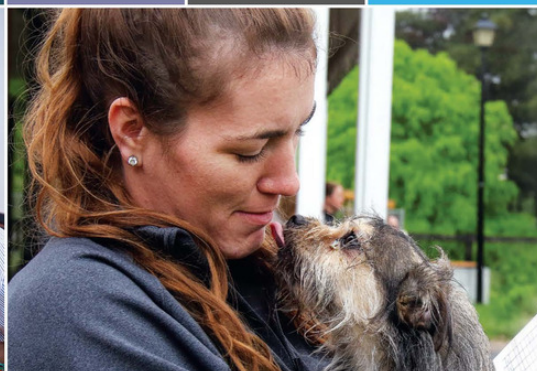




# Comprehensive Annual Financial Report

Year ended June 30, 2018





# **COUNTY OF LOUDOUN, VIRGINIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended**

**June 30, 2018**



**Prepared by:**

**Department of Finance & Procurement  
Division of Accounting & Financial Analysis**

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Lisa W. Cockrell, Controller  
Sheryl Asbell, Accounting Manager



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# COUNTY OF LOUDOUN, VIRGINIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

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# Introductory Section

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**Loudoun County Board of Supervisors, 2016-2019**

The Introductory Section includes the letters of transmittal, which provide a profile of the government, the local economic condition and outlook, long term financial planning goals, and major initiatives. Also included in the introductory section is the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting, an organizational chart, a directory of officials, and an overview of the County.







## 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, 2018

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

Dear Members of the Board and Citizens:

I am pleased to present the County's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018.

This report prepared by the Financial Analysis and Accounting Division of the Department of Finance and Procurement, 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 CAFR 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 provide guidance to the County Administrator in ensuring 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 ability to borrow 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 progress summarized in the CAFR is an indication of the success of these policies. During fiscal year 2018, Moody's Investors Services, Inc. affirmed the County's Aaa bond rating, Standard and Poor's (S&P) and Fitch Credit Rating Services affirmed the County's AAA bond ratings. This action represents the highest rating available for general obligation bonds from all three rating agencies.

The County concluded fiscal year 2018 in sound financial condition. In addition, the County continued its commitments designed to effectively manage the challenges that continued growth has brought to Loudoun County. These commitments include extending the Metrorail Silver Line into Loudoun County; and as a result, updating the County's Comprehensive Plan. The Board continues to designate two cents of real estate tax revenues in support of multiple road projects both of which serve to improve the regional transportation network.

Population growth continues to be a dominant local trend affecting every area of the government's operations. Loudoun is expected to continue to experience one of the highest percentage growth rates in population and jobs in the Washington Metropolitan Area. According to the U.S. Department of Commerce, Bureau of the Census, Loudoun's population increased by 84 percent between 2000 and 2010, which resulted in Loudoun being recognized as the fifth fastest growing county in the nation. Between 2010 and 2017, Loudoun was the 19th fastest growing county in the nation and the third most populous jurisdiction in Northern Virginia, and the fourth most populous in the Commonwealth of Virginia.

Board of Supervisors and Citizens

Continued planning and commitment is required to meet the challenge of efficiently providing needed services for the growing population; providing for the necessary infrastructure for the future; and growing the tax base and resources required to pay for that infrastructure. Loudoun County has continued to follow a policy of fiscal sustainability. In April 2018, the County adopted a fiscal year 2019 budget that resulted in an overall increase of \$40.3 million in the general county government and a \$74.1 million addition in the school operating fund as compared to fiscal year 2018 appropriations.

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

The County's financial health is reflected in the soundness of its current financial condition, 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', is written over the printed name.

Tim Hemstreet  
County Administrator





## Loudoun County, Virginia

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

Department of Finance and Procurement

1 Harrison Street, S.E., 4th Floor, MSC #41

P.O. Box 7000, Leesburg, VA 20177-7000

Telephone (703) 777-0563 • Fax (703) 777-0632

November 30, 2018

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the County of Loudoun, Virginia, for the fiscal year ended June 30, 2018, was prepared by the County's Department of Finance and Procurement, Division of Financial Analysis and Accounting, in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

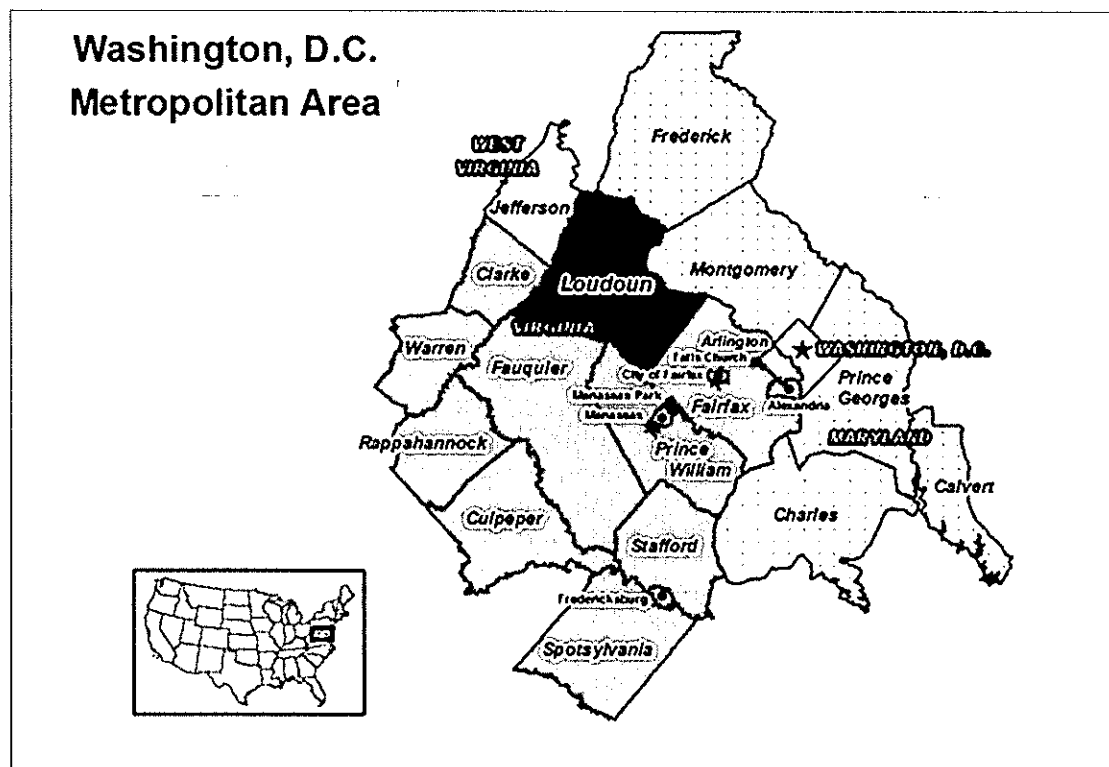
The data as presented is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of our various funds, and all disclosures necessary to enable the reader to understand the County's financial activity have been included. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Virginia statute, Section 15.2-2511 of the *Code of Virginia*, requires an annual audit be performed by independent certified public accountants in conformity with GAAP. The accounting firm of Cherry Bekaert LLP was selected by the County's Board of Supervisors to perform the annual financial and compliance audit. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the revised Federal Uniform Grant Guidance. The independent auditor report of 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 Uniform Grant Guidance, 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. Based upon the audit, the County's independent auditor rendered an unmodified ("clean") opinion on the Loudoun County's financial statements for the year ended June 30, 2018.

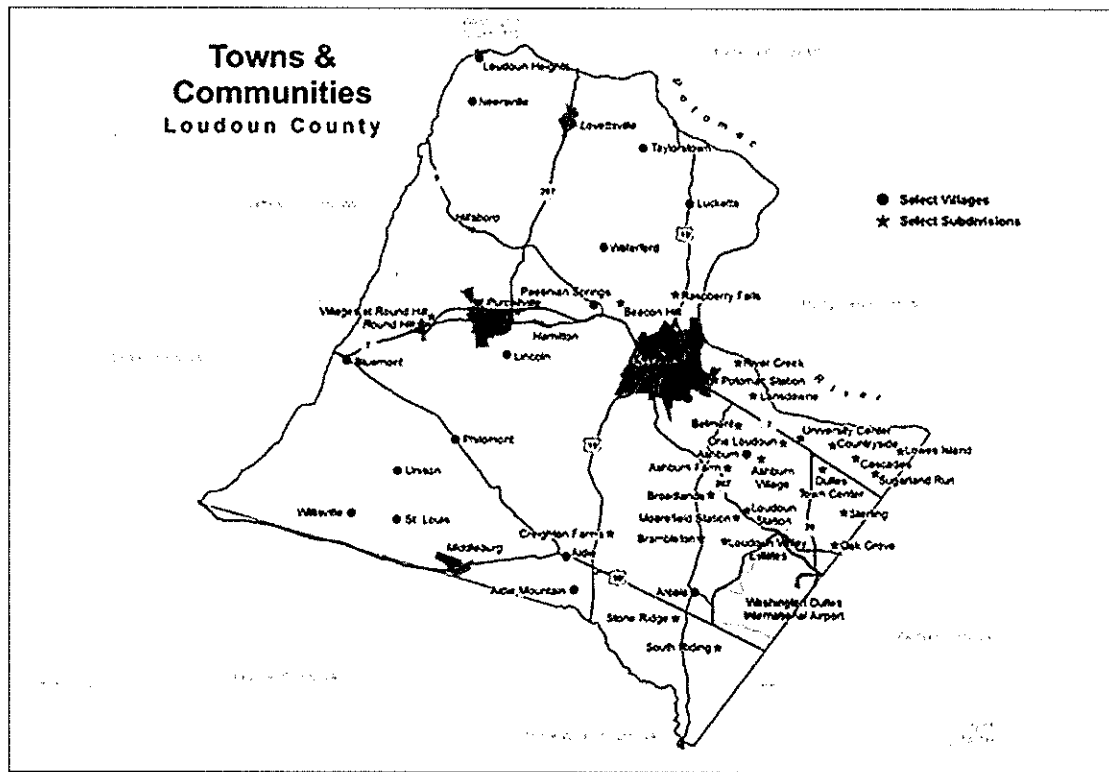
GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent Auditors.

### Profile of the Government

Loudoun County, established in 1757, is located in the northwestern tip of the Commonwealth of Virginia, 25 miles northwest 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 and zoning, building and development, environmental management, economic development, and cooperative extension); public works (sanitation and maintenance); and general government administration (legislative, general and financial, elections, and judicial). A summary of the financial highlights of these operations for the fiscal year ended June 30, 2018 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 date on which the fiscal year begins. The annual budget serves as the foundation for the County's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual Budget and Appropriations Resolution and adopted in the Budget by the County's Board of Supervisors. The County initiates its budget process for the upcoming fiscal year in September to allow for collaboration between County staff, the Board of Supervisors, and the public. Between September and November, the departments submit their budget requests which are then reviewed based on service needs and Board priorities. Activities of the General Fund, most Special Revenue Funds, and the Debt Service Fund are included in the annual Appropriations Resolution and adopted Budget. Project length budgets are adopted for Capital Project Funds. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund.

Management control is maintained at the department level within each organizational unit. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end, with the exception of the capital projects, grants and certain restricted funds; however, after review, they generally are re-appropriated as part of the following year's budget.

#### Local Economic Condition and Outlook

Loudoun County continues to maintain financial strength and stability while simultaneously implementing policies to further enhance the high standard of living and “quality of life” enjoyed by its citizens. Loudoun continues to rank among the fastest growing counties in the nation. With an estimated 2018 population of 402,561, this represents a 22.4% increase since 2010. Meanwhile, the County continues to provide high-quality public services to existing residents and to increase its attractiveness to future residents, while minimizing budgetary increases and tax burdens.



Loudoun's economy continues to diversify and prosper. Once an overwhelmingly rural, agrarian community, the County remains home to nearly 1,400 farms which raise livestock and produce, with much of the latter sold to local consumers. The County continues to facilitate successful direct-sale opportunities for agricultural businesses including the spring and fall Farm Tours, and the Loudoun, VA Made, Loudoun, VA Grown Program which showcase the many farm sites, craft beverage producers and other small agribusinesses thriving in the County. In June 2018, the Virginia Craft Brewers Guild announced the results of the 2018

Virginia Craft Beer Cup, highlighting four Loudoun breweries. The contest had 375 beers competing in 27 categories, making it one of the largest state competitions in the U.S. This highlights the success that the growing craft beverage sector is having in the County.



Loudoun County continues to prove itself as an attractive County for businesses to establish, expand in, or move to. In June 2018, Governor Ralph Northam announced that Discovery, Inc., an American media company and worldwide leader in real life entertainment, intends to invest \$16 million to expand its global technology and operations hub in Loudoun County, creating approximately 240 new jobs. This is just one of several businesses that announced their move to or expansion in Loudoun County. On the small business side, 86% of Loudoun's businesses have fewer than 20 employees. This segment of the economy has the greatest potential for growth, and is illustrated by the presence of 24 Loudoun businesses currently listed on Inc. Magazine's annual listing of fastest growing companies, with the past year marking the fourth year in a row with more than 20 Loudoun businesses making the list. To support the growth of small businesses in the County, Loudoun has focused on creating entrepreneurial ecosystems and partnering with small business “incubators” to assist start-up companies and connect them with resources. Connecting all of Loudoun's enterprises to the global economy is one of the world's largest concentrations of data centers, as well as Dulles International Airport.

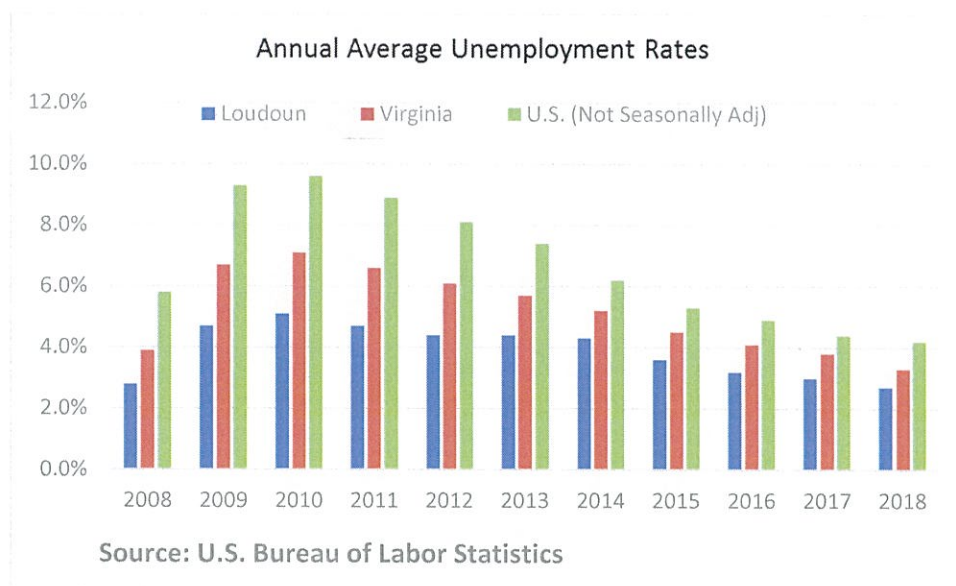
In fiscal year 2018, Economic Development successfully worked with more than 100 businesses that moved to or expanded in the County. Those businesses invested a combined total \$6.4 billion in Loudoun and 7,771 jobs recruited or retained. The companies that moved to or expanded in the County during FY 2018 represent continued diversification with the addition of agricultural, cybersecurity, and professional sports businesses. Additional information on the County's FY 2018 economic development activities can be found in the annual report online at <https://biz.loudoun.gov/annualreport/>.



Loudoun's economic and demographic environment continued to improve in calendar year 2017. The number of new residential dwelling units permitted remained strong, exceeding 3,600. More than 4.2 million square feet of private-sector, non-residential space was permitted for construction of which 1.7 million square feet was attributable to data center space. In addition, the assessed values of both real and personal property continued to increase during 2017.

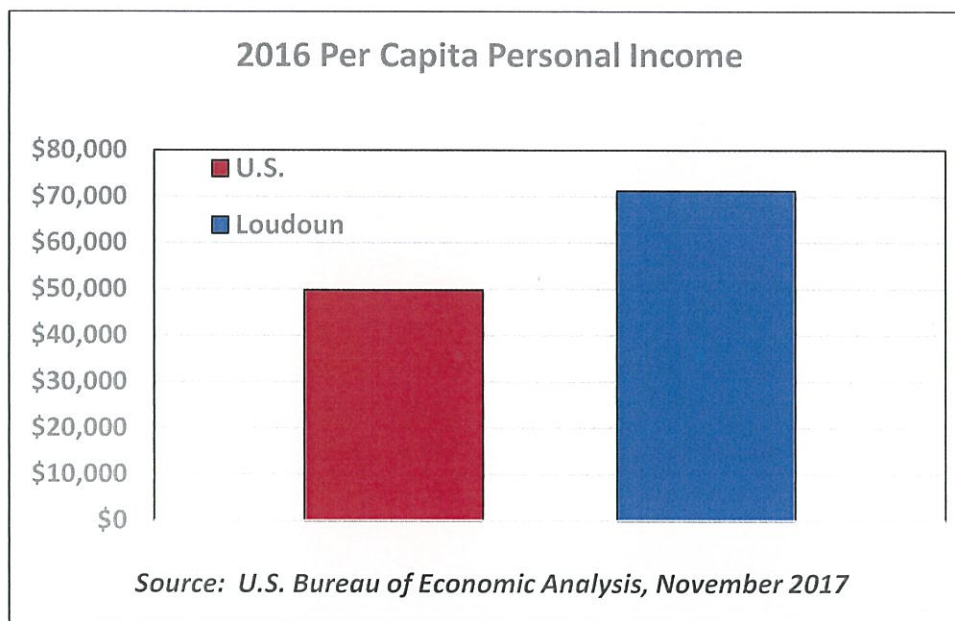
The construction of the Metro Silver Line into Loudoun remains a driver for economic development opportunities. In the area around the future Ashburn and Loudoun Gateway stations, referred to as the Silver-Line Planning Area, the Department of Economic Development is marketing mixed-used transit-oriented communities including Loudoun Station, Gramercy District, Moorefield Station, and Washington Dulles Gateway.

In addition to all of these diverse factors, Loudoun's unemployment rate continues to be consistently lower than the national average, as shown in the chart below. The unemployment rate for Loudoun County remained low at 2.7 percent as of June 2018, significantly lower than the corresponding U.S. unemployment rate of 4.2 percent.



The County continues to pursue policies that balance residential growth, and the resulting demands for services, with continued expansion of the revenue generating commercial sector. The adopted Economic Development Strategic Plan aligns public and private resources toward shared goals and priorities to enhance the commercial tax base. The Strategic Plan envisions an innovative, globally competitive economy known for its favorable business environment, exceptional quality of place and strong sense of community.

Income levels in Loudoun County continue to exceed the U.S. average by a large margin. The County's median household income has been ranked highest in the nation since 2007 among jurisdictions with populations above 65,000. The U.S. Census Bureau's 2016 American Community Survey 1-Year Estimates reported Loudoun's median household income to be \$134,464, more than twice the nationwide median of \$57,617. Loudoun County's income per person is also substantially above the national average. The chart below compares the most recent per capita personal income data for Loudoun (\$71,218) with the U.S. average (\$49,820).



Education continues to be a priority program, and the benefits are demonstrated in excellent testing results. The County School System has a very favorable teacher/pupil ratio and has obtained recognition for excellence in education. In 2017, Loudoun County Public Schools' (LCPS) average ACT Composite test scores and SAT scores exceeded both the state and national averages. Additionally, in 2018, LCPS was named the 2018 Project-Based Learning Champion District by the Buck Institute for Education. Project-Based Learning is a teaching method in which students gain knowledge and skills by working for an extended time period to investigate and respond to an authentic, and complex question, problem, or challenge.

