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers In	-	2,582,000	2,582,000
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>-</u>	<u>2,582,000</u>	<u>2,582,000</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Additions to Capital Assets	(149,299)	-	(149,299)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(149,299)</u>	<u>-</u>	<u>(149,299)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(143,984)	(1,947,298)	(2,091,282)
Cash and Cash Equivalents (including those held with Fiscal Agents) at Beginning of Year	1,270,742	18,079,668	19,350,410
<b>Cash and Cash Equivalents (including those held with Fiscal Agents) at End of Year</b>	<u>\$ 1,126,758</u>	<u>\$ 16,132,370</u>	<u>\$ 17,259,128</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>			
<b>Operating Income (Loss)</b>	<u>\$ 351,934</u>	<u>\$ (6,670,445)</u>	<u>\$ (6,318,511)</u>
<b>Adjustment Not Affecting Cash:</b>			
Depreciation	164,595	-	164,595
<b>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</b>			
Receivable, Net	1,122	(119,318)	(118,196)
Inventory	(164,199)	-	(164,199)
Prepaid Items	-	94,083	94,083
Accounts Payable	(348,137)	(1,581,756)	(1,929,893)
Claims Liabilities	-	507,188	507,188
Accrued Liabilities	-	2,946,615	2,946,615
Deferred Revenue	-	294,335	294,335
<b>Total Adjustments</b>	<u>(346,619)</u>	<u>2,141,147</u>	<u>1,794,528</u>
<b>Net Cash Provided by (used in) Operating Activities</b>	<u>\$ 5,315</u>	<u>\$ (4,529,298)</u>	<u>\$ (4,523,983)</u>

COUNTY OF LOUDOUN, VIRGINIA  
 COMBINING STATEMENT OF PENSION TRUST NET ASSETS  
 COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>OPEB Trust Fund</u>
<b>ASSETS</b>	
Investments, at Fair Value:	
Investments in Pooled Funds	\$ 53,926,479
<b>Total Investments</b>	<u>53,926,479</u>
<b>Total Assets</b>	<u>\$ 53,926,479</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ -
<b>Total Liabilities</b>	<u>\$ -</u>
<b>NET ASSETS</b>	
Held in Trust for Pension Benefits	<u>\$ 53,926,479</u>

COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF CHANGES IN PENSION TRUST NET ASSETS  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>OPEB Trust Fund</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 23,218,531
<b>Total Contributions</b>	<u>23,218,531</u>
Investment Earnings:	
Net Appreciation in Fair Value of Investments	1,304,386
Interest	3,826
<b>Total Investment Earnings</b>	<u>1,308,212</u>
Less Investment Expense:	
Investment Management Fees	(40,557)
<b>Net Investment Income</b>	<u>1,267,655</u>
<b>Total Additions</b>	<u>24,486,186</u>
 <b>DEDUCTIONS</b>	
Benefits	3,069,268
Administrative Expense	2,649,263
<b>Total Deductions</b>	<u>5,718,531</u>
 <b>Change in Net Assets</b>	 18,767,655
 <b>Net Assets at Beginning of Year</b>	 35,158,824
<b>Net Assets at End of Year</b>	<u><u>\$ 53,926,479</u></u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b><u>Employee Benefits Distribution Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 6,055,347	\$ 216,857,421	\$ 211,080,841	\$ 11,831,927
Accounts Receivable	17,724	-	-	17,724
<b>Total Assets</b>	<b>\$ 6,073,071</b>	<b>\$ 216,857,421</b>	<b>\$ 211,080,841</b>	<b>\$ 11,849,651</b>
Liabilities:				
Accounts Payable	\$ 6,073,071	\$ 216,857,421	\$ 211,080,841	\$ 11,849,651
<b>Total Liabilities</b>	<b>\$ 6,073,071</b>	<b>\$ 216,857,421</b>	<b>\$ 211,080,841</b>	<b>\$ 11,849,651</b>
 <b><u>School Activity Fund</u></b>				
Assets:				
Cash and Temporary Investments	\$ 5,419,921	\$ 16,391,606	\$ 16,264,634	\$ 5,546,893
<b>Total Assets</b>	<b>\$ 5,419,921</b>	<b>\$ 16,391,606</b>	<b>\$ 16,264,634</b>	<b>\$ 5,546,893</b>
Liabilities:				
Collections Held in Trust	\$ 5,419,921	\$ 16,391,606	\$ 16,264,634	\$ 5,546,893
<b>Total Liabilities</b>	<b>\$ 5,419,921</b>	<b>\$ 16,391,606</b>	<b>\$ 16,264,634</b>	<b>\$ 5,546,893</b>
 <b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 11,475,268	\$ 233,249,027	\$ 227,345,475	\$ 17,378,820
Accounts Receivable	17,724	-	-	17,724
<b>Total Assets</b>	<b>\$ 11,492,992</b>	<b>\$ 233,249,027</b>	<b>\$ 227,345,475</b>	<b>\$ 17,396,544</b>
Liabilities:				
Accounts Payable	\$ 11,492,992	\$ 233,249,027	\$ 227,345,475	\$ 17,396,544
<b>Total Liabilities</b>	<b>\$ 11,492,992</b>	<b>\$ 233,249,027</b>	<b>\$ 227,345,475</b>	<b>\$ 17,396,544</b>



## **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 two years. Such assets are recorded at historical costs 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 assets lives 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, 2012**

**CAPITAL ASSETS**

Land	\$ 134,907,280
Buildings	372,825,905
Improvements Other Than Buildings	38,052,966
Equipment	159,402,817
Infrastructure	455,337,480
Construction in Progress	34,842,194
<b>Total Current Assets</b>	<u>1,195,368,642</u>
Less Accumulated Depreciation	<u>(249,035,292)</u>
<b>Net Capital Assets</b>	<u><u>\$ 946,333,350</u></u>

**INVESTMENTS IN CAPITAL ASSETS**

General Fund	\$ 543,061,712
Special Revenue Fund	15,053,186
Capital Projects Fund	34,469,917
Donations	543,152,232
Internal Service Fund	59,631,595
<b>Total Investments in Capital Assets</b>	<u>1,195,368,642</u>
Less Accumulated Depreciation	<u>(249,035,292)</u>
<b>Net Capital Assets</b>	<u><u>\$ 946,333,350</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
SCHEDULE OF CAPITAL ASSETS  
BY FUNCTION AND ACTIVITY  
AT JUNE 30, 2012**

Function and Program	Land	Buildings	Improvements other than Buildings	Machinery and Equipment	Infrastructure	Total
<b>General Government Administration:</b>						
Legislative	\$ 13,923,200	\$ 1,046,922	\$ -	\$ -	\$ -	\$ 14,970,122
General and Financial Administration	989,869	14,458,024	-	70,057,936	-	85,505,829
Elections Administration	-	-	-	442,674	-	442,674
<b>Total General Government</b>	<b>14,913,069</b>	<b>15,504,946</b>	<b>-</b>	<b>70,500,610</b>	<b>-</b>	<b>100,918,625</b>
<b>Judicial Administration:</b>						
Courts	398,112	34,878,601	-	1,302,336	-	36,579,049
Sheriff	-	-	-	55,676	-	55,676
Commonwealth's Attorney	-	-	-	15,459	-	15,459
<b>Total Judicial Administration</b>	<b>398,112</b>	<b>34,878,601</b>	<b>-</b>	<b>1,373,471</b>	<b>-</b>	<b>36,650,184</b>
<b>Public Safety:</b>						
Law Enforcement and Traffic Control	4,864,918	11,453,844	-	10,142,229	477,550	26,938,541
Fire and Rescue Services	6,091,163	48,169,262	-	10,906,528	1,285,969	66,452,922
Corrections and Detention	264,996	94,930,812	-	861,340	-	96,057,148
Inspections	-	-	-	30,000	-	30,000
Other Protection	17,637	1,791,034	-	28,504,973	-	30,313,644
<b>Total Public Safety</b>	<b>11,238,714</b>	<b>156,344,952</b>	<b>-</b>	<b>50,445,070</b>	<b>1,763,519</b>	<b>219,792,255</b>
<b>Public Works:</b>						
Sanitation and Waste Removal	16,666,484	1,128,000	12,170	5,701,779	452,981,425	476,489,858
Maintenance of General Building and Ground	10,762,169	33,030,112	26,788	771,922	211,690	44,802,681
<b>Total Public Works</b>	<b>27,428,653</b>	<b>34,158,112</b>	<b>38,958</b>	<b>6,473,701</b>	<b>453,193,115</b>	<b>521,292,539</b>
<b>Health and Welfare:</b>						
Health	-	-	-	53,126	-	53,126
Mental Health and Mental Retardation	1,252,364	6,422,185	-	93,924	-	7,768,473
Welfare and Social Services	2,816,242	36,279,449	-	732,213	-	39,827,904
<b>Total Health and Welfare</b>	<b>4,068,606</b>	<b>42,701,634</b>	<b>-</b>	<b>879,263</b>	<b>-</b>	<b>47,649,503</b>
<b>Parks, Recreation and Culture:</b>						
Parks and Recreation	64,058,130	46,380,976	32,181,028	3,437,456	380,846	146,438,436
Library	4,123,234	41,630,048	-	2,174,563	-	47,927,845
<b>Total Parks, Recreation and Culture</b>	<b>68,181,364</b>	<b>88,011,024</b>	<b>32,181,028</b>	<b>5,612,019</b>	<b>380,846</b>	<b>194,366,281</b>
<b>Community Development:</b>						
Planning, Community Development and Economic Development	7,174,335	1,226,636	-	732,981	-	9,133,952
Cooperative Extension Program	1,504,427	-	5,832,980	23,385,702	-	30,723,109
<b>Total Community Development</b>	<b>8,678,762</b>	<b>1,226,636</b>	<b>5,832,980</b>	<b>24,118,683</b>	<b>-</b>	<b>39,857,061</b>
<b>Total Capital Assets Allocation to Functions</b>	<b>134,907,280</b>	<b>372,825,905</b>	<b>38,052,966</b>	<b>159,402,817</b>	<b>455,337,480</b>	<b>1,160,526,448</b>
Less: Accumulated Depreciation	-	(58,531,636)	(13,937,242)	(95,449,001)	(81,117,413)	(249,035,292)
<b>Total</b>	<b>\$ 134,907,280</b>	<b>\$ 314,294,269</b>	<b>\$ 24,115,724</b>	<b>\$ 63,953,816</b>	<b>\$ 374,220,067</b>	<b>911,491,156</b>
<b>Contruction in Progress</b>						<b>34,842,194</b>
<b>Total Capital Assets</b>						<b>\$ 946,333,350</b>

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**YEAR ENDED JUNE 30, 2012**