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

#### Long-term Financial Planning

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

The Board of Supervisors' Fiscal Policy provides accounting, budgeting, and financial management directives. The policy requires a fund balance Fiscal Reserve equal to 10% of operating revenues in the general and school funds. Any withdrawal of the fiscal reserve requires Board approval, must meet specific criteria identified in the fiscal policy, and include a plan to replenish the fiscal reserve over a period of not more than three years. The policy also places

limits on how much long-term debt the County can incur to build public facilities. These debt guidelines are used in the development of the Capital Improvement Plan each year.

### Major Initiatives

During FY 2018, Loudoun County entered into an exciting new partnership with DC Soccer Management Company (DCSMC) and DC Sports Facilities Entertainment, LLC (DC Sports) to base team offices for the Major League Soccer team DC United and a new affiliate Division II franchise, Loudoun United Franchise Club, in Loudoun County. The County and DC Sports executed a Memorandum of Understanding, in which the County will lease to DC Sports approximately 54 acres of land at the County owned Philip A. Bolen Memorial Park in Leesburg, Virginia to construct facilities for Loudoun United and DC United. The joint project includes the construction of (i) a stadium for Loudoun United with a minimum capacity of 5,000 seats; (ii) approximately 40,000 square feet of shared headquarters and training facilities for both teams, and (iii) four full-size soccer fields, including adequate parking, lighting and restroom facilities. Two of the fields will be for exclusive use by DC United and Loudoun United, and the other two fields will be available for County use and for joint community programming by DC Sports and the County. The County will own the facilities; however DC Sports will be responsible for the design and construction of the facilities. The County will issue up to \$15 million of lease revenue bonds through the Loudoun County Economic Development Authority for design and construction; however, DC Sports will pay the principal and interest on the bonds via lease payments pursuant to a lease agreement. The lease will be for 40 years, with an option of two ten-year extensions.

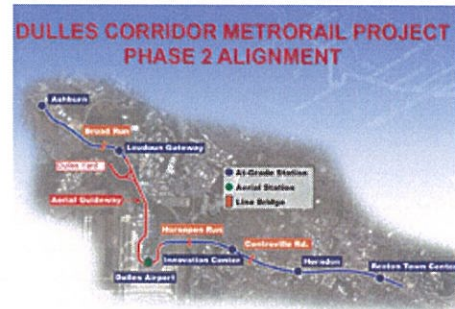
Loudoun United is expected to play 15 home games each season at the new stadium, starting in March 2019. This partnership with DCSMC and DC Sports will provide a variety of benefits to the County, both from the economic impacts, and general community benefits. As part of this partnership, the County Department of Parks, Recreation and Community Services and DC United will work collaboratively in providing quality opportunities for youth within the County to participate in training sessions, clinics, camps and other classes focused on developing young athletes. Partnering with a professional sports team will further enhance these programs.

One of the Board's strategic initiatives is in the area of community needs and quality of life. Of particular focus in this area is affordable housing. In 2013, the prior Board of Supervisors assembled a Housing Stakeholders Group to examine the issue of affordable housing, and develop recommendations that included a housing needs assessment to identify needs and guide the County's long term housing strategy. Other recommendations included: establishing measurable goals for achieving housing affordability; revisiting the County's Affordable Dwelling Unit (ADU) strategy to focus on the rental market; develop a staff Affordable Housing Assistance Team; and to develop a strategy to leverage the Housing Trust Fund. In 2016 the current Board continued with this initiative. The Affordable Housing Assistance Team was established and is comprised of staff from the departments of Family Services, Management and Budget, Planning and Zoning, Transportation and Capital Infrastructure, County Administration, Building and Development, Finance and Procurement, and the Department of Economic Development. In July 2017, the Board broadened the use of the Housing Trust Fund by amending the Trust Agreement to specify that the range of beneficiaries of the Trust include households with incomes between 30 percent of the Area Median Income (AMI) to 50 percent AMI (\$110,300 for 2017) for rental units. This is consistent with the Zoning Ordinance and projects containing Affordable Housing Units that are developed using Low Income Housing Tax Credits or the HUD 221 (d) (4) Affordable program and are substituted for ADUs. This allows the Trust funds to be used more expansively to finance affordable rental units and help advance projects that propose greater numbers of affordable units that otherwise would not have qualified. Since the Board adopted the amendments to the trust agreement, the Board has approved two affordable housing developments, Stone Springs Apartments and Ashburn Chase Apartments. The Stone Springs Apartments development includes 128 units of one to three bedrooms for households with



incomes up to 60 percent AMI. The financing for this development included a Housing Trust Loan of \$3 million in addition to other HUD compliant financings, and tax-exempt bonds issued through the Loudoun County Economic Development Authority. The Ashburn Chase Apartments development includes 96 apartments in two 48 unit buildings for households with incomes up to 60 percent AMI. The financing included two separate Housing Trust Loans totaling \$2.46 million, along with Low Income Housing Tax Credits from the Virginia Housing Development Authority (VHDA) and VHDA tax-exempt bonds.

In October 2017, the Board held a Housing Summit to discuss housing policy, and other issues of affordability and attainability in Loudoun County. As revisions are made for the new Comprehensive Plan through the Envision Loudoun process, the need for attainable housing and a mix of housing types has been identified as critical, and the stakeholders group was directed to look at the best locations for this added density given access to public infrastructure and existing/planned amenities. Additional opportunities and recommendations that came out of the summit included developing a Revolving Loan Program for leveraged use of the Housing Trust; developing a resolution of intent to amend the Zoning Ordinance to establish necessary revisions and newly created amendments to incentivize affordable housing; and develop a public land inventory.



The Board maintains its commitment to the extension of the Metrorail Silver Line into Loudoun County. In response to approval of the Metrorail project, Moody's, one of the nation's top bond rating agencies, issued a "credit positive" statement for Loudoun in recognition of the expected new commercial and residential growth resulting from the extension of metro into the County. Construction of the Silver Line Project continues to progress as the anticipated revenue-service commencement in 2020 approaches. The Board has established through its Strategic Initiatives Plan, goals of ensuring that road, pedestrian, and transit connections are made for the Metrorail expansion. The success of the Metrorail in the County depends upon economic development opportunities around the stations, which begins with access created through development of bike, pedestrian, and other infrastructure connectivity to the stations. In addition, the County's transit service routes have been and continue to be modified to incentivize the use of Metrorail. The Board has engaged in Transit Summits with the Department of Transportation and Capital Infrastructure to evaluate current transit operations and the plans for transition of specific services when Metrorail revenue service begins in the County. Similarly, the Board has engaged in Transportation Summits to stay abreast of the status of road and transit projects underway in the County and any identified needs going forward, some of which are related to Metrorail. There are several currently active and planned projects in the CIP that will directly support the Metrorail operations, including: extension of Croson Lane between Old Ryan Road and the Ashburn Metrorail Station; Claiborne Parkway which completes the missing link in the roadway to provide north-south connectivity to the Moorefield Station development adjacent to the Ashburn Metrorail Station; improvements to Prentice Drive and Shellhorn Road; Route 606 Widening; and Metro Station Area Pedestrian Improvements which includes the provision of sidewalks and trails along roads leading to Metrorail stations.



The County has been actively engaged in developing a new Countywide Comprehensive Plan, Envision Loudoun, which will serve to address growth, land use, transportation, community facilities and amenities, economic development and fiscal management in the County which will result in a new comprehensive plan that will serve as Loudoun County government's guiding document for land use and development for the foreseeable future. A Stakeholders Committee composed of various citizens and representatives of key stakeholder groups within the County, was established during FY 2016 and began working with Loudoun County staff and consultants



to help guide a plan development process and provide critical feedback and direction on a new comprehensive plan.

As part of this process, the Board merged the previous Silver Line Area Plan Amendment process with Envision Loudoun so that all major land-use decisions were being considered simultaneously. Under the current draft, the Silver Line Plan Area has been merged into a new Urban Area within the Suburban Policy Area to address the planned land uses around and between the future Metrorail stations. The intent of these areas is to ensure appropriate transit-oriented mixed-use development which are fiscally positive and designed to accommodate the development of higher density uses; concentrating new job opportunities in compact, walkable activity centers near the Metrorail stations; and concentrating the highest densities in mixed-use communities near the Metrorail stations, preserving parks and open space, allowing for innovative land use patterns, creating abundant opportunities for amenities and entertainment, and providing numerous efficient transportation options. The current draft of the Plan is tentatively scheduled to be adopted in 2019. More information can be found on the Envision Loudoun website <http://www.envision-loudoun.org/>.

The County's Capital Improvement Program (CIP) budget continues to grow in complexity. The priority projects in the CIP include transportation, public safety and public school projects. At its September 2016 strategic planning retreat, the Board of Supervisors re-affirmed transportation as one of their strategic focus areas. Transportation projects consist of nearly 40% of total CIP expenditures, the largest expenditure category in the capital budget. The Board of Supervisors dedicates two cents of the real property tax rate per annum to assist with the cost of local transportation projects. The County receives local and regional funds from the Northern Virginia Transportation Authority (NVTA) as authorized by House Bill (HB) 2313, in addition to other funding including proffers, and state and federal grants. Additionally, the County has entered into agreements with the Virginia Department of Transportation (VDOT) to provide funding for projects that will be managed and constructed by VDOT. As of FY 2018, there were 45 active transportation and transit projects in various phases of design and construction, including segments of Crosstrail Boulevard, Belmont Ridge Road Improvements, various Intersection and Interchange Improvements, Route 772 Connector Bridge, Metrorail Parking Garages, and two segments at Northstar Boulevard.

Many public safety and parks and recreation projects are in development such as a Public Safety Firing Range, several new and replacement fire and rescue stations, the construction and renovation of the Courts Complex, Lovettsville Community Center, and the Lovettsville District Park.

County projects completed in FY 2018 include: Alder School Road; Mooreview Parkway; Tall Cedars Parkway, including missing segments from Pinebrook Road to Gum Springs Road; Youth Shelter Renovations, and the Dulles South Multipurpose Center.

In addition to construction costs, the County must plan for the 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.

#### 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, 2017. 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.

Additionally, the GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of Loudoun for its Popular Annual Financial Report for the fiscal year ended June 30, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

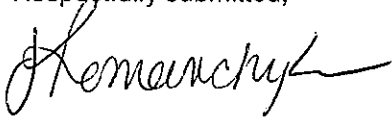
An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The County has received the Popular Award for the first time.

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

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Romanchyk", with a long horizontal flourish extending to the right.

Janet Romanchyk  
Director, Department of Finance and Procurement

A handwritten signature in black ink, appearing to read "Lisa Cockrell", with a large, stylized "L" and "C".

Lisa Cockrell  
Controller



Government Finance Officers Association

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

Presented to

**County of Loudoun  
Virginia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

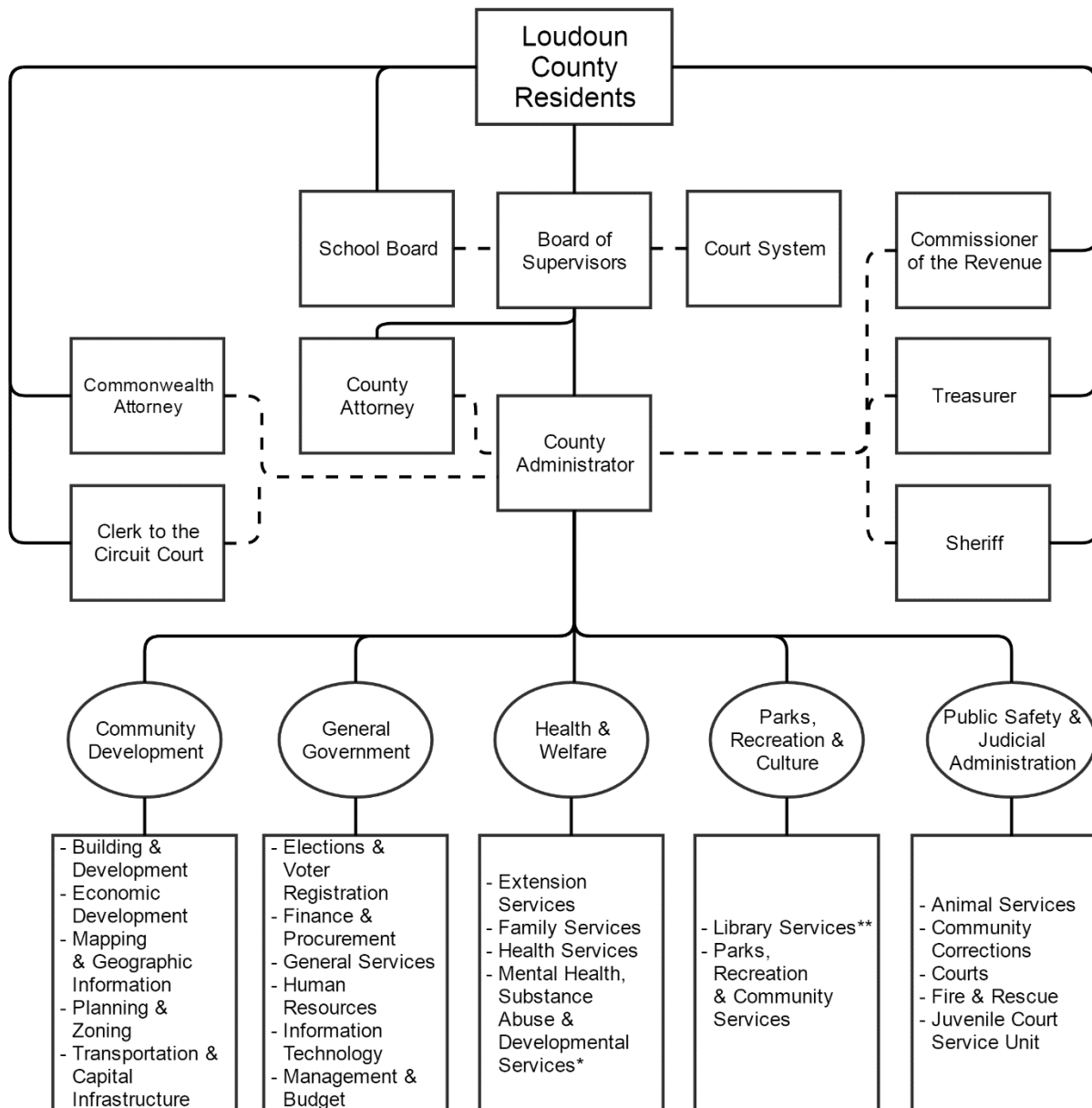
**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



# ORGANIZATIONAL CHART



Board of Supervisors Standing Committees	Departmental Policy Boards
Finance, Government Operations, and Economic Development	Community Services Board*
Joint Board/School Board	Library Board of Trustees**
Transportation and Land Use	

# **COUNTY OF LOUDOUN, VIRGINIA**

## **Directory of Officials June 30, 2018**

### **BOARD OF SUPERVISORS**

Phyllis J. Randall, Chair, At-Large  
Ralph M. Buona, Vice Chair, Ashburn District  
Suzanne M. Volpe, Algonkian District  
Tony R. Buffington, Jr., Blue Ridge District  
Geary M. Higgins, Catocin District  
Matthew F., Letourneau, Dulles District  
Kristen C. Umstattd, Leesburg District  
Koran T. Saines, Sterling District

### **SCHOOL BOARD**

Jeff E. Morse, Chairman, Dulles District  
Brenda L. Sheridan, Vice Chairman, Sterling District  
Debbie K. Rose, Algonkian District  
Eric D. Hornberger, Ashburn District  
Beth A. Huck, At Large Member  
Jill A. Turgeon, Blue Ridge District  
Joy R. Maloney, Broad Run District  
Eric J. DeKenipp, Catocin District  
Tom C. Marshall, Leesburg District

### **CONSTITUTIONAL OFFICERS**

Gary M. Clemens, Clerk of Circuit Court  
Robert S. Wertz, Commissioner of Revenue  
James E. Plowman, Commonwealth's Attorney  
Michael L. Chapman, Sheriff  
H. Roger Zurn, Jr., Treasurer

### **ADMINISTRATIVE OFFICERS**

Tim Hemstreet, County Administrator  
Charles Yudd, Deputy County Administrator  
John Sandy, Assistant County Administrator  
Anne Lewis, Assistant County Administrator  
Valmarie Turner, Assistant County Administrator  
Kenny Young, Assistant County Administrator  
Leo P. Rogers, County Attorney

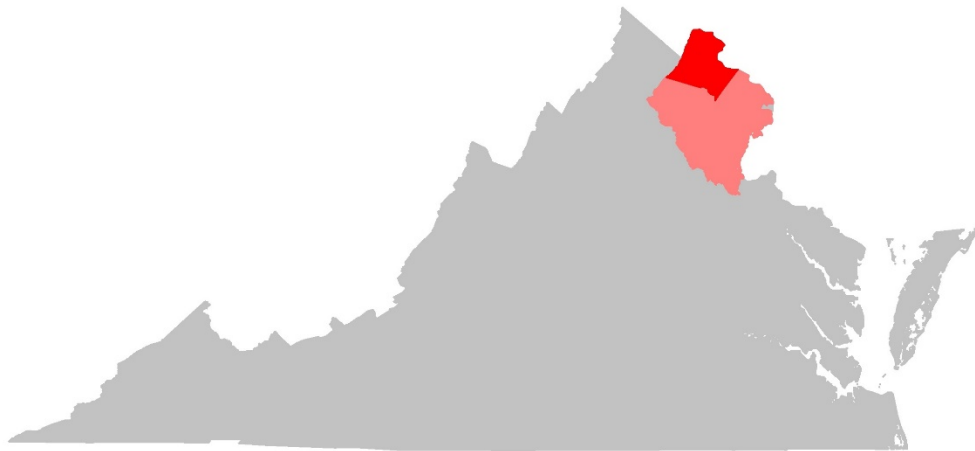
## COUNTY OF LOUDOUN

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 402,561 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.





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# Financial Section

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**New Dulles South Recreation and Community Center**

The Financial Section includes the report of the independent auditor, management's discussion and analysis, basic financial statements with accompanying notes, required supplementary information, and other supplementary information.





# Report of Independent Auditor

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One Loudoun is an urban inspired mixed-use community located in the heart of Loudoun County at Rt. 7 and Loudoun County Parkway.



## **Report of Independent Auditor**

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

### **Report on the Financial Statements**

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



**Emphasis of Matter**

As discussed in Note XXII to the financial statements, effective July 1, 2017, the County adopted the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

**Other Matters*****Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, 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 GASB, 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.

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Introductory Section, Other Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, 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 solely 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 the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Tysons Corner, Virginia  
November 30, 2018

# Management's Discussion and Analysis

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In July of 2017, Dulles South commuter buses began departing from the new Stone Ridge II park and ride lot.



**COUNTY OF LOUDOUN, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2018**

The following discussion and analysis of the County of Loudoun, Virginia's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2018. 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 2018**

The total reporting entity, which includes the School Board component unit, has positive net position of \$1.6 billion at June 30, 2018, which represents a 10.1% increase over FY 2017 net position, as restated. (Exhibit I).

The total reporting entity's Governmental Activities had expenses net of program revenues of \$2.43 billion and general revenues of \$2.59 billion, resulting in an increase in net position of \$152.31 million. (Exhibit II)

As of June 30, 2018, the County's total governmental funds reported combined fund balances of \$1.07 billion, an increase of \$71.3 million over FY 2017. Approximately 53.7%, or \$572.3 million is unrestricted and available to meet the County's current and future needs. (Exhibit III & Exhibit V)

At the end of the current fiscal year, the unassigned fund balance of \$99.5 million was 27.6% of total General Fund balance compared to 20.3% from the prior fiscal year. This increase is primarily due to greater revenues and expenditure savings at the end of the fiscal year.