Function and Program	Fixed Assets July 1, 2011	Additions	Deductions	Transfers In / (Out)	Fixed Assets June 30, 2012
<b>General Government Administration:</b>					
Legislative	\$ 14,970,122	\$ -	\$ -	\$ -	\$ 14,970,122
General and Financial Administration	143,774,450	6,338,504	9,979,631	(54,627,494)	85,505,829
Elections Administration	479,968	-	31,200	(6,094)	442,674
<b>Total General Government</b>	<b>159,224,540</b>	<b>6,338,504</b>	<b>10,010,831</b>	<b>(54,633,588)</b>	<b>100,918,625</b>
<b>Judicial Administration:</b>					
Courts	36,497,306	284,289	197,349	(5,197)	36,579,049
Sheriff	-	37,815	-	17,861	55,676
Commonwealth's Attorney	15,459	-	-	-	15,459
<b>Total Judicial Administration</b>	<b>36,512,765</b>	<b>322,104</b>	<b>197,349</b>	<b>12,664</b>	<b>36,650,184</b>
<b>Public Safety:</b>					
Law Enforcement and Traffic Control	20,394,126	387,235	1,040,452	7,197,632	26,938,541
Fire and Rescue Services	56,875,171	414,998	414,047	9,576,800	66,452,922
Corrections and Detention	91,208,965	1,192,889	48,457	3,703,751	96,057,148
Inspections	35,000	-	5,000	-	30,000
Other Protection	3,095,825	3,227,688	27,677	24,017,808	30,313,644
<b>Total Public Safety</b>	<b>171,609,087</b>	<b>5,222,810</b>	<b>1,535,633</b>	<b>44,495,991</b>	<b>219,792,255</b>
<b>Public Works:</b>					
Sanitation and Waste Removal	20,284,001	17,032,419	126,424	439,299,862	476,489,858
Maintenance of General Building and Grounds	22,684,391	31,687	95,583	22,182,186	44,802,681
<b>Total Public Works</b>	<b>42,968,392</b>	<b>17,064,106</b>	<b>222,007</b>	<b>461,482,048</b>	<b>521,292,539</b>
<b>Health and Welfare:</b>					
Health	75,936	-	22,810	-	53,126
Mental Health and Mental Retardation	7,933,162	-	116,011	(48,678)	7,768,473
Welfare and Social Services	31,308,651	23,802	727,732	9,223,183	39,827,904
<b>Total Health and Welfare</b>	<b>39,317,749</b>	<b>23,802</b>	<b>866,553</b>	<b>9,174,505</b>	<b>47,649,503</b>
<b>Parks, Recreation and Culture:</b>					
Parks and Recreation	97,645,610	1,520,237	150,794	47,423,383	146,438,436
Library	37,598,859	54,750,397	469,378	(43,952,033)	47,927,845
<b>Total Parks, Recreation and Culture</b>	<b>135,244,469</b>	<b>56,270,634</b>	<b>620,172</b>	<b>3,471,350</b>	<b>194,366,281</b>
<b>Community Development:</b>					
Planning, Community Development and Economic Development	470,164,672	15,405	633,314	(460,412,811)	9,133,952
Environmental Management	101,810	-	-	(101,810)	-
Cooperative Extension Program	16,490,484	1,597,515	4,900	12,640,010	30,723,109
<b>Total Community Development</b>	<b>486,756,966</b>	<b>1,612,920</b>	<b>638,214</b>	<b>(447,874,611)</b>	<b>39,857,061</b>
<b>Total Capital Assets Allocation to Function</b>	<b>1,071,633,968</b>	<b>86,854,880</b>	<b>14,090,759</b>	<b>16,128,359</b>	<b>1,160,526,448</b>
Contruction in Progress	50,970,553	-	-	(16,128,359)	34,842,194
<b>Total</b>	<b>1,122,604,521</b>	<b>86,854,880</b>	<b>14,090,759</b>	<b>-</b>	<b>1,195,368,642</b>
Less: Accumulated Depreciation	(227,915,345)	(34,913,875)	(13,793,928)	-	(249,035,292)
<b>Net Capital Assets</b>	<b>\$ 894,689,176</b>	<b>\$ 51,941,005</b>	<b>\$ 296,831</b>	<b>\$ -</b>	<b>\$ 946,333,350</b>

## **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> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	130
<b>Revenue Capacity</b> 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.	134
<b>Debt Capacity</b> 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.	139
<b>Economic and Demographic Information</b> which the County's financial activities take place and to help make comparisons over time and with other governments.	142
<b>Operating Information</b> 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.	144

**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 ASSETS BY COMPONENT**  
(accrual basis of accounting)

	Fiscal Years						
	2012	2011	2010	2009	2008	2007	2006
<b>Primary government:</b>							
Invested in Capital Assets, Net of Related Debt	\$ 653,910,318	\$ 577,369,256	\$ 585,178,496	\$ 527,364,157	\$ 489,043,054	\$ 485,203,057	\$ 450,622,376
Restricted	281,340,465	268,799,538	117,028,380	140,839,102	120,692,734	104,274,450	58,775,047
Unrestricted	(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 Assets	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>							
Invested in Capital Assets, Net of Related Debt (3)	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	25,723,640	69,473,633	95,452,677	160,182,948	94,027,547	194,986,560	132,512,303
Unrestricted	(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 Assets	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>							
Invested in Capital Assets, Net of Related Debt	1,181,750,230	983,749,795	873,938,252	720,468,499	743,562,715	498,936,494	194,886,496
Restricted	307,064,105	184,105,398	212,481,057	301,059,613	214,720,281	299,261,010	191,287,350
Unrestricted	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 Assets	<u>\$ 1,634,517,104</u>	<u>\$ 1,594,861,664</u>	<u>\$ 1,450,653,420</u>	<u>\$ 1,382,842,240</u>	<u>\$ 1,319,213,926</u>	<u>\$ 1,218,938,809</u>	<u>\$ 799,199,015</u>

(1) Component unit net asset 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 Asset row reducing unrestricted net assets. The assets are reflected in the School Board Component Unit row as Invested in Capital Assets, net of related debt. The Total Reporting Entity row matches the asset with the debt and reports the net amount on the Invested in Capital Assets, net of related debt line.

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



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

	Fiscal Years						
	2012	2011	2010	2009	2008	2007	2006
<b>Primary government:</b>							
<b>Expenses</b>							
General government administration	\$ 70,316,709	\$ 62,046,397	\$ 63,686,674	\$ 62,822,643	\$ 55,390,394	\$ 50,059,960	\$ 43,682,466
Judicial administration	13,914,515	12,713,817	13,102,418	12,195,513	13,491,840	11,998,091	10,192,333
Public safety	154,479,975	139,449,347	136,689,853	146,132,847	133,119,564	117,079,583	103,129,805
Public works	52,378,576	53,898,740	73,414,534	87,509,156	51,868,968	39,352,422	19,504,478
Health and welfare	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	48,706,940	44,867,154	44,766,554	47,983,009	47,410,027	40,963,120	38,426,805
Community development	46,653,869	38,362,638	42,006,747	40,960,236	40,986,388	40,758,161	35,709,602
Education	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	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	\$ 1,032,803,154	\$ 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	\$ 1,196,643	\$ 1,604,464	\$ 1,291,961	\$ 1,193,028	\$ 1,080,504	\$ 1,690,165	\$ 1,854,147
Judicial administration	1,540,865	1,525,826	1,625,414	1,925,667	2,177,646	2,784,513	3,986,858
Public safety	13,472,302	11,954,370	9,743,766	10,199,123	11,714,375	11,653,582	16,647,759
Public works	3,092,074	3,392,704	2,840,600	3,239,278	4,123,782	4,009,388	2,937,798
Health and welfare	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	16,373,314	16,066,824	14,734,804	14,052,720	13,855,369	11,473,703	10,537,926
Community development	18,987,466	15,020,443	12,555,265	12,143,717	14,863,758	14,368,965	13,810,587
Education	4,647	1,744	4,188	61,609	204,551	259,804	194,600
Operating grants and contributions	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	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	\$ 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)	\$ (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 Assets</b>							
Taxes:							
Property taxes	\$ 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	68,907,540	63,589,457	57,604,972	55,353,088	57,209,778	54,099,950	53,558,311
Consumer utility taxes	19,864,904	20,236,914	20,087,509	19,891,260	20,940,326	19,263,192	17,131,137
Business license taxes	25,995,888	25,355,444	23,076,923	25,552,292	25,464,522	26,718,562	25,782,305
Franchise license taxes	657,160	586,485	503,990	424,254	-	857,820	1,545,845
Motor vehicle licenses	5,861,761	5,663,926	5,486,343	5,313,822	5,189,600	5,064,223	4,897,059
Bank franchise taxes	1,457,653	2,015,493	1,098,270	585,119	365,769	465,944	530,806
Taxes on recordation and wills	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	4,940,965	5,044,602	4,748,883	5,572,925	5,995,828	5,664,725	5,313,708
Interest and investment earnings	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	54,190,713	55,383,277	54,732,247	56,173,663	56,980,645	56,807,035	59,420,281
Miscellaneous	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	\$ 1,022,542,963	\$ 1,002,123,517	\$ 960,565,793	\$ 977,250,248	\$ 947,472,700	\$ 864,449,045	\$ 792,284,437
<b>Change in Net Assets</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 indicating 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					
	2012	2011	2010	2009	2008	2007
<b>Pre GASB 54:</b>						
<b>General Fund:</b>						
Reserved				\$ 13,116,086	\$ 11,316,291	\$ 14,568,061
Unreserved						\$ 13,594,685
Designated				105,123,783	99,502,387	91,334,925
Undesignated				42,653,142	46,250,909	57,711,167
Total General Fund				\$ 160,893,011	\$ 157,069,587	\$ 163,614,153
<b>Other Governmental Funds:</b>						
Reserved				\$ 80,629,313	\$ 82,116,013	\$ 23,271,448
Unreserved						\$ 26,468,393
Designated:						
Special Revenue Funds				-	-	1,244,469
Capital Project Funds				135,914,520	75,864,057	146,568,818
Debt Service Fund				19,116,001	23,324,983	27,321,218
Undesignated:						
Special Revenue Funds				126,253,942	117,590,281	109,464,235
Total Other Governmental Funds				\$ 361,913,776	\$ 298,895,334	\$ 307,870,188
<b>Post GASB 54:</b>						
<b>General Fund:</b>						
Nonspendable	\$ 3,141,458	\$ 3,485,287	\$ 3,382,785			
Restricted	496,427	587,920	736,194			
Committed	116,969,167	127,596,371	111,378,755			
Assigned	35,150,320	3,089,893	4,368,207			
Unassigned	46,465,428	61,501,286	67,221,557			
Total General Fund	\$ 202,222,800	\$ 196,260,757	\$ 187,087,498			
<b>Other Governmental Funds:</b>						
Nonspendable	\$ 2,976,188	\$ 1,455,427	\$ 1,532,553			
Restricted	280,844,038	268,211,618	252,044,227			
Committed	93,409,781	115,791,455	65,777,747			
Assigned	22,625,174	10,347,947	13,064,889			
Unassigned	(664,939)	-	-			
Total Other Governmental Funds	\$ 399,190,242	\$ 395,806,447	\$ 332,419,416			
<b>Total Governmental Funds</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						
	2012	2011	2010	2009	2008	2007	2006
<b>Revenues</b>							
General property taxes	\$ 828,523,936	\$ 811,668,497	\$ 780,886,551	\$ 777,764,635	\$ 741,296,705	\$ 653,847,833	\$ 586,523,922
Other local taxes	136,674,099	130,428,834	120,031,316	120,094,012	124,332,170	125,084,324	127,126,072
Permits and licenses	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	2,729,647	2,705,771	2,539,918	2,545,492	2,069,644	1,938,316	2,056,027
Fines and forfeitures	4,854,195	5,080,665	5,806,890	15,356,324	30,090,220	29,738,479	19,935,999
Charges for services	30,759,688	29,376,216	26,227,611	25,121,561	24,898,207	23,232,267	23,354,171
Gifts and donations	32,595,451	15,346,612	23,607,010	16,038,282	20,225,374	13,941,107	17,657,593