Total General Fund revenues, including other financing sources and uses, exceeded final budget expectations by \$75.2 million. General fund expenditure savings totaled \$38.1 million compared to final budget expectations. (Exhibit XIII)

In June 2018, the County sold \$148.3 million in General Obligation Bonds, Series 2018A. The new proceeds provided funding for the design, construction, renovating and equipping of a variety of school facilities and the Lovettsville District Park projects.

In June 2018, the County sold \$56.6 million of Bond Anticipation Notes, Series 2018, through the EDA to provide funding for Metrorail Phase 2 construction through completion of the project with an expectation of issuing permanent financing when final costs are known.

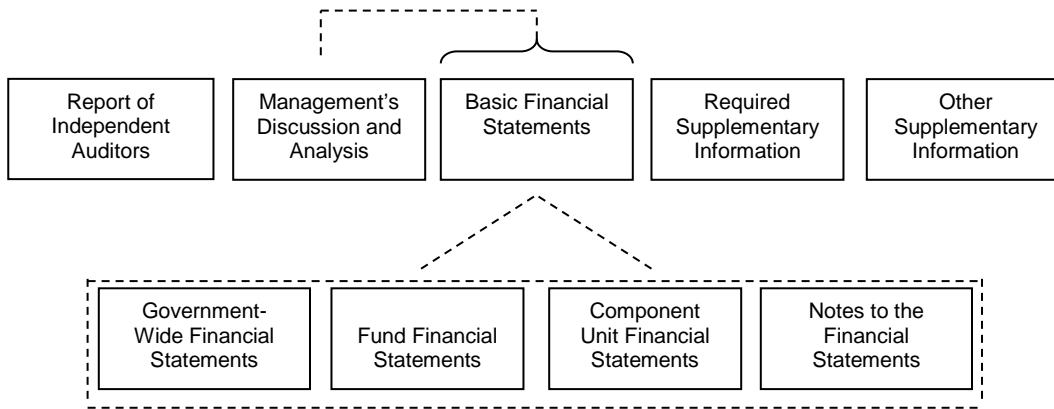
**USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

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



## COMPONENTS OF THE FINANCIAL SECTION



### GOVERNMENT-WIDE STATEMENTS

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

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

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

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

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

### FUND FINANCIAL STATEMENTS

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

The County has three kinds of funds:

Governmental funds – Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds' statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in an accompanying schedule to the governmental funds statement that explains the relationship (or differences) between them.

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

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

The Central Services Fund is used to account for the financing of goods or services provided among County departments on a cost-reimbursement basis and include such activities as central duplicating, telephone, mail, 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' other postemployment benefits plan. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiary. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

### Statement of Net Position:

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

**Table 1**  
**Summary Statement of Net Position**  
**Comparison as of June 30, 2018 and 2017 (thousands)**

	Primary Government			Component Unit-Schools		
	FY18	FY17 Restated	Increase / (Decrease)	FY18	FY17 Restated	Increase / (Decrease)
Current and Other Assets	\$ 2,139,170	\$ 1,975,149	\$ 164,021	\$ 315,574	\$ 290,951	\$ 24,623
Capital Assets	1,358,592	1,303,344	55,248	1,837,477	1,699,197	138,280
<b>Total Assets</b>	<b>\$ 3,497,762</b>	<b>\$ 3,278,493</b>	<b>\$ 219,269</b>	<b>\$ 2,153,051</b>	<b>\$ 1,990,148</b>	<b>\$ 162,903</b>
Total Deferred Outflow s of Resources	\$ 27,763	\$ 42,566	\$ (14,803)	\$ 200,394	\$ 196,123	\$ 4,271
Other Liabilities	\$ 380,810	\$ 350,644	\$ 30,166	\$ 135,939	\$ 136,811	\$ (872)
Long-term Liabilities	1,810,055	1,693,277	116,778	1,190,397	1,267,410	(77,013)
<b>Total Liabilities</b>	<b>\$ 2,190,865</b>	<b>\$ 2,043,921</b>	<b>\$ 146,944</b>	<b>\$ 1,326,336</b>	<b>\$ 1,404,221</b>	<b>\$ (77,885)</b>
Total Deferred Inflow s of Resources	\$ 653,988	\$ 582,048	\$ 71,940	\$ 108,872	\$ 30,546	\$ 78,326
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 1,237,488	\$ 1,106,888	\$ 130,600	\$ 1,787,598	\$ 1,634,288	\$ 153,310
Restricted	293,384	318,367	(24,983)	2,320	1,852	468
Unrestricted	(850,200)	(730,165)	(120,035)	(871,681)	(884,636)	12,955
<b>Total Net Position</b>	<b>\$ 680,672</b>	<b>\$ 695,090</b>	<b>\$ (14,418)</b>	<b>\$ 918,237</b>	<b>\$ 751,504</b>	<b>\$ 166,733</b>

This overall change in both the Primary Government and Component Unit - School's Net Position relates to various reasons as outlined below:

The increase in the Primary Government's Current and Other Assets is due to a combination of factors. The first factor is the net increase in cash related accounts. Cash, cash equivalents and investments rose by \$122.3 million. Contributing to the increase in cash are unspent bond proceeds of \$28.6 million, an increase in cash due to higher property and other local tax collections, and an increase of interest on investments. Net receivables increased by \$40.4 million, primarily due to an increase taxes not yet due. The increase of \$55.2 million of net Capital Assets is due to increases in the projects under construction, donations of land, and the addition of buildings, equipment and infrastructure offset by depreciation. Deferred outflows of resources decreased due to the net decrease between projected and actual experience on pension plans. The increase in Long-term Liabilities is due primarily to new debt issued in 2018, the drawdown of the County's federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the Metrorail extension offset by decreases in the County's net pension liability and net OPEB liability, as

restated. Please refer to Notes VIII, XI, XIII, and XIV of the notes to the financial statements for detailed information. Other Liabilities increased \$30.2 million, which is primarily the result of an increase in the amount Due to Component Unit-Schools and in accrued interest related to debt, plus other modest increases in other accounts. The increase in deferred inflows of resources is due to higher unavailable revenue from taxes not yet due, an increase in prepaid taxes, an increase in deferred amounts on pensions and OPEB, offset by a reduction in the amortization of deferred gain on refunding debt.

The increase in the component unit-schools' Current and Other Assets of \$24.6 million is due primarily to higher contributions from the County to the Component Unit - Schools. The increase in capital assets is due to investments in capital assets with the largest portion related to increases in the projects under constructions and the addition of new buildings, offset by depreciation. Please refer to Note VIII of the notes to the financial statements for detailed information. The decrease in Long-Term Liabilities is primarily due to decreases in the net pension liability and the net OPEB liability, as restated, offset by an increase in compensated absences. The increases in deferred outflows of resources and deferred inflows of resources are due to the deferral of amounts related to pensions and OPEB.

### **Statement of Activities**

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

**Table 2**  
**Changes in Net Position**  
**Comparison for the years ended June 30, 2018 and 2017 (thousands)**

	Primary Government			Component Unit-Schools		
	FY18	FY17	Increase / (Decrease)	FY18	FY17	Increase / (Decrease)
<b>REVENUES</b>						
<b><u>Program Revenues:</u></b>						
Charges for Services	\$ 82,404	\$ 77,772	\$ 4,632	\$ 22,056	\$ 21,572	\$ 484
Operating Grants and Contributions	85,546	88,333	(2,787)	65,654	39,167	26,487
Capital Grants and Contributions	34,267	59,876	(25,609)	195,274	112,117	83,157
<b><u>General Revenues:</u></b>						
Property Taxes	1,227,488	1,138,369	89,119	-	-	-
Other Taxes	197,670	212,559	(14,889)	-	-	-
Grants and Contributions not Restricted to	58,386	57,865	521	310,022	317,040	(7,018)
Other	27,674	25,821	1,853	7,690	5,862	1,828
Payment from Component Unit	21,253	28,417	(7,164)	-	-	-
Payment from Primary Government	-	-	-	737,001	692,138	44,863
<b>Total Revenues</b>	<b>\$ 1,734,688</b>	<b>\$ 1,689,012</b>	<b>\$ 45,676</b>	<b>\$ 1,337,697</b>	<b>\$ 1,187,896</b>	<b>\$ 149,801</b>
<b>EXPENSES</b>						
General Government Administration	\$ 106,416	\$ 90,831	\$ 15,585	\$ -	\$ -	\$ -
Judicial Administration	15,467	14,467	1,000	-	-	-
Public Safety	200,838	187,137	13,701	-	-	-
Public Works	54,001	53,723	278	-	-	-
Health and Welfare	96,851	94,719	2,132	-	-	-
Parks, Recreation and Culture	63,442	58,407	5,035	-	-	-
Community Development	223,699	195,159	28,540	-	-	-
Education	947,494	833,514	113,980	1,170,964	1,110,535	60,429
Interest and Other Debt Service Charges	40,898	38,312	2,586	-	-	-
<b>Total Expenses</b>	<b>\$ 1,749,106</b>	<b>\$ 1,566,269</b>	<b>\$ 182,837</b>	<b>\$ 1,170,964</b>	<b>\$ 1,110,535</b>	<b>\$ 60,429</b>
<b>Change in Net Position</b>	<b>(14,418)</b>	<b>122,743</b>	<b>(137,161)</b>	<b>166,733</b>	<b>77,361</b>	<b>89,372</b>
Net Position Beginning of Year	695,090	647,836	47,254	751,504	840,159	(88,655)
Cumulative Change in Accounting, Note XXII	-	(75,489)	75,489	-	(166,016)	166,016
Net Position Beginning of Year, Restated	695,090	572,347	122,743	751,504	674,143	77,361
<b>Net Position End of Year</b>	<b>\$ 680,672</b>	<b>\$ 695,090</b>	<b>\$ (14,418)</b>	<b>\$ 918,237</b>	<b>\$ 751,504</b>	<b>\$ 166,733</b>

## **Revenues**

For the fiscal year ended June 30, 2018, the Primary Government revenues totaled approximately \$1.735 billion, an increase of \$45.7 million from the prior fiscal year.

Property tax revenue, the County's largest revenue source, increased by approximately \$89.1 million from the prior fiscal year due to increases in real property taxes; personal property taxes due to higher vehicle values and computer equipment taxes from the growth of data centers; offset by a decrease in penalties and interest. Property tax revenue also includes monies received from the Commonwealth of Virginia for the Personal Property Tax Relief Act of 1998 (PPTRA). The decrease in other local taxes is primarily due to completing construction of the Belmont Ridge Road and Rt. 7 interchange thus reducing the reimbursement from Northern Virginia Transportation Authority in addition to unused gas tax which is being accumulated for future metro operating costs, offset by modest increases and decreases in recordation taxes, business license taxes, bank franchise taxes, and sales and use taxes. The decrease in capital grants and contributions is due to the decrease in pass-through of state funds for road and interchange construction, and lower storm water and land proffers from developers. The decrease in operating grants and contributions is due to lower cash proffers from developers offset by an increase in health and welfare grant funding. The decrease in payment from component unit is due to a lower return of fund balance from the component unit general fund.

## **Expenses**

For the fiscal year ended June 30, 2018, expenses for governmental activities total \$1.749 billion.

Education continues to be one of the County's highest priorities and commitments. Of the total expenses, \$947.5 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 2018 increased by \$114.0 million from the previous fiscal year. This increase is comprised primarily of an increase in the transfer to the Component Unit-Schools for operating expenses with an increase in contributions for capital projects. The County holds bond proceeds for the Schools and reimburses the Schools as projects are constructed. The Increase in Community Development expenses of \$28.5 million is primarily due to an increase in payments related to the Metrorail construction and road construction projects. The increase in general government administration is primarily due to increases in personnel costs and contractual services related to maintaining the enterprise resource planning system, and an increase in depreciation due to the replacement of communication and computer equipment. The increase in Public Safety is due to an increases personnel costs and in depreciation due to the opening of the Western Loudoun Sheriff Station and Fire and Rescue training facilities. The remaining increase of \$11.0 million for primary government expenses is due to increases in operations related to salaries, benefits and, enhancements to support existing and new facilities.

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

For the fiscal year ended June 30, 2018, the governmental funds reflect a combined fund balance of 1.07 billion as illustrated below (refer to Exhibit III).

**Table 3  
Governmental Funds  
Financial Analysis of Fund Balance**

	Fiscal Year 2018				
	General	Capital Projects	Debt Service	Non-Major Governmental	Total
Non-Spendable	\$ 1,324,240	\$ -	\$ -	\$ -	\$ 1,324,240
Restricted	-	308,282,300	-	184,014,500	492,296,800
Committed	226,632,199	120,306,222	-	16,947,255	363,885,676
Assigned	33,784,272	16,851,225	50,933,829	7,304,363	108,873,689
Unassigned	99,528,390	-	-	-	99,528,390
<b>Total Fund Balances</b>	<b>\$ 361,269,101</b>	<b>\$ 445,439,747</b>	<b>\$ 50,933,829</b>	<b>\$ 208,266,118</b>	<b>\$ 1,065,908,795</b>

The General Fund balance increased \$23.6 million from the prior fiscal year. Higher collections than projected in general property tax revenues, and lower than forecasted expenses contributed to the ending fund balance.

The County maintains a fiscal reserve in the committed portion of fund balance equal to no less than 10% of the County and Component Unit, Schools' operating revenues. In FY 2018, the fiscal reserve increased by \$11.0 million.

The Capital Projects fund balance increased \$38.6 million from the prior fiscal year. This increase is primarily attributable to the transfer of resources from the General, Transportation District and Public Facilities Funds for ongoing capital projects, higher intergovernmental revenues for road projects, and unspent bond proceeds to be held for future land purchases.

Debt Service fund balance increased by \$8.1 million from the prior year resulting from lower than anticipated debt service due to the delay of some projects and the return of unspent bond proceeds.

Non-major Governmental fund balances increased by \$1.1 million from the prior fiscal year. This increase is attributable accumulated resources for metro stabilization and future metro operational costs, higher donations from developers toward affordable housing, growth in emergency transport services, and unused funds transferred for major equipment replacement, offset by lower cash contributions from developers.

### **General Fund Budgetary Highlights**

**Table 4**  
**General Fund Budget to Actual**

	Fiscal Year 2018			
	Original Budget	Amended Budget	Actual	Variance Positive / (Negative)
<b><u>Revenues and Transfers In</u></b>				
Taxes	\$ 1,297,686,830	\$ 1,297,686,830	\$ 1,364,530,886	\$ 66,844,056
Intergovernmental	91,308,859	100,996,192	97,434,295	(3,561,897)
Other	82,671,485	106,245,602	118,129,799	11,884,197
<b>Total Revenues and Transfers In</b>	<b>\$ 1,471,667,174</b>	<b>\$ 1,504,928,624</b>	<b>\$ 1,580,094,980</b>	<b>\$ 75,166,356</b>
<b><u>Expenditures and Transfers Out</u></b>				
Expenditures and Transfers Out	\$ 1,275,201,977	\$ 1,309,114,439	\$ 1,271,158,595	\$ 37,955,844
Transfers	244,073,106	285,484,378	285,326,877	157,501
<b>Total Expenditures and Transfers Out</b>	<b>\$ 1,519,275,083</b>	<b>\$ 1,594,598,817</b>	<b>\$ 1,556,485,472</b>	<b>\$ 38,113,345</b>

The final amended budget for revenues and transfers in exceeded the original budget by \$33.3 million. This was primarily due to the transfer of excess fund balance from the component unit-schools, and anticipation of greater charges for services and grant funding from the state and federal government. The final amended budget appropriations, which include expenditures and transfers out, exceeded the original budget by \$75.3 million. This was primarily due to the re-appropriation of 2017 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 \$75.2 million while actual expenditures and transfers out were less than the amended budget amounts by \$38.1 million. Highlights of the comparison of amended budget to actual figures for the fiscal year ended June 30, 2018, include the following:

- Actual tax revenues exceeded amended budget amounts by \$66.8 million. This increase is a result of increases in real property taxes of \$7.2 million, personal property taxes of \$46.3 million, penalties and interest of \$4.8 million, business license taxes of \$3.7 million, bank franchise taxes of \$3.0 million, and local sales and use tax of \$2.3. All other local taxes (e.g., consumer utility tax, motor vehicle licenses, taxes on recordation and wills, and hotel and motel room taxes) had modest positive or negative variances. The increase in personal property is due to the combination of increasing vehicle values in the county and revenue derived from computer equipment and furniture and fixtures within the growing data centers located in the county.
- Actual other revenues exceeded the amended budget amounts by \$11.9 million due to increases in use of money and property of \$8.9 million and additional revenue in permits and licenses of \$3.6 million, offset by modest variances in other revenues.
- Actual expenditures and transfers were \$38.1 million less than amended budget amounts or 2.4%.
- General Government Administration expenditures exceeded the final budget by \$5.0 million due to vacancy savings realized departmentally yet budgeted in non-departmental, offset by general government administration vacancy savings, savings due to unrealized repair, maintenance, and rent costs, and savings in contractual services.



- Public safety expenditures were below budget by \$13.5 million due to vacancy savings, lower than budgeted internal service charges for vehicle fuel and maintenance, unspent grant funds, and overall savings in materials, supplies, utilities, and contractual services.
- Expenditures in health and welfare were \$9.3 million less than budget due primarily to vacancies, contractual service and materials and supplies savings, and unspent grant funds offset by higher than expected rent and utilities.
- Expenditures in Parks, Recreation and Cultural were \$6.5 million less than final budget primarily due to vacancy savings.
- Expenditures in Community Development were \$8.9 million less than final budget due to vacancy savings, savings in contractual services, and unused economic development incentive funds carried into fiscal 2018.
- Actual expenditures in all other functions of the general government were less than budgeted amounts due to cost savings.

### **Capital Assets**

At the end of fiscal year 2018, the Primary Government had invested approximately \$1.4 billion in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$55.2 million. More detailed information on capital assets can be found in Note VIII of the notes to the financial statements.

**Table 5**  
**Primary Government**  
**Change in Capital Assets**

	<b>Balance At June 30, 2017</b>	<b>Net Additions / Deletions</b>	<b>Balance At June 30, 2018</b>
<b><u>Capital Assets</u></b>			
Land	\$ 170,691,115	\$ (2,051,691)	\$ 168,639,424
Buildings	476,059,416	54,753,499	530,812,915
Improvements Other Than Buildings	63,378,931	575,433	63,954,364
Equipment	218,665,032	59,301,555	277,966,587
Infrastructure	636,104,637	15,287,595	651,392,232
Construction in Progress	123,556,336	(32,609,617)	90,946,719
Accumulated Depreciation	(385,110,975)	(40,009,319)	(425,120,294)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 1,303,344,492</b>	<b>\$ 55,247,455</b>	<b>\$ 1,358,591,947</b>

The Component Unit-Schools capital assets reflected in the following table totaled \$1.8 billion, which represents a net increase of \$138.3 million.

**Table 6**  
**Component Unit - Schools**  
**Change in Capital Assets**

	<b>Balance At June 30, 2017</b>	<b>Net Additions / Deletions</b>	<b>Balance At June 30, 2018</b>
<b><u>Capital Assets</u></b>			
Land	\$ 149,858,631	\$ 6,675,409	\$ 156,534,040
Buildings	1,813,702,881	55,096,507	1,868,799,388
Improvements Other Than Buildings	5,534,703	143,286	5,677,989
Equipment	133,466,180	5,685,252	139,151,432
Infrastructure	1,121	-	1,121
Construction in Progress	147,737,901	113,411,267	261,149,168
Accumulated Depreciation	(551,104,395)	(42,732,658)	(593,837,053)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 1,699,197,022</b>	<b>\$ 138,279,063</b>	<b>\$ 1,837,476,085</b>

For fiscal year 2018, the County adopted an amended six-year Capital Improvement Program (CIP) that totals \$2.0 billion, with school construction and renovation projects totaling \$639.8 million, transportation projects totaling \$804.5 million and county construction projects totaling \$589.4 million. Funding for the FY 2018 adopted CIP increased approximately \$237.2 million from the FY 2017 adopted CIP primarily due to additional funding for school projects totaling \$89.3 million, and transportation projects totaling \$55.7 million. The \$2.0 billion Amended FY 2017-FY2022 plan is principally funded with \$293.6 million in local tax funding, \$90.0 million in proffers, \$498.5 million in grants and \$1.147 billion funded with long term debt.