Miscellaneous	1,359,712	2,080,701	620,206	1,333,558	360,477	825,273	252,974
Recovered costs	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	87,405,196	85,827,355	79,536,378	92,494,168	90,654,860	87,360,501	83,331,960
Intergovernmental - Federal Government	21,216,867	23,561,617	36,828,492	31,208,905	20,156,214	20,442,859	23,328,040
<b>Total revenues</b>	<b>1,174,864,880</b>	<b>1,131,668,443</b>	<b>1,097,400,649</b>	<b>1,102,147,185</b>	<b>1,079,842,469</b>	<b>979,034,658</b>	<b>911,680,449</b>
<b>Expenditures</b>							
General government administration	68,187,026	57,425,608	58,971,603	58,014,874	53,697,645	47,999,483	40,679,949
Judicial administration	12,438,251	11,906,191	12,010,979	12,159,740	11,943,448	10,985,963	9,873,632
Public safety	146,717,960	139,766,826	134,915,733	141,207,093	127,329,016	115,484,242	100,210,168
Public works	46,330,697	47,410,592	65,313,594	55,961,771	45,143,766	34,532,493	30,868,692
Health and welfare	80,280,556	81,217,371	83,739,002	82,476,368	82,831,548	76,568,894	72,880,067
Parks, recreation and culture	42,601,230	42,865,541	42,229,577	44,256,562	43,808,392	38,707,111	35,802,294
Community development	45,934,636	37,561,438	40,414,055	42,939,187	36,782,407	38,028,091	31,709,885
Education	528,356,150	523,831,880	558,233,336	661,083,089	540,552,406	610,738,921	551,800,047
Capital outlay	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	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	52,075,247	53,154,667	50,854,909	48,380,508	49,049,819	43,459,098	40,576,792
<b>Total expenditures</b>	<b>1,177,053,488</b>	<b>1,147,363,703</b>	<b>1,181,105,474</b>	<b>1,315,272,268</b>	<b>1,102,527,537</b>	<b>1,117,245,071</b>	<b>1,019,214,880</b>
Excess of revenues over (under) expenditures	(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	225,303,162	295,977,594	210,275,969	318,270,686	170,873,438	183,476,008	144,180,421
Transfers (out)	(230,973,170)	(305,302,007)	(219,434,691)	(314,474,722)	(177,004,116)	(183,743,198)	(148,141,538)
Issuance premium	11,565,392	7,827,179	2,959,133	18,065,439	895,654	10,652,401	5,412,077
Issuance of bonds	-	89,750,000	175,720,527	382,004,977	12,290,000	188,800,000	160,225,000
Payments to refunded bond escrow agent	5,000,000	-	(89,120,000)	(131,030,000)	-	486,065	-
Sales of capital assets	-	2,784	4,014	7,169,475	110,672	15,029	652,421
<b>Total other financing sources (uses)</b>	<b>10,895,384</b>	<b>88,255,550</b>	<b>80,404,952</b>	<b>280,005,855</b>	<b>7,165,648</b>	<b>199,686,305</b>	<b>162,328,381</b>
<b>Net change in fund balances</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	\$ 170,779,698	\$ 154,430,283	\$ 127,224,409	\$ 131,877,802	\$ 128,802,621	\$ 114,880,554	\$ 107,191,994
Total expenditures	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	(37,726,538)	(55,271,711)	(60,858,796)	(87,290,325)	(36,744,321)	(31,622,908)	(40,161,282)
Noncapital Expenditure	\$ 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	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>
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			
2012	\$42,339,146,700	\$17,402,050,900	\$2,968,638,600	\$2,587,376,111	\$2,121,835,958	\$5,148,056,700	\$62,270,991,569	\$1.39
2011	40,803,550,100	16,805,417,800	3,074,079,800	2,374,460,302	2,079,399,563	4,975,969,800	60,160,937,765	1.43
2010	39,017,317,800	16,916,450,500	3,195,328,500	2,235,611,828	1,962,529,466	4,830,803,300	58,496,434,794	1.42
2009	39,830,524,980	17,976,712,400	4,009,280,100	2,081,825,371	1,976,148,727	5,023,445,900	60,851,045,678	1.36
2008	45,791,942,249	17,475,243,500	4,794,833,700	2,297,252,769	1,619,759,946	4,882,198,700	67,096,833,464	1.26
2007	48,322,231,082	15,810,626,800	4,143,962,100	2,188,395,870	1,387,749,362	4,725,959,400	67,127,005,814	1.07
2006	48,470,341,430	13,161,987,200	3,937,053,100	2,175,881,822	1,374,701,107	3,784,146,100	65,335,818,559	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 County Assessor, Land Book for each 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						
	2012	2011	2010	2009	2008	2007	2006
<b>LOUDOUN COUNTY</b>							
Countywide Tax Levies:							
Real property (1):							
General Fund	\$ 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	0.20	0.20	0.20
Aldie Sewer Service District	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Hamilton Sewer Service District	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	0.04	n/a
Total direct real property tax rate (2)	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
Mobile Homes	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
Heavy Equipment	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
Computer Equipment	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
Total direct personal property tax rate (2)	3.699	3.515	3.277	3.139	3.500	3.304	3.180
Total Direct Rate	\$ 1.39	1.43	1.42	1.36	1.26	1.07	0.99
<b>OVERLAPPING GOVERNMENTS (3)</b>							
Town of Hamilton							
Real Estate	\$ 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
Town of Leesburg							
Real Estate	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
Town of Lovettsville (4)							
Real Estate	0.21	0.21	0.21	0.18	0.18	0.18	0.18
Town of Middleburg (4)							
Real Estate	0.19	0.15	0.19	0.15	0.15	0.15	0.10
Town of Purcellville							
Real Estate	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
Machinery and tools	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Town of Round Hill							
Real Estate	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) Community Development Authority, Dulles Industrial Park Water & 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 assesement

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

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

Taxpayer	2012			2003		
	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	418,000,600	1	0.73%	\$ 188,854,000	3	0.61%
Verizon Business (formerly MCI Worldcom)	323,651,900	2	0.56%			
Dulles Town Center Mall LLC	254,847,700	3	0.44%	141,034,300	5	0.46%
VISA USA, Inc	202,086,000	4	0.35%			
Verizon Virginia, Inc	195,884,500	5	0.34%	135,394,900	6	0.44%
Toll Road Investors Partnership II, LP	173,309,300	6	0.30%	120,611,100	8	0.39%
Carlyle/Cypress Leesburg I LLC	154,433,600	7	0.27%			
America Online/Time Warner	151,173,900	8	0.26%	252,050,600	2	0.82%
R T Pacific Blvd LLC	144,523,800	9	0.25%			
Chelsea GCA Realty Partnership LP	131,365,500	10	0.23%			
UUNET Technologies, Inc				287,753,800	1	0.93%
MCI WorldCom Network Services Inc.				179,391,000	4	0.58%
Fairfield Lansdowne LP				124,096,400	7	0.40%
Brambleton Group LLC				120,397,400	9	0.39%
Smith, Verlin W et als Trustee				91,849,600	10	0.30%
Total	<u>\$ 2,149,276,800</u>		<u>3.73%</u>	<u>\$ 1,641,433,100</u>		<u>5.32%</u>

Source: Loudoun County Office of the County Assessor

TABLE I

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 824,588,825	\$ 814,824,969	98.82%	\$ -	\$ 814,824,969	98.82%
2011	806,466,618	798,492,092	99.01%	4,858,758	803,350,850	99.61%
2010	777,591,117	769,011,072	98.90%	7,333,643	776,344,715	99.84%
2009	778,479,460	769,016,213	98.78%	8,880,579	777,896,792	99.93%
2008	736,460,357	727,907,315	98.84%	8,282,052	736,189,367	99.96%
2007	651,303,109	643,512,026	98.80%	7,608,283	651,120,309	99.97%
2006	579,252,028	573,495,172	99.01%	5,581,858	579,077,030	99.97%

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 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			
2012	\$ 879,925,000	\$ 138,143,777	\$ 0	\$ 18,870,504	\$ 1,036,939,281	5.39%	\$ 3,156
2011	974,845,000	156,928,228	0	20,291,271	1,152,064,499	6.28%	3,594
2010	1,004,330,000	138,968,844	0	20,911,909	1,164,210,753	6.93%	3,728
2009	1,007,377,247	128,696,096	0	25,179,363	1,161,252,706	7.54%	3,808
2008	919,280,193	55,650,444	0	24,389,818	999,320,455	6.47%	3,349
2007	984,781,111	57,612,328	0	23,288,748	1,065,682,187	7.42%	3,682
2006	865,810,040	59,297,176	0	21,763,752	946,870,968	7.38%	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>
2012	\$ 879,925,000	\$ 0	\$ 879,925,000	1.41%	\$ 2,678
2011	974,845,000	0	974,845,000	1.62%	3,041
2010	1,004,330,000	0	1,004,330,000	1.72%	3,216
2009	1,007,377,247	0	1,007,377,247	1.66%	3,303
2008	919,280,193	0	919,280,193	1.37%	3,080
2007	984,781,111	0	984,781,111	1.47%	3,403
2006	865,810,040	0	865,810,040	1.33%	3,131