The CIP includes elementary school projects including, new schools, as well as classroom additions totaling \$207.3 million; one new middle school for \$57.8 million; high school projects including two new schools, renovations to existing schools, and installation of synthetic turf fields and track resurfacing at four high schools totaling \$319.2 million; and other school projects including, school bus acquisition and replacement, a staff training center, and security improvements to school facilities throughout the County totaling \$55.5 million. Countywide capital projects include the construction of Prentice Drive/Lockridge Road West for \$89.6 million, Westwind Drive for \$43.7 million, Crosstrail Blvd. for \$43.6 million, Route 7/Battlefield Parkway Interchange for \$45.0 million, various segments of Northstar Boulevard for \$81.8 million, metro capital contribution for \$66.0 million, and other transportation projects for \$434.8 million; storm water management project for \$32.4 million; capital project management support \$63.2 million; public safety capital improvements of \$159.3 million; health and welfare capital improvements of \$4.5 million; parks, recreation and cultural capital improvements of \$260.1 million and general government projects for \$66.0 million. Additional information is available in the FY2018 Adopted Budget, Volume 2 and can be found on the County website at [www.loudoun.gov/budget](http://www.loudoun.gov/budget).

### **Long Term Debt**

At the end of fiscal year 2018, the County had \$1.57 billion in outstanding general obligation bonds, premiums, loans, and capital leases. This represents a net increase of \$152.1 million from last year. More detailed information on long term debt can be found in Note XIV of the notes to the financial statements.

In fiscal year 2018, Moody's Investors Services, Inc. reaffirmed the County's bond rating of Aaa, Fitch Credit Rating Services and S&P Global maintained the County's bond rating of AAA. These are the highest ratings available from each of these firms. In May, 2018 Fitch Credit Rating Services reaffirmed the AA+ rating on the County's TIFIA bonds.

### **Economic Factors**

Loudoun County's economic and demographic conditions in many ways benefit from the relative stability, high income, and low unemployment characteristics of the Washington, D.C. region. Today, thanks in part to the diversity of Loudoun's business base and the financial strength of the long-term investors in the community, the County's commercial environment has been able to withstand downturns in the national and international economies. The County's economy continues to demonstrate sustained growth in employment and has outpaced other local jurisdictions within the region. The assessed value of commercial properties increased by 7.7 percent with the taxable residential property assessment increasing by 5.9 percent.

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

Businesses have sited the highly qualified workforce available in the County, proximity to Dulles International Airport and the nation's capital, and transit accessibility as reasons for choosing to relocate or expand in Loudoun County. Additionally, Loudoun has been globally recognized as an internet hub, which speaks to the fast growing Information and Communication Technology cluster in the County. All of these factors support the diversity of industries present within the County and is expected to continue.

The County also remain committed to business friendly initiatives. The Department of Economic Development continues to work with the Board of Supervisors to create competitive business incentives which are strategic and selective. Additionally, the County maintains partnerships aimed at furthering business development in the County including the Economic Development Advisory Commission, the Rural Economic Development Council, Small Business Development Center, George Mason University's Mason Enterprise Center and the Loudoun Chamber of Commerce. All of these efforts are part of an intentional strategy to support and grow the business community.

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

During FY 2015, the County obtained Transportation Infrastructure Finance and Innovation Act ("TIFIA") financing from USDOT in the amount of \$195.1 million, to partially fund the cost of the Dulles Corridor Metrorail Project. As a Funding Partner, Loudoun County is responsible for 4.8%, of the Project, to extend the Metrorail system 11.6 miles to and beyond the Dulles Airport into the County. Loudoun County's share is currently estimated to be \$274.0 million. The County intends to fulfill the balance of its obligation with revenues collected from a special improvements tax levied and assessed on taxable real estate located within the Metrorail Service District, and proceeds from appropriation backed debt issued by the Loudoun County Economic Development Authority. At this time, the County has drawn down \$174.1 million and expects to draw down the remaining balance of the TIFIA loan during FY 2019. Draws on the TIFIA loan have occurred at a much slower rate than initially projected at the time the loan was negotiated, therefore the level of accrued interest has been lower than projected. The County expects to begin drawing on the Metrorail Service District revenues to pay outstanding interest payments in FY 2019 and secure permanent financing to replace the Bond Anticipation Notes in FY 2022.

The County also agreed to secure sufficient funding to build three Metrorail Garages, and appropriated \$130 million in the Capital Improvement Plan (CIP) to cover the cost. In December 2015, the County was able to successfully negotiate a comprehensive agreement with an affiliate of Comstock Partners for the construction, operations and maintenance of one of the garages located at the Ashburn North (Route 772) station. The County will self-perform the construction of the remaining two garages at the Ashburn South (Route 772) and Loudoun Gateway (Route 606) stations. A design-build contract was awarded to S.B. Ballard Construction Company in spring 2017. In July 2018, The County issued bonds for the garage construction, see Note XXIII – Subsequent Events for more information.

In April 2018, the Board set the calendar year 2018 real property tax rate at \$1.085 per \$100 of assessed value, \$0.04 lower than the previous rate of \$1.125 for calendar year 2017. Assessment data for real property appreciated 3.4 percent for 2018 over 2017 allowing the tax rate to be decreased while still providing sufficient revenue to support Loudoun County Public Schools and County departments which continue to feel the impact of the County's continued population growth.

### **Impact of New Accounting Pronouncements**

The Governmental Accounting Standards Board issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement requires the liability of Loudoun County's defined benefit OPEB, less the amount of the plan's fiduciary net position, to be reported on the government-wide statements. Implementation of this statement resulted in a decrease in total reporting entity net position of \$241.5 million. Additional information is provided in the Notes to the Financial Statements: Note XI - Other Postemployment Benefit Plans and Note XXII – Restatement of Net Position.

### **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 Janet Romanchyk, Director, Department of Finance and Procurement, 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).



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# Basic Financial Statements

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Silver Line Phase 2 service to Loudoun Gateway and Ashburn Stations is expected to begin in 2020.







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**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2018**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit School Board</b>	<b>Total Reporting Entity</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,176,244,905	\$ 312,284	\$ 1,176,557,189
Restricted Cash and Investments	257,877,899	6,204,817	264,082,716
Receivables, Net:			
Taxes:			
Delinquent	33,733,738	-	33,733,738
Not Yet Due	601,927,446	-	601,927,446
Accounts	13,886,225	7,649,181	21,535,406
Due from Other Governments	49,428,368	17,749,609	67,177,977
Due from Primary Government	-	282,371,071	282,371,071
Due from Component Unit	-	10,682	10,682
Due from OPEB Trust	38,219	-	38,219
Inventory	52,736	1,092,184	1,144,920
Prepaid Items	1,239,295	184,620	1,423,915
Notes and Loans Receivable, Net	4,741,020	-	4,741,020
Capital Assets:			
Non-depreciable	364,130,258	417,683,208	781,813,466
Depreciable, Net	994,461,689	1,419,792,877	2,414,254,566
Capital Assets, Net	<u>1,358,591,947</u>	<u>1,837,476,085</u>	<u>3,196,068,032</u>
Total Assets	<u>3,497,761,798</u>	<u>2,153,050,533</u>	<u>5,650,812,331</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts Related to Pensions	21,519,473	171,886,000	193,405,473
Deferred Amounts Related to OPEB	1,504,157	28,508,136	30,012,293
Deferred Amount on Refunding Debt	4,739,781	-	4,739,781
Total deferred outflows of resources	<u>27,763,411</u>	<u>200,394,136</u>	<u>228,157,547</u>
<b>LIABILITIES</b>			
Accounts Payable	53,253,625	45,571,809	98,825,434
Accrued Interest Payable	12,794,492	311,974	13,106,466
Accrued Liabilities	14,560,472	82,700,170	97,260,642
Unearned Revenues	11,007,458	3,671,530	14,678,988
Due to Component Unit	282,371,071	-	282,371,071
Due to Primary Government	-	10,682	10,682
Other Liabilities	6,823,603	3,673,009	10,496,612
Long-term Liabilities:			
Due Within One Year	145,043,873	31,104,147	176,148,020
Due in More Than One Year	1,665,010,778	1,159,293,082	2,824,303,860
Total Long-term Liabilities	<u>1,810,054,651</u>	<u>1,190,397,229</u>	<u>3,000,451,880</u>
Total Liabilities	<u>2,190,865,372</u>	<u>1,326,336,403</u>	<u>3,517,201,775</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Not Yet Due	601,927,446	-	601,927,446
Prepaid Taxes	27,984,371	-	27,984,371
Deferred Amounts Related to Pensions	15,058,744	99,145,000	114,203,744
Deferred Amounts Related to OPEB	5,737,852	9,726,502	15,464,354
Deferred Amount on Refunding Debt	3,279,592	-	3,279,592
Total Deferred Inflows of Resources	<u>653,988,005</u>	<u>108,871,502</u>	<u>762,859,507</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,237,487,750	1,787,598,402	3,961,462,111 A
Restricted for:			
Capital Projects	108,970,458	-	108,970,458
Legal Agreement	-	2,293,825	2,293,825
Permanent Fund-Nonexpendable	-	25,870	25,870
Public Facilities and Services	93,949,255	-	93,949,255
Affordable Housing	32,886,904	-	32,886,904
Transportation	45,627,480	-	45,627,480
Library Services	4,435,863	-	4,435,863
Tourism	1,307,747	-	1,307,747
Emergency Transport Program	5,235,145	-	5,235,145
Other Purposes	971,619	-	971,619
Unrestricted	<u>(850,200,389)</u>	<u>(871,681,333)</u>	<u>(2,658,257,681) A</u>
Total Net Position	<u>\$ 680,671,832</u>	<u>\$ 918,236,764</u>	<u>\$ 1,598,908,596</u>

A The sum of the columns does not equal the Total Reporting Entity column by a difference of \$936,375,959 because the debt related to the School Board Component Unit is reflected in the Primary Government's governmental activities column reducing unrestricted net position. The assets are reflected in the School Board Component Unit column as Net Investment in Capital Assets. The Total Reporting Entity column matches the asset with the debt and reports the net amount on the Net investment in Capital Assets line.

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total Reporting Entity
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component	
					Governmental Activities	Unit School Board	
<b>Primary Government:</b>							
General Government Administration	\$ 106,415,722	\$ 1,370,381	\$ 839,362	\$ 2,567,990	\$ (101,637,989)	\$ -	\$ (101,637,989)
Judicial Administration	15,467,018	1,431,886	2,099,988	-	(11,935,144)	-	(11,935,144)
Public Safety	200,837,715	25,148,431	19,137,410	385,941	(156,165,933)	-	(156,165,933)
Public Works	54,001,167	7,822,486	6,967,157	15,282,541	(23,928,983)	-	(23,928,983)
Health and Welfare	96,850,956	8,181,685	34,298,090	-	(54,371,181)	-	(54,371,181)
Parks, Recreation and Culture	63,441,891	18,383,223	564,644	-	(44,494,024)	-	(44,494,024)
Community Development	223,699,567	20,066,372	21,603,239	16,030,962	(165,998,994)	-	(165,998,994)
Education	947,494,077	-	35,986	-	(947,458,091)	-	(947,458,091)
Interest and Other Debt Service Charges	40,898,539	-	-	-	(40,898,539)	-	(40,898,539)
<b>Total Primary Government</b>	<b>\$ 1,749,106,653</b>	<b>\$ 82,404,464</b>	<b>\$ 85,545,876</b>	<b>\$ 34,267,434</b>	<b>\$ (1,546,888,879)</b>	<b>\$ -</b>	<b>\$ (1,546,888,879)</b>
<b>Component Unit:</b>							
School Board	\$ 1,170,964,079	\$ 22,056,058	\$ 65,654,049	\$ 195,274,010		\$ (887,979,962)	\$ (887,979,962)
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes					1,227,487,897	-	1,227,487,897
Local Sales and Use Taxes					106,362,027	-	106,362,027
Consumer Utility Taxes					22,094,646	-	22,094,646
Business License Taxes					36,760,291	-	36,760,291
Franchise License Taxes					887,660	-	887,660
Motor Vehicle Licenses					7,096,295	-	7,096,295
Bank Franchise Taxes					6,113,457	-	6,113,457
Taxes on Recordation and Wills					11,715,471	-	11,715,471
Hotel and Motel Room Taxes					6,639,720	-	6,639,720
Payment from County					-	737,000,680	737,000,680
Payment from Component Unit					21,253,042	-	21,253,042
Interest and Investment Earnings					20,226,860	-	20,226,860
Grants and Contributions Not Restricted to Specific Programs					58,386,236	310,022,301	368,408,537
Revenue from Use of Money and Property					-	1,995,096	1,995,096
Miscellaneous					7,447,092	5,694,251	13,141,343
Total General Revenues					1,532,470,694	1,054,712,328	2,587,183,022
Change in Net Position					(14,418,185)	166,732,366	152,314,181
Net Position at Beginning of Year, as restated (Note XXII)					695,090,017	751,504,398	1,446,594,415
Net Position at End of Year					\$ 680,671,832	\$ 918,236,764	\$ 1,598,908,596

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2018**

	<b>General</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,174,150,478	\$ -	\$ -	\$ 2,094,427	\$ 1,176,244,905
Restricted Cash and Investments	69,291,597	168,046,178	4,994,048	13,682,076	256,013,899
Receivables, Net:					
Taxes:					
Delinquent	31,877,304	-	-	1,856,434	33,733,738
Not Yet Due	601,927,446	-	-	-	601,927,446
Accounts	6,919,378	1,802,001	27,355	4,443,820	13,192,554
Due from Other Governments	40,822,517	4,857,903	-	1,239,152	46,919,572
Interfund Receivables	-	307,831,916	87,148,433	199,643,515	594,623,864
Prepaid Items	543,745	-	96,588	-	640,333
Notes and Loans Receivable, Net	780,495	-	-	3,960,525	4,741,020
Total Assets	<u>\$ 1,926,312,960</u>	<u>\$ 482,537,998</u>	<u>\$ 92,266,424</u>	<u>\$ 226,919,949</u>	<u>\$ 2,728,037,331</u>
<b>LIABILITIES</b>					
Liabilities:					
Accounts Payable	\$ 12,233,548	\$ 29,751,529	\$ 170,503	\$ 8,544,969	\$ 50,700,549
Accrued Liabilities	13,062,106	-	-	99,527	13,161,633
Unearned Revenues	5,541,768	313,722	-	5,151,968	11,007,458
Interfund Payables	655,023,180	-	-	717,265	655,740,445
Due to Component Unit	232,360,806	7,033,000	41,162,092	1,609,943	282,165,841
Other Liabilities	5,090,539	-	-	1,733,064	6,823,603
Total Liabilities	<u>923,311,947</u>	<u>37,098,251</u>	<u>41,332,595</u>	<u>17,856,736</u>	<u>1,019,599,529</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	11,998,879	-	-	618,311	12,617,190
Property Taxes Not Yet Due	601,927,446	-	-	-	601,927,446
Prepaid Taxes	27,805,587	-	-	178,784	27,984,371
Total Deferred Inflows of Resources	<u>641,731,912</u>	<u>-</u>	<u>-</u>	<u>797,095</u>	<u>642,529,007</u>
<b>FUND BALANCES:</b>					
Non-spendable	1,324,240	-	-	-	1,324,240
Restricted	-	308,282,300	-	184,014,500	492,296,800
Committed	226,632,199	120,306,222	-	16,947,255	363,885,676
Assigned	33,784,272	16,851,225	50,933,829	7,304,363	108,873,689
Unassigned	99,528,390	-	-	-	99,528,390
Total Fund Balances	<u>361,269,101</u>	<u>445,439,747</u>	<u>50,933,829</u>	<u>208,266,118</u>	<u>1,065,908,795</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 1,926,312,960</u>	<u>\$ 482,537,998</u>	<u>\$ 92,266,424</u>	<u>\$ 226,919,949</u>	<u>\$ 2,728,037,331</u>

See accompanying notes to the financial statements.



**COUNTY OF LOUDOUN, VIRGINIA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
AS OF JUNE 30, 2018**

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

Total Fund balances - governmental funds		\$ 1,065,908,795
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	1,684,144,014	
Less accumulated depreciation	<u>(377,724,544)</u>	1,306,419,470
Delinquent taxes and other long term assets not available to pay for current period expenditures are deferred in the governmental funds.		12,617,190
For debt refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt are reported as a deferred outflow of resources or deferred inflow of resources on the Statement of Net Position.		
Unamortized deferred loss on refunding of debt	4,739,781	
Unamortized deferred gain on refunding of debt	<u>(3,279,592)</u>	1,460,189
Amounts related to differences between expected and actual earning and experience, or for contributions made after the measurement date are deferred in the governmental activities and expensed in future periods.		23,023,630
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences	(29,098,589)	
Landfill closure and post closure care costs	(23,025,371)	
Net OPEB Obligation	(69,187,909)	
Unamortized deferred amounts on OPEB	(5,737,852)	
Net Pension Liability	(64,761,761)	
Total Pension Liability (LOSAP)	(37,527,121)	
Unamortized deferred amount on pension investments	(15,058,744)	
Bonds payable	(1,015,900,000)	
Federal loans payable	(174,111,839)	
Capital leases payable	(233,985,000)	
Bond Anticipation Notes payable	(56,645,000)	
Unamortized bond premium	<u>(94,026,462)</u>	(1,819,065,648)
Interest on long-term liabilities is not accrued in the governmental funds, but is rather recognized as an expenditure when due.		(12,794,492)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.		103,102,698
Net Position of Governmental Activities		<u><u>\$ 680,671,832</u></u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	General	Capital Projects	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
General Property Taxes	\$ 1,203,943,441	\$ -	\$ -	\$ 23,276,192	\$ 1,227,219,633
Other Local Taxes	160,587,445	887,660	-	36,194,462	197,669,567
Permits and Licenses	26,413,319	-	-	3,465	26,416,784
Fines and Forfeitures	2,059,764	-	-	291	2,060,055
Use of Money and Property	14,018,102	1,507,565	2,795,179	1,906,014	20,226,860
Charges for Services	39,286,622	-	-	5,980,006	45,266,628
Gifts and Donations	107,369	-	-	30,717,656	30,825,025
Miscellaneous	665,699	1,298,495	1,290,657	150,130	3,404,981
Recovered Costs	11,708,816	-	-	994,292	12,703,108
Intergovernmental - Commonwealth	87,771,389	15,960,172	-	5,151,420	108,882,981
Intergovernmental - Federal	9,662,906	70,790	-	10,907,313	20,641,009
Payment from Component Unit	15,674,101	5,578,941	-	-	21,253,042
Total Revenues	<u>1,571,898,973</u>	<u>25,303,623</u>	<u>4,085,836</u>	<u>115,281,241</u>	<u>1,716,569,673</u>
<b>EXPENDITURES</b>					
Current Operating:					
General Government Administration	91,968,373	2,073,179	-	1,113,371	95,154,923
Judicial Administration	14,772,826	-	-	121,993	14,894,819
Public Safety	185,602,390	1,177,615	-	5,409,771	192,189,776
Public Works	18,003,377	7,411,186	-	19,331,783	44,746,346
Health and Welfare	75,884,270	474,331	-	19,872,318	96,230,919
Parks, Recreation and Culture	55,586,926	494,055	-	1,040,551	57,121,532
Community Development	50,516,282	165,146,007	-	8,048,437	223,710,726
Education	778,824,151	3,750,000	19,144,926	145,775,000	947,494,077
Capital Outlay	-	77,152,973	-	2,650,016	79,802,989
Debt Service:					
Principal Payments	-	-	118,240,000	-	118,240,000
Interest	-	-	49,810,134	-	49,810,134
Service Charges	-	-	1,353,490	-	1,353,490
Total Expenditures	<u>1,271,158,595</u>	<u>257,679,346</u>	<u>188,548,550</u>	<u>203,363,240</u>	<u>1,920,749,731</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>300,740,378</u>	<u>(232,375,723)</u>	<u>(184,462,714)</u>	<u>(88,081,999)</u>	<u>(204,180,058)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	7,856,807	285,049,682	185,676,430	180,223,892	658,806,811
Transfers Out	(285,326,877)	(14,102,360)	(2,789,454)	(365,160,965)	(667,379,656)
Bonds Issued	-	-	-	148,275,000	148,275,000
Federal Loans Issued	-	-	-	69,198,788	69,198,788
Pledged Bond Anticipation Notes Issued	-	-	-	56,645,000	56,645,000
Premium on Bonds Issued	-	-	9,841,786	-	9,841,786
Discount on Bond Anticipation Notes	-	-	(205,621)	-	(205,621)
Sale of Capital Assets	339,200	-	-	-	339,200
Total Other Financing Sources (Uses), net	<u>(277,130,870)</u>	<u>270,947,322</u>	<u>192,523,141</u>	<u>89,181,715</u>	<u>275,521,308</u>
Net Change in Fund Balances	23,609,508	38,571,599	8,060,427	1,099,716	71,341,250
Fund Balances at Beginning of Year	337,659,593	406,868,148	42,873,402	207,166,402	994,567,545
<b>Fund Balances at End of Year</b>	<u><u>\$ 361,269,101</u></u>	<u><u>\$ 445,439,747</u></u>	<u><u>\$ 50,933,829</u></u>	<u><u>\$ 208,266,118</u></u>	<u><u>\$ 1,065,908,795</u></u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

Net change in fund balances - total governmental funds		\$ 71,341,250
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	78,430,515	
Less current year depreciation	<u>(40,814,637)</u>	37,615,878
In the Statement of Activities, only the gain (loss) on capital assets is reported while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital asset.		
		(4,948,836)
Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.		
		17,850,529
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue related to taxes	268,264	
Change in deferred amounts related to OPEB	465,773	
Change in deferred amounts related to pensions	<u>(14,462,776)</u>	(13,728,739)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal payments, including \$318,277 of unused proceeds for refunding	118,240,000	
Net debt proceeds and issuance premium	(283,754,953)	
Current year amortization of bond premium	13,418,512	
Current year amortization of deferred amount of refunding	<u>553,056</u>	(151,543,385)
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	1,198,838	
Change in landfill closure/post-closure liability	1,942,780	
Change in Net OPEB Liability	12,643,635	
Change in Net Pension Liability	21,517,546	
Change in Total Pension Liability (LOSAP)	(2,237,115)	
Change in deferred inflows related to pensions	(11,811,957)	
Change in deferred inflows related to OPEB	(5,737,852)	
Change in accrued interest liability	<u>(3,706,483)</u>	13,809,392
Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue of the internal service funds is reported with governmental activities, less an adjustment of \$242,769 to remove the effects of net pension liability from the internal service funds.		
		15,185,726
<b>Change in Net Position of Governmental Activities</b>		<u><u>\$ (14,418,185)</u></u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF FUND NET POSITION  
PROPRIETARY - INTERNAL SERVICE FUNDS  
AS OF JUNE 30, 2018**

**ASSETS**

## Current Assets:

Restricted Cash and Investments	\$ 1,864,000
Receivables, Net	693,671
Due from Other Governments	2,508,796
Interfund Receivables	61,154,800
Inventory	52,736
Prepaid Items	598,962
Total Current Assets	<u>66,872,965</u>

## Long-term Assets:

## Capital Assets:

Depreciable, Net	<u>52,172,477</u>
Total Long-term Assets	<u>52,172,477</u>
Total Assets	<u>119,045,442</u>

**LIABILITIES**

## Current Liabilities:

Accounts Payable	2,553,076
Due to Component Unit	205,230
Claims Liabilities	7,885,503
Accrued Liabilities	1,398,839
Total Current Liabilities	<u>12,042,648</u>

## Long-term Liabilities:

Claims Liabilities	<u>3,900,096</u>
Total Long-term Liabilities	<u>3,900,096</u>
Total Liabilities	<u>15,942,744</u>

**NET POSITION**

Investment in Capital Assets	52,172,477
Unrestricted	50,930,221
Total Net Position	<u>\$ 103,102,698</u>

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY - INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

<b>Operating Revenues:</b>	
Charges for Services	\$ 74,043,214
Use of Property	97,800
Miscellaneous	341,434
Intergovernmental - Commonwealth	2,508,796
Total Operating Revenues	<u>76,991,244</u>
<b>Operating Expenses:</b>	
Personnel Services	42,847
Other Services and Charges	8,703,541
Materials and Supplies	1,320,347
Depreciation	8,446,692
Claims	52,101,760
Total Operating Expenses	<u>70,615,187</u>
<b>Operating Income</b>	6,376,057
<b>Non-Operating Revenues:</b>	
Gain on Sale of Capital Assets	<u>479,593</u>
<b>Net Income Before Transfers</b>	6,855,650
Transfers In	8,572,845
<b>Change in Net Position</b>	15,428,495
<b>Net Position at Beginning of Year</b>	87,674,203
<b>Net Position at End of Year</b>	<u><u>\$ 103,102,698</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, 2018**

**Cash Flows from Operating Activities**

Receipts from Customers	\$ 74,225,135
Payments to Suppliers for Goods and Services	(8,869,837)
Payments for Interfund Services	(9,190,573)
Claims Paid	(52,355,912)
Payments to Component Unit	29,399
Payments to Employees	415,926
Net Cash Provided by Operating Activities	<u>4,254,138</u>

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

Transfers In	<u>8,572,845</u>
Net Cash Provided by Non-capital Financing Activities	<u>8,572,845</u>

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

Additions to Capital Assets	(13,276,800)
Proceeds from Sale of Capital Assets	<u>579,817</u>
Net Cash Used in Capital and Related Financing Activities	<u>(12,696,983)</u>

**Net Increase in Cash and Cash Equivalents**

130,000

Cash and Cash Equivalents at Beginning of Year

1,734,000

**Cash and Cash Equivalents at End of Year**\$ 1,864,000**Reconciliation of Operating Income to Net Cash Provided by Operating Activities:**

<b>Operating Income</b>	<u>\$ 6,376,057</u>
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**Adjustment Not Affecting Cash:**

Depreciation	8,446,692
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**(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:**

Receivables, Net	(2,766,109)
Interfund Receivables	(9,190,573)
Inventory	9,672
Prepaid Items	283,092
Deferred Pension Expense	168,685
Accounts Payable	1,104,056
Due to Other Funds	29,399
Claims Liabilities	(254,152)
Accrued Liabilities	458,773
Net Pension Obligation	(404,477)
Deferred Gain on Pension Investments	<u>(6,977)</u>
Total Adjustments	<u>(2,121,919)</u>

**Net Cash Provided by Operating Activities**\$ 4,254,138**Non-Cash Capital Related Financing Activities:**

Gain on Sale of Capital Assets	\$ 479,593
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See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AS OF JUNE 30, 2018**

	<b>OPEB Trust Fund</b>	<b>War Memorial Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 15,564	\$ 21,640,514
Cash with Fiscal Agents	70,594,878	-	60,000
Accounts Receivable	-	-	15,948
<b>Total Assets</b>	<u>70,594,878</u>	<u>15,564</u>	<u>21,716,462</u>
<b>LIABILITIES</b>			
Accounts Payable	-	-	276,013
Interfund Payables	38,219	-	-
Other Liabilities	-	-	3,043,811
Funds Held in Trust for Others	-	-	18,396,638
<b>Total Liabilities</b>	<u>38,219</u>	<u>-</u>	<u>\$ 21,716,462</u>
<b>NET POSITION</b>			
Net Position Restricted for OPEB	\$ 70,556,659	\$ -	
Net Position-Amounts Held in Trust for Private Purposes	-	15,564	
<b>Total Net Position</b>	<u>\$ 70,556,659</u>	<u>\$ 15,564</u>	

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>OPEB Trust Fund</b>	<b>War Memorial Trust Fund</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 10,556,355	\$ -
Total Contributions	<u>10,556,355</u>	<u>-</u>
Investments:		
Net Appreciation in Fair Value of Investments	3,368,977	-
Investment Income	9,910	-
Total Investment Income	<u>3,378,887</u>	<u>-</u>
Less Investment Expense:		
Investment Management Fees	(38,548)	-
Net Investment Income	<u>3,340,339</u>	<u>-</u>
Total Additions	<u>13,896,694</u>	<u>-</u>
<b>DEDUCTIONS</b>		
Benefit Payments	4,176,348	-
Administrative Expense	897,361	-
Total Deductions	<u>5,073,709</u>	<u>-</u>
<b>Net Increase in Net Position</b>	8,822,985	-
<b>Net Position at Beginning of Year</b>	61,733,674	15,564
<b>Net Position at End of Year</b>	<u>\$ 70,556,659</u>	<u>\$ 15,564</u>

See accompanying notes to the financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**



**COUNTY OF LOUDOUN, VIRGINIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2018**

**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 Public School Board, described below, is the only component unit of the County.

The Loudoun County Public 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 2015 and assumed their responsibilities on January 1, 2016. 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.lcps.org>.

(B) **BASIS OF PRESENTATION**

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

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

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

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The County does not allocate indirect expenses to the governmental functions.



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

The County reports the following major governmental funds:

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

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

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

Additionally, the government reports the following Fiduciary funds:

- OPEB Trust Funds – The OPEB trust fund is used to account for the assets held in trust by the county for other postemployment benefits.
- Private-Purpose Trust Fund - These funds are used to account for the assets received and disbursed by the County acting in a trustee capacity or as an agent for individuals, private organizations or governments. The War Memorial Trust Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the purchase, maintenance and improvement of war memorials within the County.
- Agency Funds – These funds are used to account for monies received, held and disbursed on behalf of certain welfare recipients, certain developers, certain employee benefits, and certain inmates at the time of incarceration.

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

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

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

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

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

(C) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

Governmental fund financial statements are accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Accordingly, real and personal property taxes are recorded as unearned revenues and property taxes receivable when billed, net of allowances for uncollectible amounts of \$391,051 as of June 30, 2018. Real and personal property taxes recorded at June 30, and received within the first 60 days after year-end, are included in tax revenues with the related amount reduced from unearned revenues. Sales and utility taxes, which are collected by the Commonwealth of Virginia or utility companies and subsequently remitted to the County, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally one to two months preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting of Federal, State and other grants for the purpose of specific programs are recognized when earned or at the time of the specific reimbursable expenditure. Revenues from general purpose grants are recognized during the period to which the grants apply. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt, which is recognized when due.

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

The property tax calendar is as follows:

	<u>Real Property</u>	<u>Personal Property</u>
Assessment Date	Jan 1	Jan 1
Lien Date	Apr 1	Apr 1
Levy Date	Apr 1	Apr 1
Due Dates	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.

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

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

Bond proceeds are deposited in the Virginia State Non-Arbitrage Program (SNAP), which is a 2a-7 money market mutual fund. Values of shares in SNAP are measured at net asset value, which reflects fair value. All other investments are stated at fair value.

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

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

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

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

(F) INVENTORIES

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

(G) PREPAID ITEMS

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

(H) NONCURRENT NOTES AND LOANS RECEIVABLE

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

(I) CAPITAL ASSETS

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

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

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

Assets	Years
Buildings	45
Building Improvements	15 - 25
Other Improvements	10 - 20
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. Unused annual leave hours in excess of 364 at the end of the leave year are forfeited by each employee. As of June 30, 2018, \$21,696,400 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, 2018, \$106,776 of unused exchange time was accrued as compensated absences.

Effective July 1, 2001, employees with 10 or more years of service are compensated for unused sick leave when they leave County employment. Employees meeting these criteria will be compensated for 25% of unused sick leave to a maximum amount of \$10,000 per individual. As of June 30, 2018, \$7,295,413 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 as of the end of each fiscal year. Any excess vacation hours are converted to sick leave. School employee who terminate their employment will have the annual leave prorated based on the total amount earned for the school year. Payment for earned annual leave will be calculated based upon the employee's regular rate of pay at the time of separation. Teachers do not accumulate annual leave. As of June 30, 2018, \$15,760,988 of accumulated vacation leave was accrued as compensated absences.

Any School retiree with ten or more years of service will receive 25% of their final daily wage for each day of unused sick leave, not to exceed an index of 25% of the previous year's average teacher salary for LCPS as reported in the State of Virginia's Annual School Report. The allowed maximum is \$17,255 per individual for FY18. As of June 30, 2018, \$13,671,020 of unused sick leave was accrued as compensated absences.

Additionally, any School retiree with ten or more years of service is eligible for a salary supplement equal to 0.5% of the final annual salary multiplied by the number of years of service to LCPS. The amount shall not exceed \$2,500 nor be less than \$500. As of June 30, 2018 \$6,022,369 of eligible retiree salary supplement was accrued.

(K) LONG-TERM OBLIGATIONS

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

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

(L) DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for *deferred outflows of resources*, which represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category, deferred amounts related to pensions in the amount of \$21,519,473, deferred outflows related to other postemployment benefits in the amount of \$1,504,157, and a deferred loss on refunding debt in the amount of \$4,739,781. The deferred amounts related to pensions and other postemployment benefits is reported in the government-wide Statement of Net Position. \$19,888,913 deferred for employer contributions after the measurement date will be recognized as an expense in the next fiscal period, \$3,134,717 deferred due to differences in expected versus actual experience and changes in assumptions will be amortized over a closed period equal to the average of the expected remaining service lives of plan participants. A deferred gain on refunding debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for *deferred inflows of resources*, which represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has five items that qualify for reporting in this category. Unavailable revenues in the amount of \$601,927,446 for revenues from property taxes not yet due and in the amount of \$27,984,371 for prepaid taxes are reported in the governmental funds' Balance Sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. A deferred gain on refunding debt in the amount of \$3,279,592 and deferred amounts related to pensions and other postemployment benefits in the amount of \$15,058,744 and \$5,737,852, respectively, are reported in the government-wide Statement of Net Position. A deferred gain on refunding debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred amounts related to pensions and other postemployment benefits resulting from the net difference between projected and actual earnings on plan investments is amortized over a closed five year period, other deferred amounts related to changes in assumptions and differences in expected versus actual experience will be amortized over a closed period equal to the average of the expected remaining service lives of plan participants.

(M) FUND BALANCE FLOW ASSUMPTIONS

The Board of Supervisors adopted a revised Fiscal Policy in December 2014, which establishes the spending order of fund balance when both restricted and unrestricted fund balance are available. For the General Fund, Special Revenue Funds, Capital Funds and Debt Service 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.

(N) FUND BALANCE POLICIES

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

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

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

Unassigned fund balance represents the residual fund balance remaining after nonspendable, restricted, committed, and assigned fund balance is deducted. In general, the General Fund is the only fund that reports a positive unassigned fund balance; however, in governmental funds other than the General Fund if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

(O) ACCOUNTING PRONOUNCEMENTS

The County has implemented the following GASB pronouncements in fiscal year 2018:

1. Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement, issued in June 2015, improves the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value of assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense.
2. Statement No. 85, *Omnibus 2017*. This Statement, issued in March 2017, addresses practice issues that have been identified during implementation and application of certain GASB Statements including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits.
3. Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement, issued in May 2017, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. It also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The County is currently reviewing the following GASB pronouncements, effective for future periods, for their impact to the reporting entity:

4. Statement No. 83, *Certain Asset Retirement Obligations*. This Statement, issued in November 2016, addresses accounting and financial reporting for certain asset retire obligations by establishing uniform criteria for governments to recognize and measure certain ARO's, including obligations that may not have been previously reported. This Statement is effective for periods beginning in fiscal year 2019.
5. Statement No. 84, *Fiduciary Activities*. This Statement, issued in January 2017, improves the guidance regarding identification of fiduciary activities by establishing criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for periods beginning in fiscal year 2020.
6. Statement No. 87, *Leases*. This Statement, issued in June 2017, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for periods beginning in fiscal year 2021.
7. Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement, issued in April 2018, improves the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowing and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement is effective for periods beginning in fiscal year 2019.
8. Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement, issued in June 2018, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This Statement is effective for periods beginning in fiscal year 2021.

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

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

At June 30, 2018, no funds had deficit fund balances.

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, and amended in November 2015, 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), money market funds, VML/VACo investment Pool, and the State Treasurer's LGIP.

The policy written encompasses 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:

<b>Investment Type</b>	<b>Maximum Diversification</b>	<b>Limits Within Investment Type</b>
U.S. Treasury Obligations	100% of Portfolio	
State of Virginia LGIP	100% of Portfolio	
Non-Negotiable Certificates of Deposit or CDARS	90% of Portfolio	Maximum of 50% of the total portfolio with any one institution
Repurchase Agreements	60% of Portfolio	Maximum of 60% of the total portfolio with any one institution
U.S. Government Agency Securities & Government Sponsored Corporations	50% of Portfolio	
High Quality Corporate Notes	50% of Portfolio	
Money Market Accounts	50% of Portfolio	
Municipal Obligations	50% of Portfolio	
Prime Quality Commercial Paper	35% of Portfolio	Maximum of 5% of the total portfolio may be invested in the commercial paper of one issuing corporation
VML/VACo Investment Pool	20% of Portfolio	
Bankers' Acceptances	10% of Portfolio	Maximum of 25% of the total portfolio with any one institution
State Non-Arbitrage Pool (SNAP)	100% of Bond Proceeds Only	

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 Portfolio will be structured from the date of the investment so that securities mature concurrent with anticipated cash needs in conjunction with the following guidelines:

<b>Maximum Maturity</b>	<b>Allowable Allocation</b>
Less than 13 months	100% of Portfolio
Greater than 13 months and less than 24 months	15% of Portfolio
Greater than 24 months and less than 60 months	10% of prior fiscal year average balance

The Public Facilities (Proffer) will be structured so that securities mature concurrent with anticipated cash needs in conjunction with below guidelines:

<b>Maximum Maturity</b>	<b>Allowable Allocation</b>
Less than 13 months	100% of Portfolio
Greater than 13 months and less than 24 months	20% of Portfolio
Greater than 24 months and less than 60 months	10% of prior fiscal year average balance

#### **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 with any banks, including CD's or bankers' acceptances, should be rated 30 or higher on SNL, and be a Qualified Virginia Depository for CD's. If a SNL rating of 30 is not met, Banks are required to have one of the following: Fitch Individual Bank rating of B or better, S&P Short Term Local Issuer Rating of A-1 or better, or Moody's Short Term Rating of P-1 or better.

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



As of June 30, 2018, the Portfolio was invested as follows:

5.16% of the portfolio was invested in "Aaa", "AA+" or better rated agency obligations  
 19.80% was invested in "A-1", "P-1", or better short term commercial paper  
 45.21% was invested in "AAA" rated state run pooled money market fund  
 29.83% was invested in fully collateralized bank CD's or MMKT/Savings/NOW Accounts

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

#### Concentration of Credit Risk

As of June 30, 2018, there were no securities that exceeded 5% of the total portfolio, excluding the Virginia LGIP and U.S. Government guaranteed obligations.