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

**TABLE L**

		Fiscal Policy Guideline	Fiscal Years						
			2012	2011	2010	2009	2008	2007	2006
Ratio Data:									
Population			328,533	320,583	312,311	304,964	298,420	289,397	276,542
Estimated Market Value of Taxable Property			\$ 62,270,991,569	\$ 60,160,937,765	\$ 58,496,434,794	\$ 60,851,045,678	\$ 67,096,833,464	\$ 67,127,005,814	\$ 65,335,818,559
Per Capita Income			\$ 58,559	\$ 57,242	\$ 53,824	\$ 50,519	\$ 51,773	\$ 49,607	\$ 46,388
Governmental Expenditures			\$ 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			\$ 1,036,939,281	\$ 1,152,064,499	\$ 1,164,210,753	\$ 1,161,252,706	\$ 999,320,455	\$ 1,065,682,187	\$ 946,870,968
Total Reporting Entity Debt Service Expenditures			\$ 179,700,528	\$ 163,843,477	\$ 138,679,732	\$ 141,921,045	\$ 138,365,448	\$ 122,205,086	\$ 112,877,657
Debt Capacity Goals / Ratios:									
Annual Debt Issuance Limit	\$ 200,000,000		\$ 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		\$ 3,156	\$ 3,594	\$ 3,728	\$ 3,808	\$ 3,349	\$ 3,682	\$ 3,424
Debt To Estimated Market Value of Taxable Property	3.00%		1.67%	1.91%	1.99%	1.91%	1.49%	1.59%	1.45%
Debt To Per Capita Income	7.50%		5.39%	6.28%	6.93%	7.54%	6.47%	7.42%	7.38%
Debt Service To Expenditures	10.00%		9.95%	9.10%	7.81%	7.49%	8.82%	8.45%	8.90%
Affordability Index:									
Fiscal Year 2012	\$1,509,937,190		\$ 1,036,939,281						
Fiscal Year 2011	\$1,454,172,977			\$ 1,152,064,499					
Fiscal Year 2010	\$1,387,115,335				\$ 1,164,210,753				
Fiscal Year 2009	\$1,378,391,120					\$ 1,161,252,706			
Fiscal Year 2008	\$1,460,582,342						\$ 999,320,455		
Fiscal Year 2007	\$1,427,761,149							\$ 1,065,682,187	
Fiscal Year 2006	\$1,357,045,596								\$ 946,870,968
<b>OVERLAPPING DEBT (2)</b>									
Commonwealth of Virginia			\$ 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			396,000	481,600	569,600	658,400	748,000	929,600	1,020,000
Northern Virginia Criminal Justice Academy			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)			109,906	137,382	164,858	192,335	219,811	274,764	315,980
Dulles Town Center Community Development Authority			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			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			473,342	593,601	-	-	-	-	-
Greenlea Community Bridge			372,907	393,633	-	-	-	-	-
Total Overlapping Debt			\$ 169,855,374	\$ 171,089,711	\$ 175,911,975	\$ 196,494,954	\$ 177,447,938	\$ 171,481,031	\$ 150,594,644
Fiscal Policy Guideline									
			\$ 622,709,916	\$ 601,609,378	\$ 584,964,348	\$ 608,510,457	\$ 670,968,335	\$ 671,270,058	\$ 653,358,186

(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 (2)</b>	<b>Unemployment Rate (3)</b>	<b>School Enrollment (4)</b>
2012	328,533	\$ 19,238,421,000	\$ 58,559	4.2%	65,668
2011	320,583	\$ 18,350,812,000	\$ 57,242	4.4%	63,220
2010	312,311	\$ 16,809,827,000	\$ 53,824	4.9%	60,096
2009	304,964	\$ 15,406,476,000	\$ 50,519	5.2%	57,009
2008	298,420	\$ 15,450,099,000	\$ 51,773	2.9%	54,047
2007	289,397	\$ 14,356,117,000	\$ 49,607	2.2%	50,478
2006	276,542	\$ 12,828,230,000	\$ 46,388	2.4%	47,361

**Sources:** (1) County of Loudoun Planning Department  
(2) County of Loudoun Department of Management and Financial Services  
(3) Virginia Employment Commission for the month of June  
(4) 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	2012			2003		
	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	9,663	6.95%	1	4,625	4.56%
County of Loudoun	2	3,477	2.50%	4	2,478	2.45%
U.S. Department of Homeland Defense	3	1,000-5,000	2.16%			
Orbital Sciences Corporation	4	1,000-5,000	2.16%			
United Airlines	5	1,000-5,000	2.16%	3	1,000-5,000	2.96%
M.C. Dean, Inc	6	1,000-5,000	2.16%			
Worldcom	7	1,000-5,000	2.16%	10	1,000-5,000	2.96%
Loudoun Hospital Center	8	1,000-5,000	2.16%			
United States Postal Service	9	1,000-5,000	2.16%			
AOL, Inc	10	1,000-5,000	2.16%	2	1,000-5,000	2.96%
Atlantic Coast Airlines United Express				5	1,000-5,000	2.96%
United States Department of Transportation				6	1,000-5,000	2.96%
UUNET Payroll Services				7	1,000-5,000	2.96%
United States Postal Service				8	1,000-5,000	2.96%
United Parcel Service, Inc.				9	1,000-5,000	2.96%
Totals			<u>26.73%</u>			<u>30.69%</u>

**Sources:**

- (1) Virginia Employment Commission, 4th Quarter 2011 and 2002, 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						
	2012	2011	2010	2009	2008	2007	2006
General Government Administration	372	372	379	348	352	339	344
Judicial Administration	132	128	128	126	128	128	125
Public Safety	1,407	1,294	1,294	1,294	1,331	1,322	1,232
Public Works	84	83	83	113	120	124	116
Health and Welfare	589	599	599	598	603	601	603
Parks, Recreation and Culture	605	570	570	572	573	573	556
Community Development	237	257	249	253	268	266	274
Total Primary Government	3,426	3,303	3,302	3,304	3,375	3,353	3,250
Education	9,663	10,098	9,838	10,533	9,309	8,844	7,648
Total Reporting Entity	13,089	13,401	13,140	13,837	12,684	12,197	10,898

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

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

Function	Fiscal Years						
	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
Standard and Poor's	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Fitch	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Energy cost per square foot of owned space	\$ 2.10	\$ 2.08	\$ 2.16	\$ 2.96	\$ 2.60	\$ 1.97	\$ 1.78
Major computer availability	98.0%	99.9%	100.0%	100.0%	100.0%	100.0%	99.7%
<b>Judicial Administration</b>							
Number of Deed book recording	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	9:00 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	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	17,067	18,133	16,060	15,888	16,381	16,204	14,328
<b>Health and Welfare</b>							
Number of senior meals provided	116,250	113,500	113,276	111,252	113,444	95,879	92,725
Number of vaccinations administered(a)	5,000	2,248	58,177	4,591	3,714	9,586	8,402
Number of Loudoun residents in the Medical Reserve Corps	1,300	1,100	1,189	900	816	700	550
<b>Parks, Recreation, and Culture</b>							
Annual park visits	660,144	567,415	541,358	775,928	849,462	637,443	613,517
Number of adults participating in adult sports leagues	6,125	5,279	6,934	10,124	10,386	9,871	9,119
Number of children participating in youth sports	49,189	83,370	63,680	62,075	87,985	86,700	82,400
<b>Community Development</b>							
Number of new homes approved(b)	3,750	2,959	1,958	2,085	2,391	2,739	3,061
Number of new structures completed after January 1st of tax year	1,402	1,067	1,360	1,260	4,332	3,109	3,903
Number of subdivision applications submitted	260	246	193	284	364	479	381
<b>Education</b>							
Per Pupil Expenditures	\$ 12,514	\$ 12,062	\$ 12,345	\$ 13,473	\$ 13,293	\$ 12,388	\$ 11,759
High School Completion Rate	95.30%	94.00%	95.95%	96.08%	95.27%	94.27%	94.36%
Pupil-Teacher Ratio							
Kindergarten	24.0	24.0	24.0	23.0	22.0	22.0	22.0
Elementary	24.0	24.0	24.0	23.0	22.0	22.0	22.0
Intermediate/Middle	23.6	23.6	23.6	22.6	21.6	21.6	21.6
High	27.9	27.9	27.9	26.9	25.9	25.9	25.9
SAT Scores							
Math	535	532	536	535	531	527	528
Critical reading	531	536	535	533	525	522	525
Writing	<u>524</u>	<u>524</u>	<u>526</u>	<u>525</u>	<u>519</u>	<u>511</u>	<u>508</u>
Total	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) 2012 is Projected residential building permits

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

Function	Fiscal Years						
	2012	2011	2010	2009	2008	2007	2006
<b>General Government Administration (1)</b>							
Square footage of office space - Owned	485,138	427,665	297,321	297,321	297,321	297,321	297,321
Square footage of office space - Leased	222,539	257,289	261,633	250,412	225,826	192,471	172,962
Square footage of court space	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	3	3	2	2
Jail capacity	460	220	220	220	220	220	220
Square footage of jail	212,000	114,924	114,924	87,850	87,850	87,850	87,850
Fire and Rescue							
Fire and Rescue stations	20	19	19	18	19	18	18
Other protections							
Animal shelters	1	1	1	1	1	1	1
<b>Public Works (1)</b>							
Transportation							
Commuter buses	50	47	45	38	35	33	31
<b>Health and Welfare (1)</b>							
Mental Health and Developmental Services							
Group homes - Mental Health	12	12	11	11	11	11	11
Group homes - Developmental Services	7	7	7	7	7	7	7
Family Services							
Homeless shelters	1	1	1	1	1	1	1
Transition shelters	1	1	1	1	1	1	1
Youth shelters	2	1	1	1	1	1	1
<b>Parks, Recreation and Culture (1)</b>							
Libraries	7	7	7	7	7	7	7
Square footage of libraries	122,088	127,920	123,200	108,200	108,200	107,600	107,600
Parks and Recreation Facilities							
Regional parks	3	3	2	2	2	2	2
District parks	3	3	3	3	2	2	2
Community parks	19	12	12	10	5	4	4
Acres of parks	3,580	3,316	3,316	2,965	2,746	2,746	2,746
Recreation Center	1	1	1	1	1	-	-
Square Footage of recreation center	84,209	84,209	84,209	84,209	84,209	-	-
Community Centers	9	7	7	7	10	11	11
Square Footage of community centers (a)	92,696	76,274	76,274	76,274	99,445	96,644	96,644
Respite centers	3	2	2	2	2	2	1
Senior citizen centers	3	2	2	2	2	2	1
<b>Community Development (1)</b>							
Landfill							
Landfills	1	1	1	1	1	1	1
Recycling drop-off centers	9	9	9	9	9	9	9
<b>Education (2)</b>							
Elementary Schools							
Buildings	53	52	51	50	47	44	44
Square footage	3,790,826	3,690,349	3,588,208	3,497,213	3,227,060	2,919,888	2,919,888
Capacity	33,945	33,070	32,318	31,731	29,299	26,598	26,818
Middle Schools							
Buildings	14	13	13	13	13	12	12
Square footage	2,234,279	2,056,399	2,056,399	2,029,747	2,029,747	1,860,987	1,860,987
Capacity	16,696	15,346	15,476	15,403	15,300	13,419	13,356
High Schools							
Buildings (b)	13	12	10	10	10	11	11
Square footage	3,149,764	2,874,190	2,342,849	2,342,849	2,342,849	2,406,968	2,406,968
Capacity	20,523	18,723	15,118	15,206	15,257	15,161	14,980
Alternative Schools							
Buildings (b)	2	2	2	2	2	1	1
Square footage	124,862	124,862	124,862	124,862	124,862	47,022	47,022
School Buses	854	840	780	731	742	744	675

Sources: (1) Loudoun County Office of Construction and Waste Management

(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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Phone 703-777-0290