#### 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 not all securities will 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 through maturity.

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

As of June 30, 2018, the following securities were held that had call features:

Fund	Maturity Date	Issue	Fair Value	Par/Cost	Yield %	Step Features
General Fund	7/16/2018	FHLMC	\$9,912,611	\$10,000,000	1.443	7 month, non-callable
	10/01/2018	FHLB	9,954,785	10,000,000	1.638	10 month, non-callable
	2/26/2019	FNMA	9,914,200	10,000,000	2.18	8 month, non-callable
	3/18/2019	FHLB	9,962,556	10,000,000	2.261	9 month, non-callable
	11/22/2019	FNMA	7,858,240	8,000,000	2.43	1 year 5 month, non-callable
	8/03/2021	FHLMC	4,250,000	4,250,000	2.755	5 year/6 month non-callable; semi-annual thereafter, step up
	6/29/2022	FHLMC	5,000,000	5,000,000	2.3660	5 year/6 month non-callable; semi-annual thereafter, step up
Public Facilities Fund	8/26/2019	FHLMC	5,000,000	5,000,000	1.502	3.25 year/3 month non-callable; quarterly thereafter, step up

On June 30, 2018, the County had the following investments and maturities (refer to Cash and Cash Equivalents in Exhibit I and Exhibit X)

Investment Type	Fair Value	Maturity				
		Less Than 3 Months	Between 3-6 Months	Between 6-13 Months	Between 13-24 Months	Between 24-60 Months
Bank Deposits	\$ 23,432,119	\$ 23,432,119	\$ -	\$ -	\$ -	\$ -
Money Market Funds (LGIP)	692,579,464	692,579,464	-	-	-	-
Certificates of Deposit (CD) – Commercial Banks	144,679,969	5,000,000	75,493,801	60,875,108	772,000	2,539,060
U.S. Government Agencies	61,805,551	9,912,611	9,938,500	19,846,200	12,858,240	9,250,000
Commercial Paper (CP)	237,230,883	118,781,339	83,946,897	34,502,647	-	-
CDARs	38,172,997	5,133,265	33,039,732	-	-	-
<b>Total Deposits &amp; Investments</b>	<b>\$1,197,900,983</b>	<b>\$854,838,798</b>	<b>\$202,418,930</b>	<b>\$115,223,955</b>	<b>\$13,630,240</b>	<b>\$11,789,060</b>

The Component Unit's cash, consisting of Student Activity Funds' cash of \$7,981,132, petty cash of \$200, Middleburg Community Charter School cash of \$91,372 and Hillsboro Charter Academy cash of \$220,712, and the Primary Government's Employee Benefits Distribution Fund cash of \$60,000 are not under the control of the County Treasurer's Office; is not pooled with the Reporting Entity cash and investments and, therefore, 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, 2018, 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 LGIP, which is not SEC-registered. The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. The portfolio meets all the criteria within GAAP and is valued by the amortized cost method. 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 SNL 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 participates 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, 2018, the Primary Government's share in this pool was \$70,594,878 as reported on the face of the OPEB trust fund statement found in Exhibit X. At June 30, 2018, the Component Unit-Schools' share in this pool was \$160,426,016 as reported on the face of the Component Unit trust fund statement found in Schedule 46.

The Primary Government is the administrator of a noncontributory, single employer, defined benefit Length of Service Retirement Plan (LOSAP). The Plan was established and is maintained to provide retirement benefits to vested participants in the Plan at the time of their retirement from Fire and Rescue Volunteer Services. Investments are selected, monitored and evaluated by the LOSAP Committee of Loudoun County and investment services are provided by RBC Wealth Management. The County has a written policy establishing investment guidelines, and exercises prudent investing principals with a goal of achieving a long-term rate of return of 5.5%. General Fund plan contributions are currently held in an investment account with Comerica. Investments are held 100% in short-term money market investments. On June 30, 2018, the fair value of investments totaled \$19,841,200.

### Fair Value Measurements

The County categorizes their fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, level 2 inputs are quoted prices in active market for similar assets, and level 3 inputs are unobservable inputs. The County gives the highest priority to unadjusted quoted process in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Investments measured at fair value using net asset value per share (VML/VACo Pooled OPEB Trust and SNAP) or amortized cost (CD's and LGIP) are not classified in the fair value hierarchy.

The VML/VACo Pooled OPEB Trust categorizes their investments within the fair value hierarchy established by GAAP. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the Net Asset Value (NAV) per share (or its equivalent) of the investment. Investments in the VML/VACo Pooled OPEB Trust are valued using the NAV per share, which is determined by dividing the total value of the Trust by the number of outstanding shares. The NAV per share changes with the value of the underlying investments in the Trust. Generally, VML/VACo Pooled OPEB Trust participants may redeem their investment at the end of a calendar quarter upon 90 days' written notice.

Short-term investments, which generally include investments in money market type securities and commercial paper, are reported at amortized cost, which approximates fair value.

The County had the following recurring fair value measurements at June 30, 2018.

U.S Government Securities of \$61,805,551 are valued using significant other observable inputs, a level 2 input.

# Restricted cash and investments

Restricted cash and investments consist of the following amounts:

<b>Fund</b>	<b>Description</b>	<b>Governmental Activities</b>	<b>Component Unit - Schools</b>
General Fund	Volunteer Fire and Rescue LOSAP Pension Benefits	\$ 19,841,200	\$ -
	General Obligation Bond Proceeds - Component Unit - Schools	49,450,397	-
	Unspent Lease Proceeds		3,485,817
<b>Total General Fund</b>		<b>69,291,597</b>	<b>3,485,817</b>
Capital Projects Fund	General Obligation Bond Proceeds	168,046,178	-
Debt Service Fund	Bond Proceeds held for Debt Service	4,994,048	-
Non-Major	Transportation District Fund	11,379,421	-
	Affordable Housing Fund	2,302,655	-
<b>Total Non-Major Governmental Funds</b>		<b>13,682,076</b>	<b>-</b>
Internal Service Funds	Self Insurance Fund	1,864,000	2,719,000
<b>Total Restricted Cash and Investments</b>		<b>\$ 257,877,899</b>	<b>\$ 6,204,817</b>

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

Receivables for the Primary Government at June 30, 2018 are as follows:

	<b>Taxes</b>	<b>Accounts</b>	<b>Due from Other Governments</b>	<b>Total Receivables</b>
General Fund	\$ 32,260,740	\$ 6,941,381	\$ 40,822,517	\$ 80,024,638
Capital Projects Fund	-	1,802,001	4,857,903	6,659,904
Debt Service Fund	-	27,355	-	27,355
Non-Major Governmental Funds	1,864,049	4,444,925	1,239,152	7,548,126
Internal Service Funds	-	694,043	2,508,796	3,202,839
Gross Receivables	34,124,789	13,909,705	49,428,368	97,462,862
Less: allowance for uncollectible	(391,051)	(23,480)	-	(414,531)
<b>Total Governmental Activities</b>	<b>\$ 33,733,738</b>	<b>\$ 13,886,225</b>	<b>\$ 49,428,368</b>	<b>\$ 97,048,331</b>

Payables for the Primary Government at June 30, 2018 are as follows:

	<b>Vendors</b>	<b>Accrued Interest</b>	<b>Salaries and Benefits</b>	<b>Total Payables</b>
General Fund	\$ 12,233,548	\$ -	\$ 13,062,106	\$ 25,295,654
Capital Projects Fund	29,751,529	-	-	29,751,529
Debt Service Fund	170,503	12,794,492	-	12,964,995
Non-Major Governmental Funds	8,544,969	-	99,527	8,644,496
Internal Service Funds	2,553,076	-	1,398,839	3,951,915
<b>Total Governmental Activities</b>	<b>\$ 53,253,625</b>	<b>\$ 12,794,492</b>	<b>\$ 14,560,472</b>	<b>\$ 80,608,589</b>

**NOTE V – INTERFUND BALANCES**

Payments for all expenditures and receipts for all revenue collections are transacted through the General Fund on behalf of all other funds of the County for the primary purpose of providing operational support for the receiving fund. As a result, interfund payables are recorded in the General Fund when revenue is received on behalf of another fund and when amounts are transferred to other funds based on budgetary authorization. Interfund receivables are recorded in the General Fund when expenditures are paid on behalf of another fund. All interfund balances are expected to be paid within one year. The composition of interfund balances as of June 30, 2018 is as follows:

Governmental Activities	Interfund Receivables	Interfund Payables
General Fund	\$ -	\$ 655,023,180
Capital projects Fund	307,831,916	-
Debt Service Fund	87,148,433	-
Non-Major Governmental Funds	199,643,515	717,265
Internal Service Funds	61,154,800	-
Fiduciary Funds	-	38,219
<b>Total</b>	<b>\$ 655,778,664</b>	<b>\$ 655,778,664</b>

**NOTE VI – INTERFUND TRANSFERS**

The primary purpose of interfund transfers is to provide funding for operations, debt service, and capital projects. Transfers move revenue from the fund that statute or budget requires to collect it to the fund that statute or budget requires to expend it and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization. Interfund transfers for the year ended June 30, 2018 consist of the following:

Transfers Out	Transfers In					Total
	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 46,458,163	\$180,435,813	\$ 52,598,552	\$ 5,834,349	\$ 285,326,877
Capital Projects Fund	6,206,181	-	5,017,683	140,000	2,738,496	14,102,360
Debt Service Fund	130,421	2,659,033	-	-	-	2,789,454
Non-Major Governmental Funds	1,520,205	235,932,486	222,934	127,485,340	-	365,160,965
Internal Service Funds	-	-	-	-	-	-
<b>Total Primary Government</b>	<b>\$ 7,856,807</b>	<b>\$ 285,049,682</b>	<b>\$185,676,430</b>	<b>\$ 180,223,892</b>	<b>\$ 8,572,845</b>	<b>\$ 667,379,656</b>

During the year ending June 30, 2018, the County made the following one-time transfers:

- 1) The General Fund transferred \$15,000,000 to the Transportation District Metro Stabilization Fund.
- 2) The Capital Projects Fund transferred \$3,398,134 of unspent project funds to the Debt Service Fund.
- 3) The EMS Transportation Reimbursement Fund transferred \$903,292 to the General Fund to purchase specialized equipment.
- 4) One time transfers to the Capital Projects Fund to finance capital construction include \$21,587,323 from the General Fund, \$8,712,983 from the Public Facilities Fund and \$32,514,788 from the Transportation District Fund.
- 5) House Bill 2313 enacted during the 2013 Virginia General Assembly session established revenue sources dedicated to transportation and transit for Northern Virginia and designated the Northern Virginia Transportation Authority as the organization responsible for managing the revenue sources. Guidelines require certain transportation related revenues to flow through a dedicated fund. The County has elected to use the Transportation District Fund for these revenues. Accordingly, the following transfers were made: \$15,200,000 from the General Fund to the Transportation District Fund; \$1,478,124 from the Public Facilities Fund to the Transportation District Fund, \$16,678,124 from the Transportation District Fund to the Capital Projects Fund, \$56,500,000 from the Transportation District Fund to the Capital Projects Fund for Metrorail related bond proceeds and \$69,198,788 from the Transportation District Fund to the Capital Projects Fund for TIFIA loan proceeds.

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

Noncurrent notes and loans receivable consisted of the following at June 30, 2018.

Notes & Loans Receivable	\$ 5,921,581
Allowance for Uncollectible Accounts	(1,180,561)
Net Notes & Loans Receivable	<u>\$ 4,741,020</u>

Of the gross amount of notes and loans receivable, \$67,908 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. \$598,171 represents loans to towns and Loudoun Water, formerly known as the Loudoun County Sanitation Authority (LCSA), for the expansion of sewage services. Sewage connection fees are used to repay these loans. The remaining \$5,255,502 represents loans to individuals/families under the Affordable Housing Project and Public Employee Home Ownership Grant.

**NOTE VIII – CAPITAL ASSETS**

Capital assets activity for the Primary Government for the year ended June 30, 2018 is as follows:

	Balance June 30, 2017	Additions/ Increases	Retirement/ Decreases	Transfer	Balance June 30, 2018
<b>Capital Assets Not Being Depreciated</b>					
Land	\$ 170,691,115	\$ 2,712,100	\$ (4,763,791)	\$ -	\$ 168,639,424
Infrastructure	94,578,196	9,960,865	-	5,054	104,544,115
Construction in Progress	123,556,336	65,492,115	-	(98,101,732)	90,946,719
<b>Total Capital Assets not Being Depreciated</b>	<b>\$ 388,825,647</b>	<b>\$ 78,165,080</b>	<b>\$ (4,763,791)</b>	<b>\$ (98,096,678)</b>	<b>\$ 364,130,258</b>
<b>Depreciable Capital Assets:</b>					
Buildings	476,059,416	2,415,948	-	52,337,551	530,812,915
Improvements	63,378,931	-	-	575,433	63,954,364
Equipment	218,665,032	23,655,142	(9,537,281)	45,183,694	277,966,587
Infrastructure	541,526,441	5,321,676	-	-	546,848,117
<b>Total Depreciable Capital Assets</b>	<b>\$ 1,299,629,820</b>	<b>\$ 31,392,766</b>	<b>\$ (9,537,281)</b>	<b>\$ 98,096,678</b>	<b>\$ 1,419,581,983</b>
<b>Less Accumulated Depreciation</b>					
Acc Depr - Buildings	(108,131,072)	(12,089,907)	-	-	(120,220,979)
Acc Depr - Improvements	(25,693,361)	(3,624,065)	-	-	(29,317,426)
Acc Depr - Equipment	(126,453,539)	(23,755,768)	9,252,013	-	(140,957,294)
Acc Depr - Infrastructure	(124,833,003)	(9,791,592)	-	-	(134,624,595)
<b>Total Accumulated Depreciation</b>	<b>(385,110,975)</b>	<b>(49,261,332)</b>	<b>9,252,013</b>	<b>-</b>	<b>(425,120,294)</b>
<b>Other Capital Assets, Net</b>	<b>914,518,845</b>	<b>(17,868,566)</b>	<b>(285,268)</b>	<b>98,096,678</b>	<b>994,461,689</b>
<b>Total Capital Assets</b>	<b>\$ 1,303,344,492</b>	<b>\$ 60,296,514</b>	<b>\$ (5,049,059)</b>	<b>\$ -</b>	<b>\$ 1,358,591,947</b>

Primary Government capital assets, net of accumulated depreciation, at June 30, 2018 are comprised of the following:

General Capital Assets, Net	\$ 1,306,419,470
Internal Service Fund Capital Assets, Net	52,172,477
<b>Total Capital Assets, Net</b>	<u><b>\$ 1,358,591,947</b></u>

Depreciation was charged to governmental functions as follows:

General Government Administration	\$ 12,918,038
Judicial Administration	744,640
Public Safety	11,921,039
Public Works	11,850,734
Health & Welfare	1,479,988
Parks Recreation & Culture	6,648,882
Community Development	3,698,011
<b>Total Depreciation</b>	<u><b>\$ 49,261,332</b></u>

Capital asset activity for the Component Unit - Schools for the year ended June 30, 2018 is as follows:

	Balance June 30, 2017	Additions/ Increases	Retirements/ Decreases	Balance June 30, 2018
<b><u>Capital Assets Not Being Depreciated</u></b>				
Land	\$ 149,858,631	\$ 6,675,409	\$ -	\$ 156,534,040
Construction in Progress	147,737,901	174,539,743	(61,128,476)	261,149,168
<b>Total Capital Assets not Being Depreciated</b>	<b>\$ 297,596,532</b>	<b>\$ 181,215,152</b>	<b>\$ (61,128,476)</b>	<b>\$ 417,683,208</b>
<b><u>Depreciable Capital Assets</u></b>				
Buildings	1,813,702,881	55,096,507	-	1,868,799,388
Improvements	5,534,703	143,286	-	5,677,989
Equipment	133,466,180	12,609,041	(6,923,789)	139,151,432
Infrastructure	1,121	-	-	1,121
<b>Total Depreciable Capital Assets</b>	<b>\$ 1,952,704,885</b>	<b>\$ 67,848,834</b>	<b>\$ (6,923,789)</b>	<b>\$ 2,013,629,930</b>
<b><u>Less Accumulated Depreciation</u></b>				
Acc Depr - Buildings	(439,875,453)	(41,691,974)	-	(481,567,427)
Acc Depr - Improvements	(1,367,237)	(477,982)	-	(1,845,219)
Acc Depr - Equipment	(109,861,285)	(7,441,981)	6,879,336	(110,423,930)
Acc Depr - Infrastructure	(420)	(57)	-	(477)
<b>Total Accum Depreciation</b>	<b>(551,104,395)</b>	<b>(49,611,994)</b>	<b>6,879,336</b>	<b>(593,837,053)</b>
<b>Depreciable Capital Assets Net</b>	<b>1,401,600,490</b>	<b>18,236,840</b>	<b>(44,453)</b>	<b>1,419,792,877</b>
<b>Total Capital Assets, Net</b>	<b>\$ 1,699,197,022</b>	<b>\$ 199,451,992</b>	<b>\$ (61,172,929)</b>	<b>\$ 1,837,476,085</b>

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

Program	Program Authorization	Transferred to Fixed Assets by June 30, 2018	Non-Capital Projects in Process at June 30, 2018	Non-Capital Projects Completed by June 30, 2018	Capital Construction in Progress at June 30, 2018	Capital Construction Commitments at June 30, 2018	Remaining to be Committed at June 30, 2018
General Government Administration	595,238,880	183,768,509	48,893,308	15,560,601	31,565,573	35,428,290	280,022,599
Judicial Administration	201,042,283	30,939,792	-	-	18,868,532	9,737,060	141,496,899
Public Safety	663,286,338	200,851,810	9,585,746	10,629,064	22,148,981	9,860,442	410,210,295
Public Works	178,745,987	12,797,189	27,036,001	-	1,272,032	7,738,831	129,901,934
Health & Welfare	52,122,699	5,853,317	3,783,587	5,795	2,525,121	2,153,090	37,801,789
Parks, Recreation & Cultural	552,871,006	101,837,278	561,075	5,783,526	14,358,367	8,170,939	422,159,821
Community Development	2,274,386,464	89,744,594	425,116,067	160,116,482	208,113	57,416,570	1,541,784,638
<b>Total</b>	<b>\$ 4,517,693,657</b>	<b>\$ 625,792,489</b>	<b>\$ 514,975,784</b>	<b>\$ 192,095,468</b>	<b>\$ 90,946,719</b>	<b>\$ 130,505,222</b>	<b>\$ 2,963,377,975</b>

The County engages in certain construction projects that will not be transferred to fixed assets when the project is complete. These projects consist of transportation projects, such road construction and mass transit, and public safety projects such as volunteer fire & rescue facilities improvements and equipment, of which the County will not have ownership.

At June 30, 2018, the Schools had contractual commitments of \$142,109,978 in the Capital Improvements Fund for construction of various projects.



## **NOTE IX - ENCUMBRANCES**

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

General Fund	\$ 12,391,706
Capital Projects Fund	130,505,222
Internal Service Funds	5,094,780
Non-Major Governmental Funds	3,445,833
<b>Total</b>	<b><u>\$151,437,541</u></b>

## **NOTE X - RISK MANAGEMENT**

The County's property and liability including automobile and public officials' liability are administered through the Virginia Association of Counties (VACo). These coverages have variable per occurrence limits in place by coverage type ranging from \$1 million to \$50 million. The general liability and automobile coverage each have a \$250,000 deductible, \$2 million per occurrence limit along with a \$10 million aggregate limit. The County is also insured for constitutional officers and law-enforcement liability risk through the State Division of Risk Management. These programs have a \$1.5 million per occurrence limit through the state plan as well as an excess policy for an additional \$3 million through VACo. These policies insure the County Sheriff's Department, other County enforcement agencies, and all elected constitutional officers and their employees against certain types of claims. Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the County's previous commercial insurance programs.

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

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

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

The County and 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 County's administrator is Healthsmart Casualty Claims Solutions, and the Schools' administrator is PMA Companies.

	WORKERS' COMPENSATION		
	Primary Government	Component Unit - Schools	Total
<b><u>Fiscal Year 2017</u></b>			
Unpaid Claims Beginning of Fiscal Year	\$ 6,395,842	\$ 5,028,943	\$ 11,424,785
Incurred Claims (including IBNR)	2,200,629	3,628,736	5,829,365
Claim Payments	(1,489,308)	(2,894,101)	(4,383,409)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 7,107,163</b>	<b>\$ 5,763,578</b>	<b>\$ 12,870,741</b>
<b><u>Fiscal Year 2018</u></b>			
Unpaid Claims Beginning of Fiscal Year	\$ 7,107,163	\$ 5,763,578	\$ 12,870,741
Incurred Claims (including IBNR)	2,377,520	3,722,743	6,100,263
Claim Payments	(1,562,640)	(3,011,290)	(4,573,930)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 7,922,043</b>	<b>\$ 6,475,031</b>	<b>\$ 14,397,074</b>

On October 1, 1994, the County and 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 include regular staff working twenty (20) or more hours per week, and temporary employees working thirty (30) or more hours per week for a period of 90 days or longer. In accordance with the Affordable Care Act (ACA) beginning in 2015 any employee who works an average of thirty (30) or more hours within a designated "measurement period" will be eligible to enroll in a county-sponsored health plan. Effective July 1, 2014 group coverage for Medicare eligible retirees transitioned to Cigna Medicare Surround and Cigna RX which coordinates with Medicare. Eligible retirees include retirees who have ten (10) years of County employment and who immediately begin drawing a retirement annuity from the Virginia Retirement System. Effective January 1, 2013, employees were designated into OPEB groups based on years of service and/or age. Employees less than 35 years of age as of January 1, 2013 must have fifteen (15) years of County employment at retirement to be eligible for retiree health. Other cost savings measures including caps on employer cost sharing, eligibility for new hires, implementation of a Retirement Health Savings Plan and a 10% aggregate cost shift to retirees were put into place to mitigate OPEB costs going forward as well as to reduce the County's Annual Required Contribution (ARC). Employer contribution rates for County employees vary depending on budgeted hours. Employer contribution rates for retirees vary based on the type of retirement, years of service, plan type, and coverage level.

CIGNA Healthcare is contracted as the third-party administrator for the medical plans. The County and Schools offer two (2) medical plan options, a Point of Service (POS) Plan and an Open Access Plus (OAP) Plan. Additionally, the County offers a Consumer Driven Health Plan (CDHP) with Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA). In-network services for the POS are covered at 100% with a \$20 office visit co-pay for Primary Care Physicians, and a \$35 office visit co-pay for Specialists. Participants may choose to receive services out-of-network, subject to a \$1,500 deductible and 20% co-insurance. Services for the OAP are covered at 90% in-network co-insurance, subject to a \$250 deductible and, 70% out-of-network, subject to a \$1,500 deductible. The CDHP option also provides both in and out-of-network benefits. The CDHP includes a \$1,500 in-network deductible and 10% in-network coinsurance, \$2,500 out-of-network deductible and 30% co-insurance along with an Employer HSA/HRA contribution. Express Scripts is the third-party administrator for prescription drug benefits. Prescription drug coverage is included with all medical plans utilizing a three tier co-pay structure and mail-order option. Delta Dental of VA is the third-party administrator for dental benefits providing coverage for preventative, restorative, major services and orthodontia utilizing a co-insurance structure. Restorative and major services are subject to a \$50 deductible. Davis Vision is the third-party administrator for routine vision care benefits utilizing a co-pay structure for exams and materials.

The County and Schools purchase specific stop-loss insurance from Connecticut General Life Insurance Company (CIGNA) limiting claims against the self-insurance program to \$440,000 per occurrence for individual claims for the County and \$385,000 for Schools. The following table shows the amounts that have been accrued as a liability within the self-insurance fund based upon an estimate from the County's outside actuary, AON Hewitt Consulting.

	HEALTH INSURANCE		
	Primary Government	Component Unit - Schools	Total
<b><u>Fiscal Year 2017</u></b>			
Unpaid Claims Beginning of Fiscal Year	\$ 4,144,370	\$ 9,059,387	\$ 13,203,757
Incurred Claims (Including IBNR)	49,166,341	150,427,215	199,593,556
Claim Payments	(48,378,123)	(147,969,288)	(196,347,411)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 4,932,588</b>	<b>\$ 11,517,314</b>	<b>\$ 16,449,902</b>
<b><u>Fiscal Year 2018</u></b>			
Unpaid Claims Beginning of Fiscal Year	\$ 4,932,588	\$ 11,517,314	\$ 16,449,902
Incurred Claims (Including IBNR)	48,680,501	149,633,474	198,313,975
Claim Payments	(49,749,533)	(149,368,128)	(199,117,661)
<b>Unpaid Claims End of Fiscal Year</b>	<b>\$ 3,863,556</b>	<b>\$ 11,782,660</b>	<b>\$ 15,646,216</b>

The Board of Supervisors has the authority to modify the provisions of the County's active and postemployment benefits program. As of June 30, 2018, there are 531 retirees and individuals who qualify for disability retirement enrolled in the program. During fiscal year 2018, expenditures of \$6,835,680 were recorded for retirement health care benefits. These amounts are not accrued over the employees' time of service, but are expensed as incurred.

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

##### **(A) OPEB TRUST**

##### **General Information about the OPEB Trust Plan**

*Plan Description.* The Loudoun County OPEB Trust Fund is a single-employer defined benefit healthcare plan (the Plan) administered by the County. In order to participate, retiring employees must have coverage in effect when they stop working, must commence retirement on the first of the month following the last day employed, must be a permanent active employee at time of retirement, and is eligible to receive retirement benefits from the Virginia Retirement System (VRS). In addition, they must immediately begin receiving a retirement annuity from VRS.

**Benefits provided.** The Plan provides health, dental and vision insurance for eligible retirees and their family through the County's self-insured 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 up to 90 percent of the full active premium rate to continue coverage.

**Employees covered by benefit terms.** As of the July 1, 2017 valuation, the following employees were covered by the benefit terms:

Number of Participants Active	2,763
Retired/Beneficiaries	447
Spouses	166
<b>Total Participants</b>	<b>3,376</b>

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

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

For the year ended June 30, 2018, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan expense, was 5.2%

#### **Net OPEB Liability**

The components of the net OPEB liability are as follows:

Description	FY2018	FY2017
Total OPEB Liability	\$ 112,334,885	\$ 114,309,481
Plan Fiduciary Net Position	70,556,659	61,754,539
Net OPEB Liability	\$ 41,778,226	\$ 52,554,942
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	62.8%	54.0%

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation as of July 1, 2017, using update procedures to roll forward the total OPEB liability to the measurement date of June 30, 2018. The following actuarial assumptions, applied to all periods included in the measurement, were utilized unless otherwise specified:

Investment Return:	6.05%, net of investment expense and including inflation
Healthcare Trend:	6.00% initially, grading down to 5.00% ultimate

Mortality rates are based on RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years (pre-retirement), RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year (post-retirement) and RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement (post-disablement).

**Actuarial Methods for Determining Employer Contributions.**

The same economic and demographic assumptions are used for both funding and financial reporting purposes within GAAP.

The Entry Age method is used for accounting/GAAP purposes, therefore all of the actuarial figures within this report are based on it. Actuarially Determined Contributions are also based on the Entry Age method, with an open level percentage of payroll 30-year amortization of the unfunded liability.

### Expected Return.

The long-term expected rate of return on OPEB plan investments is 6.05% and was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a downward risk adjustment is applied to the baseline expected return.

Best estimates of real rates of return for each major asset class included in the OPEB plan's target asset allocation as of the June 30, 2018 measurement date, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Real Return – Portfolio	Weight
Domestic Equity	5.45%	48%
Non-US Equity	5.95%	13%
Fixed Income	2.95%	33%
Global Funds	4.50%	6%
Cash Equivalents	0.75%	0%
Total Weighted Average Real Return	4.63%	100%
Plus Inflation	2.50%	
Total Return w/o Adjustment	7.13%	
Risk Adjustment	-1.08%	
<b>Total Expected Return</b>	<b>6.05%</b>	

The County's OPEB trust assets are held in the Virginia VML/VACO Trust, and invested in Portfolio II.

### Discount Rate.

The discount rate used to measure the total OPEB liability was 6.05%. The projection of cash flows used to determine the discount rate assumed that the County's contributions will continue in addition to the benefits paid.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rates of return on OPEB Trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

### Changes in Net OPEB Liability

Changes in Net OPEB Liability	FY 2018	FY 2017
Service Cost	\$ 988,183	\$ 1,369,218
Interest	6,820,752	6,644,009
Difference between expected and actual experience	(4,709,822)	-
Benefit payments	(5,073,709)	(4,243,376)
Net change in total OPEB liability	\$ (1,974,596)	\$ 3,769,851
Total OPEB liability - beginning	114,309,481	110,539,630
Total OPEB liability - ending (a)	112,334,885	114,309,481
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 10,556,355	\$ 9,743,376
Net investment income	3,378,887	4,377,540
Benefit payments	(5,073,709)	(4,243,376)
Administrative expense	(38,548)	(36,045)
Net change in plan fiduciary net position	\$ 8,822,985	\$ 9,841,495
Plan fiduciary net position - beginning	61,733,674	51,892,179
Plan fiduciary net position - ending (b)	70,556,659	61,733,674
Net OPEB Liability - Beginning of Year	52,575,807	58,647,451
Net OPEB Liability - End of Year	<b>\$ 41,778,226</b>	<b>\$ 52,575,807</b>
Plan fiduciary net position as a percentage of the total OPEB Liability	62.8%	54.0%
Covered - employee payroll	\$ 122,947,516 *	\$ 167,365,462
Net OPEB liability as a percentage of covered – employee payroll	34.0%	31.4%

\* does not include employees who are not eligible for the defined benefit OPEB from the County

*Sensitivity of the net OPEB liability to changes in the discount rate*

The following presents the net OPEB liability of the plans, calculated using the discount rate of 6.05%, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

<b>Discount Rate</b>	<b>1% Decrease 5.05%</b>	<b>Current Discount Rate 6.05%</b>	<b>1% Increase 7.05%</b>
Total OPEB Liability	\$127,952,230	\$112,334,885	\$99,521,233
Plan Net Position	70,556,659	70,556,659	70,556,659
Net OPEB Liability	\$57,395,571	\$41,778,226	\$28,964,574
Ratio of Plan Net Position to Total OPEB Liability	55.1%	62.8%	70.9%

*Sensitivity of the net OPEB liability to changes in the healthcare trend rate*

The following presents the net OPEB liability of the plans, calculated using the healthcare trend rate of from 6.00% to an ultimate rate of 5.00% for pre-Medicare and from 6.00% to an ultimate rate of 5.00% for post-Medicare, as well as what each plan's net OPEB liability would be if it were calculated using trend rates for each year that are 1.00% lower or 1.00% higher than the current rates:

<b>Ultimate Trend Rate</b>	<b>1% Decrease 4.0%</b>	<b>Current Ultimate Trend Rate 5.0%</b>	<b>1% Increase 6.0%</b>
Total OPEB Liability	\$102,169,075	\$112,334,885	\$124,459,480
Plan Net Position	70,556,659	70,556,659	70,556,659
Net OPEB Liability	\$31,612,416	\$41,778,226	\$53,902,821
Ratio of Plan Net Position to Total OPEB Liability	69.1%	62.8%	56.7%

**OPEB Expense**

<b>County's OPEB Expense</b>	<b>Fiscal Year 2018</b>
Service Cost	\$ 988,183
Interest on Total OPEB Liability	6,820,752
Difference between expected and actual experience*	(784,970)
Projected Earnings on Plan investments	(3,837,833)
Difference between projected and actual earnings*	91,789
Administrative expense	38,548
<b>Total OPEB Expense</b>	<b>\$ 3,316,469</b>

\* Portions recognized for expense

### Deferred Inflow/Outflow Summary

For the year ended June 30, 2018, the County recognized OPEB expense of \$3,316,469. As of June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 3,924,852	\$ -
Net difference between projected and actual earnings on plan investments	-	367,157
<b>Total</b>	<b>\$ 3,924,852</b>	<b>\$ 367,157</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	Amount of Inflow	Amount of Outflow
2019	\$ 784,970	\$ 91,789
2020	784,970	91,789
2021	784,970	91,789
2022	784,970	91,790
2023	784,972	-
After 2023	-	-
<b>Total Amount to be Recognized</b>	<b>\$ 3,924,852</b>	<b>\$ 367,157</b>

### (B) LINE OF DUTY ACT PROGRAM

#### General Information about the Line of Duty Act Program

*Plan Description.* Loudoun County is a non-participating employer of Virginia's Line of Duty Act (LODA) program as governed by §9.1-400.1 of the *Code of Virginia*, as amended, and directly funds the costs of benefits provided under LODA. All employees and volunteers in hazardous duty positions and hazardous duty employees who are covered under the Virginia Retirement System are automatically covered by the LODA program.

*Benefits provided.* The LODA program provides death and health insurance benefits for eligible individuals. The death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual of \$100,000 when death occurs as the direct result of performing duty or \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date. Funeral benefits are also available if requested. The County will pay health insurance premiums for eligible employees and their spouse and family members to the Department of Health Resources and Management, Virginia assuming full retirement and maintaining the level of coverage in existence at the time of disability.

*Employees covered by benefit terms.* As of the July 1, 2017 valuation, the following employees were covered by the benefit terms:

Number of Participants Active	920
Retired/Beneficiaries	15
Spouses	7
<b>Total Participants</b>	<b>942</b>

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of July 1, 2017, using update procedures to roll forward the total OPEB liability to the measurement date of June 30, 2018. The following actuarial assumptions, applied to all periods included in the measurement, were utilized unless otherwise specified:

Investment Return:	6.05%, net of investment expense and including inflation
Healthcare Trend:	6.00% initially, grading down to 5.00% ultimate



Mortality rates are based on RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years (pre-retirement), RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year (post-retirement) and RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement (post-disablement).

*Actuarial Methods for Determining Employer Contributions.*

The same economic and demographic assumptions are used for both funding and financial reporting purposes within GAAP.

The Entry Age method is used for accounting/GAAP purposes, therefore all of the actuarial figures within this report are based on it. Actuarially Determined Contributions are also based on the Entry Age method, with an open level percentage of payroll 30-year amortization of the unfunded liability.

*Expected Return.*

The long-term expected rate of return on OPEB plan investments is 6.05% and was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a downward risk adjustment is applied to the baseline expected return.

The County's OPEB trust assets are held in the Virginia VML/VACO Trust, and invested in Portfolio II.

Asset Class	Long-Term Expected Real Return – Portfolio	Weight
Domestic Equity	5.45%	48%
Non-US Equity	5.95%	13%
Fixed Income	2.95%	33%
Global Funds	4.50%	6%
Cash Equivalents	0.75%	0%
Total Weighted Average Real Return	4.63%	100%
Plus Inflation	2.50%	
Total Return w/o Adjustment	7.13%	
Risk Adjustment	-1.08%	
<b>Total Expected Return</b>	<b>6.05%</b>	

*Discount Rate.*

The discount rate used to measure the total OPEB liability was 6.05%. The projection of cash flows used to determine the discount rate assumed that the County's contributions will continue in addition to the benefits paid.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rates of return on OPEB Trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in Net LODA OPEB Liability - LODA**

Changes in Net LODA OPEB Liability	FY 2018
Service Cost	\$ 378,873
Interest	642,121
Benefit payments	(270,048)
Net change in total OPEB liability	\$ 750,946
Total LODA OPEB liability - beginning	10,367,737
Total LODA OPEB liability - ending (a)	11,118,683
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 270,048
Benefit payments	(270,048)
Net change in plan fiduciary net position	\$ -
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	-
Net LODA OPEB Liability - Beginning of Year	10,367,737
Net LODA OPEB Liability - End of Year	<b>\$ 11,118,683</b>
Plan fiduciary net position as a percentage of the total LODA OPEB Liability	0%
Covered - employee payroll	\$ 38,581,356
Net LODA OPEB liability as a percentage of covered payroll	28.8%

*Sensitivity of the Net LODA OPEB liability to changes in the discount rate*

The following presents the Net LODA OPEB liability of the plans, calculated using the discount rate of 6.05%, as well as what each plan's Net LODA OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

Discount Rate	1% Decrease 5.05%	Current Discount Rate 6.05%	1% Increase 7.05%
Total LODA OPEB Liability	\$12,605,743	\$11,118,683	\$9,885,970
Plan Net Position	-	-	-
Net LODA OPEB Liability	\$12,605,743	\$11,118,683	\$9,885,970
Ratio of Plan Net Position to Total LODA OPEB Liability	0%	0%	0%

*Sensitivity of the Net LODA OPEB liability to changes in the healthcare trend rate*

The following presents the Net LODA OPEB liability of the plans, calculated using the healthcare trend rate of from 6.00% to an ultimate rate of 5.00% for pre-Medicare and from 6.00% to an ultimate rate of 5.00% for post-Medicare, as well as what each plan's Net LODA OPEB liability would be if it were calculated using trend rates for each year that are 1.00% lower or 1.00% higher than the current rates:

Ultimate Trend Rate	1% Decrease 4.0%	Current Ultimate Trend Rate 5.0%	1% Increase 6.0%
Total OPEB Liability	\$9,738,524	\$11,118,683	\$12,786,010
Plan Net Position	-	-	-
Net OPEB Liability	\$9,738,524	\$11,118,683	\$12,786,010
Ratio of Plan Net Position to Total OPEB Liability	0%	0%	0%

**LODA OPEB Expense**

County's OPEB - LODA Expense	
Item	Fiscal Year 2018
Service Cost	\$ 378,873
Interest on Total OPEB Liability	642,121
<b>Total OPEB Expense</b>	<b>\$ 1,020,994</b>

**Deferred Inflow/Outflow Summary**

For the year ended June 30, 2018, there are no deferred inflows and outflows because there were no assumption changes and the beginning of year and end of year total OPEB liability are based on the same valuation, therefore no experience gains or losses occurred.

**(C) VIRGINIA RETIREMENT SYSTEM GROUP LIFE INSURANCE PROGRAM**

**General Information about the Group Life Insurance Program**

*Plan Description.* The Virginia Retirement System Group Life Insurance (VRS GLI) Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The VRS GLI program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The VRS GLI program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net VRS GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the VRS GLI Program OPEB, and VRS GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

All full-time, salaried permanent employee of the state agencies, teachers and employees of participating political subdivision are automatically covered by the VRS GLI program upon employment. The plan is administered by the Virginia Retirement System along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to basic group life insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insurance program, it is not included as part of the VRS GLI Program OPEB.

*Benefits provided.* Benefits payable under the VRS GLI program are as follows:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS	
<b>Eligible Employees</b>	
<p>The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"> <li>• City of Richmond</li> <li>• City of Portsmouth</li> <li>• City of Roanoke</li> <li>• City of Norfolk</li> <li>• Roanoke City Schools Board</li> </ul> <p>Basic group life insurance coverage is automatic upon employment. Coverage end for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p>	
<b>Benefit Amounts</b>	
<p>The benefits payable under the Group Life Insurance Program have several components.</p> <ul style="list-style-type: none"> <li>* <u>Natural Death Benefit</u> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.</li> <li>* <u>Accidental Death Benefit</u> – The accidental death benefit is double the natural death benefit.</li> <li>* <u>Other Benefit Provisions</u> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"> <li>o Accidental dismemberment benefit</li> <li>o Safety belt benefit</li> <li>o Repatriation benefit</li> <li>o Felonious assault benefit</li> <li>o Accelerated death benefit option</li> </ul> </li> </ul>	
<b>Reduction in benefit Amounts</b>	
<p>The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>	
<b>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</b>	
<p>For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,111.</p>	

*Contributions.* The contribution requirements for the VRS GLI program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the VRS GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% X 40%). Employers may elect to pay all or a part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2018 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the VRS GLI Program from the County were \$1,092,793 and \$1,038,383 for the years ended June 30, 2018 and June 30, 2017, respectively.

#### **GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB**

At June 30, 2018, the County reported a liability of \$ 16,291,000 for its proportionate share of the Net VRS GLI OPEB Liability. The Net VRS GLI OPEB Liability was measured as of June 30, 2017 and the total VRS GLI OPEB liability used to calculate the Net VRS GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net VRS GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the participating employer's proportion was 1.08258% as compared to 1.07958% at June 30, 2016.

For the year ended June 30, 2018, the participating employer recognized VRS GLI OPEB expense of \$191,000. Since there was a change in proportionate share between measurement dates, a portion of the VRS GLI OPEB expense was related to deferred amounts from changes in proportion.

## Deferred Inflow/Outflow Summary

As of June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the VRS GLI OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 361,000
Changes in actuarial assumptions	-	839,000
Net difference between projected and actual earnings on plan investments	-	613,000
Changes in proportionate share	44,000	-
Employer contributions subsequent to the measurement date	1,093,000	
<b>Total</b>	<b>\$ 1,137,000</b>	<b>\$ 1,813,000</b>

\$1,093,000 reported as deferred outflows of resources related to the VRS GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net VRS GLI OPEB Liability in fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VRS GLI OPEB will be recognized in OPEB expense as follows:

Year ended June 30	Amount
2019	\$ (365,000)
2020	(365,000)
2021	(365,000)
2022	(365,000)
2023	(212,000)
After 2023	(97,000)
<b>Total Amount to be Recognized</b>	<b>\$ (1,769,000)</b>

## Actuarial Assumptions

The total VRS GLI OPEB liability was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Inflation	2.5 percent
Salary increases, including inflation –	
General state employees	3.5 percent – 5.35 percent
Teachers	3.5 percent – 5.95 percent
SPORS employees	3.5 percent – 4.75 percent
VaLORS employees	3.5 percent – 4.75 percent
JRS employees	4.5 percent
Locality – General employees	3.5 percent – 5.35 percent
Locality – Hazardous Duty employees	3.5 percent – 4.75 percent
Investment rate of return	7.0 Percent, net of investment expenses, including inflation*

- \* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of the OPEB liabilities.

## Mortality rates – Largest Ten Locality Employers - General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

**Post-Retirement:**

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

**Post-Disablement:**

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

**Mortality rates – Non-Largest Ten Locality Employers - General Employees**

**Pre-Retirement:**

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

**Post-Retirement:**

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

**Post-Disablement:**

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14 to 15%

**Mortality rates – Largest Ten Locality Employers – Hazardous Duty Employees**

**Pre-Retirement:**

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

**Post-Retirement:**

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

**Post-Disablement:**

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

## Mortality rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees

### Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

### Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

### Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

## Net VRS GLI OPEB Liability

The net VRS OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2017, NOL amounts for the Group Life Insurance Program are as follows (amounts expressed in thousands):

	<b>Group Life Insurance OPEB Program</b>
Total VRS GLI OPEB Liability	\$ 2,942,426
Plan Fiduciary Net Position	<u>1,437,586</u>
Employers' Net VRS GLI OPEB Liability (Asset)	<u>\$ 1,504,840</u>
Plan Fiduciary Net Position as a Percentage of the Total VRS GLI OPEB Liability	48.86%

The total VRS GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net VRS GLI OPEB liability is disclosed in accordance with the requirements of GAAP in the System's notes to the financial statements and required supplementary information.

## Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	<u>100.00%</u>		<u>4.80%</u>
Inflation			<u>2.50%</u>
* Expected arithmetic nominal return			<u>7.30%</u>

\* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

### **Discount Rate**

The discount rate used to measure the total VRS GLI OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the VRS GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VRS GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total VRS GLI OPEB liability.

### ***Sensitivity of the Net VRS GLI OPEB liability to changes in the discount rate***

The following presents the employer's proportionate share of the net VRS GLI OPEB liability using the discount rate of 7.00%, as well as what the employer's proportionate share of the net VRS GLI OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	<b>1% Decrease 6.00%</b>	<b>Current Discount Rate 7.00%</b>	<b>1% Increase 8.00%</b>
Net VRS GLI OPEB Liability	\$21,071,000	\$16,291,000	\$12,416,000

### **Group Life Insurance Program Fiduciary Net Position**

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

### **NOTE XII - OPERATING LEASES**

The County has various long-term non-cancelable operating lease agreements for property and equipment, which expire through fiscal year 2037. Total costs for such leases were \$7,301,142 for fiscal year 2018. 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, 2018. Non-cancelable operating leases include the following minimum annual rental payments as of June 30, 2018:

<b>Fiscal Year</b>	<b>Primary Government</b>
2019	\$5,119,691
2020	3,084,671
2021	2,339,441
2022	2,359,091
2023	2,321,614
2024-2028	10,265,041
2029-2033	1,143,325
2034-2037	533,552
<b>Total</b>	<b>\$27,166,426</b>



**NOTE XIII - CAPITAL LEASES**

Capital leases for property and equipment include the following minimum annual lease payments as of June 30, 2018.

Fiscal Year	Primary Government		Component Unit-Schools	
	Principal	Interest	Principal	Interest
2019	\$19,220,000	\$9,616,010	9,990,672	\$335,880
2020	19,340,000	8,785,894	7,544,614	206,364
2021	15,860,000	8,054,925	5,061,828	106,109
2022	15,995,000	7,359,653	2,556,479	38,603
2023	15,505,000	6,628,433	-	-
2024-2028	67,270,000	23,170,227	-	-
2029-2033	53,820,000	9,296,138	-	-
2034-2037	26,975,000	1,446,631	-	-
<b>Capital Lease Obligations</b>	<b>\$233,985,000</b>	<b>\$74,357,911</b>	<b>\$25,153,593</b>	<b>\$686,956</b>

Capital leases payable as of June 30, 2018 are composed of the following individual items:

Date Issued	Final Maturity	Interest Rate	Issued Amount	Balance at June 30, 2018	Type of Project Financed (the assets acquired secured the related capital lease)
<b>Primary Government</b>					
12/10/08	Oct 2028	4.69%	\$46,240,000	\$2,325,000	Public Safety Facilities
06/17/09	Oct 2019	2.97%	36,000,000	7,200,000	Capital Vehicles / Computer Equipment
03/15/10	Feb 2030	3.43%	985,000	650,000	Public Safety Facilities
06/16/10	Oct 2030	3.84%	7,140,000	4,620,000	Landfill Facilities
06/28/11	May 2031	3.89%	36,240,000	25,915,000	Government Office Facilities
11/01/12	Dec 2023	1.68%	14,935,000	9,575,000	Public Safety Facilities
02/25/15	Dec 2034	2.79%	30,985,000	24,970,000	Government Facilities / Transportation Project
11/12/15	Dec 2035	2.76%	75,390,000	67,310,000	Government Facilities / Computer Systems / Transportation Projects
06/08/16	Dec 2035	2.02%	35,795,000	33,595,000	Government Facilities / Transportation Project
11/17/16	Dec 2036	2.62%	60,900,000	57,825,000	Government Facilities / Transportation Projects
<b>Total Primary Government</b>			<b>\$344,610,000</b>	<b>\$233,985,000</b>	
<b>Component Unit - Schools</b>					
07/18/14	Jul 2018	1.20%	\$10,000,000	\$2,544,983	Capital Vehicles / Computers / Equipment
07/24/15	Jul 2019	1.32%	10,000,000	5,065,564	Capital Vehicles / Computers / Equipment
08/05/16	Aug 2020	1.16%	10,000,000	7,543,045	Capital Vehicles / Computers / Equipment
08/02/17	Aug 2021	1.51%	10,000,000	10,000,000	Capital Vehicles / Computers / Equipment
<b>Total Component Unit-Schools</b>			<b>\$40,000,000</b>	<b>\$25,153,593</b>	

Assets acquired under capital leases by major asset class for the Primary Government at June 30, 2018, are as follows:

Primary Government		
Major Asset Class	Issued Amount	Balance at June 30, 2018
Buildings	\$220,911,828	\$148,339,336
Transportation	78,991,360	70,580,934
Computer Equipment	35,346,812	13,188,381
Vehicles	9,360,000	1,876,349
<b>Total Primary Government</b>	<b>\$344,610,000</b>	<b>\$233,985,000</b>

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

The following is a summary of changes in long-term obligations of the Primary Government and Schools for the year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Amounts Due Within One Year
<b>Primary Government</b>					
Compensated Absences	\$30,297,427	\$801,829	\$2,000,667	\$29,098,589	\$1,513,127
Claims Payable	12,039,751	51,058,021	51,312,173	11,785,599	7,885,503
Landfill Closure and Postclosure Care	24,968,151	-	1,942,780	23,025,371	-
Net OPEB Liability, as restated	81,831,544	17,064,186	29,707,821	69,187,909	-
Net Pension Liability	86,279,307	82,535,100	104,052,646	64,761,761	-
LOSAP Total Pension Liability	35,290,006	3,182,141	945,026	37,527,121	-
General Obligation Bonds	966,285,000	148,275,000	98,660,000	1,015,900,000	103,010,000
Unamortized Bond Premium	71,934,500	9,841,786	10,146,342	71,629,944	10,446,991
Pledge-Bond Anticipation Notes	-	56,645,000	-	56,645,000	-
Unamortized Pledge-BANS Discount	-	(205,621)	-	(205,621)	(42,334)
Federal Loans	104,913,051	69,198,788	-	174,111,839	-
Capital Leases	253,565,000	-	19,580,000	233,985,000	19,220,000
Unamortized Lease Premium	25,874,309	-	3,272,170	22,602,139	3,010,586
<b>Total Primary Government</b>	<b>\$1,693,278,046</b>	<b>\$438,396,230</b>	<b>\$321,619,625</b>	<b>\$1,810,054,651</b>	<b>\$145,043,873</b>
<b>Component Unit - Schools</b>					
Compensated Absences	\$26,758,954	\$12,156,372	\$3,460,949	\$35,454,377	\$3,832,583
Claims Payable	17,280,892	153,356,217	152,379,418	18,257,691	17,280,892
Net OPEB Liability, as restated	266,998,994	40,223,818	43,736,244	263,486,568	-
Net Pension Liability	940,610,000	202,154,425	294,719,425	848,045,000	-
Capital Leases	25,145,907	10,000,000	9,992,314	25,153,593	9,990,672
<b>Total Component Unit-Schools</b>	<b>\$1,276,794,747</b>	<b>\$417,890,832</b>	<b>\$504,288,350</b>	<b>\$1,190,397,229</b>	<b>\$31,104,147</b>

Long-term obligations of governmental activities are generally liquidated by the General Fund, except for claims liabilities and a portion of the net pension obligation, which are liquidated by the internal service fund. See Note XI for additional information on Other Postemployment Benefits liability. Bonds and loans payable as of June 30, 2018 are as follows:

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

Balance at June 30, 2018

\$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.

\$ 2,020,000

\$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.

450,000

General Obligation Bonds:Balance at June 30, 2018

\$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.	2,400,000
\$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.	23,275,000
\$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.	6,840,000
\$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.	2,400,000
\$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	6,755,000
\$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.	14,950,000
\$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.	71,765,000
\$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.	81,905,000
\$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.	39,720,000
\$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.	23,820,000
\$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.	3,440,000
\$64,500,000 Public Improvement Bonds, Series 2012A, due in annual installments of \$2,760,000 to \$4,085,000 through 2031, interest from 2.625% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools and the construction and equipping of fire/rescue stations in the County.	40,005,000
\$99,725,000 Public Improvement and Refunding Bonds, Series 2013A, due in annual installments of \$2,540,000 to \$13,135,000 through 2032, interest from 4.0% to 5.0%. The proceeds of these bonds will be used to finance the acquisition, construction, renovating and equipping of public schools, fire/rescue apparatus, and improvements to public facilities and for advance refunding of outstanding bonds originally issued in 2005 and 2006.	83,665,000
\$67,985,000 Refunding Bonds, Series 2013B, due in annual installments of \$1,790,000 to \$21,580,000 through 2021, interest from 0.18% to 2.51%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 2005.	29,415,000
\$45,200,000 Public Improvement Bonds, Series 2013C, due in annual installments of \$2,260,000 through 2033, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools.	36,160,000
\$69,960,000 Public Improvement Bonds, Series 2014A, due in annual installments of \$3,375,000 to \$3,725,000 through 2033, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, improvements and equipping of public schools and the construction and equipping of fire/rescue stations in the County.	55,055,000

General Obligation Bonds:Balance at June 30, 2018

\$47,375,000 Public Improvement Bonds, Series 2014B, due in annual installments of \$1,640,000 to \$3,725,000 through 2034, interest from 4.00% to 5.00%. The proceeds of these bonds will be used to finance the design, acquisition, construction, renovation, improvements and equipping of public schools and public facilities; and the equipping of fire/rescue stations in the County.	36,215,000
\$10,885,000 School Construction Bonds, Series 2014C, due in annual installments of \$540,000 to \$545,000 through 2034, interest from 2.05% to 5.05%. The proceeds of these bonds will be used to finance the renovation of a high school in the County.	9,260,000
\$69,895,000 Public Improvement Bonds, Series 2015A, due in annual installments of \$3,090,000 to \$4,245,000 through 2034, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the design, acquisition, construction, renovation, improvements and equipping of public schools and public school facilities; relocation, renovation, expansion and equipping of a public library; design, construction, upgrade and equipping of parks and recreation facilities; land acquisition, design, construction and equipping of fire/rescue stations in the County.	57,170,000
\$147,990,000 Public Improvement and Refunding Bonds, Series 2016A, due in annual installments of \$3,880,000 to \$16,805,000 through 2035, interest from 2.125% to 5.00%. The proceeds of these bonds will be used to finance the design, construction, renovation and equipping of public schools and public school facilities; fire station and other public safety facilities and apparatus; park and recreation facilities; library facilities; transportation projects in the County and to refund a portion of the County's General Obligation Public Improvement Bonds, Series 2007B and 2009A.	137,650,000
\$108,730,000 Public Improvement Bonds, Series 2017A, due in annual installments of \$5,435,000 to \$5,440,000 through 2036, interest from 2.00% to 5.00%. The proceeds of these bonds will be used to finance the design, construction, and equipping of public schools and public school facilities; design and construction of a new animal shelter; design, construction, upgrade and equipping of parks and recreation facilities and fire/rescue stations; and transportation projects in the County.	103,290,000
\$148,275,000 Public Improvement Bonds, Series 2018A, due in annual installments of \$6,895,000 to \$8,375,000 through 2037, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the design, acquisition, construction, renovation and equipping of public schools and public facilities in the County.	<u>148,275,000</u>
<b>Total General Obligation Bonds</b>	<b><u>\$1,015,900,000</u></b>

On December 9, 2014, the County entered into an agreement with the US Department of Transportation and the Economic Development Authority of Loudoun County for a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, not to exceed \$195,072,507. The proceeds from the loan will be used to finance a portion of the costs of construction to extend the Washington Metropolitan Area Transit Authority's mass transit system into the County, which draws upon the loan based on its proportionate share, 4.8%, of actual costs incurred. The interest on the loan is fixed at 2.87% and is compounded semi-annually on April 1 and October 1. Interest is deferred and capitalized as the proceeds are drawn down. Interest only payments are due to begin in April 2019. Principal and interest payments will be due in fixed, level semi-annual installments beginning October 2022 through April 2046. The amount of these payments will be determined in October 2022 based upon the outstanding balance as of that date. The outstanding principal balance of the loan at June 30, 2018 is \$174,111,839 capitalized interest on the outstanding principal balance is \$7,285,531 at June 30, 2018.

On June 21, 2018 the County issued \$56,645,000 of bond anticipation notes, through the EDA, at 2.00% interest. Interest only payments are due and payable on June 1 and December 1 each year. The notes will be replaced by long term financing at maturity in 2022. Proceeds from the notes will be used to finance a portion of the costs of construction to extend the Washington Metropolitan Area Transit Authority's mass transit system into the County until completion of construction and final costs are known.

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

Primary Government Debt Service						
	General Obligation Bonds		Loans		Pledge Bond Anticipation Notes	
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$103,010,000	\$40,995,176	-	\$2,595,921	-	\$881,144
2020	99,850,000	36,752,069	-	5,220,368	-	1,132,900
2021	93,650,000	32,330,056	-	5,206,105	-	1,132,900
2022	84,560,000	28,163,606	-	5,206,105	56,645,000	1,132,900
2023	72,355,000	24,343,441	5,341,746	5,168,050	-	-
2024-2028	299,765,000	74,390,883	29,116,076	23,432,907	-	-
2029-2033	178,655,000	28,359,708	33,574,625	18,974,358	-	-
2034-2038	84,055,000	5,221,429	38,715,913	13,833,070	-	-
2039-2043	-	-	44,644,488	7,904,495	-	-
2044-2046	-	-	30,004,522	1,524,868	-	-
<b>Total General Obligation Bonds and Loans Payable</b>	<b>\$1,015,900,000</b>	<b>\$270,556,368</b>	<b>\$181,397,370</b>	<b>\$89,066,247</b>	<b>\$56,645,000</b>	<b>\$4,279,844</b>

Note: The principal amount of the loan includes future capitalized interest on the outstanding principal and capitalized interest as of June 30, 2018.

#### Advance Refunding:

The County defeases certain general obligation and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2018, \$404,530,000 of bonds outstanding are considered defeased.

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

State and federal laws and regulations require the County to place a final cover on its Woods Road landfill site, as well as other sites opened in the future when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care cost will be paid only near or after the date that the landfill stops accepting waste, GAAP requires that the County record a portion of these closure and postclosure care costs as a long-term liability in each period based on landfill capacity used as of each fiscal year end. The \$23,025,371 liability for landfill closure and postclosure care cost at June 30, 2018 represents the estimated liability based on the usage of 80.1% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care in the amount of \$5,195,796 as the remaining estimated capacity is used. The estimated remaining life of the Loudoun County Landfill Disposal Unit is 10.4 years. The liability accrued at June 30, 2018 is based on what it would cost to perform all closure and postclosure care in 2018. Actual cost may differ from this estimate due to inflation, deflation, changes in technology or changes in regulation.

#### **NOTE XVI – CONTINGENT LIABILITIES**

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

The County has received a number of Federal and State grants. Although the County has been audited in accordance with the provisions of Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), these grants remain subject to financial and compliance audits by the grantors or their representatives. Such audits could result in requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. The amount of expenditures that may be disallowed as a result of audits at some future date cannot be determined at this time; however, County management believes such amounts, if any, will not have a material effect on the financial position or results of operations of the County.

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

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

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

## **NOTE XVIII - RETIREMENT PLANS**

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

#### **Summary of Significant Accounting Policies**

##### **Description of the Entity**

The Virginia Retirement System (the System) is an independent agency of the Commonwealth of Virginia. The System Administers four separate pension trust funds – the Virginia Retirement System (VRS), the State Police “Officers” Retirement System (SPORS), the Virginia Law Officers’ Retirement System (VaLORS), and the Judicial Retirement System (JRS). The VRS Political Subdivision Retirement Plans are part of the agent, multi-employer component of the VRS Trust Fund.

##### **Administration and Management**

The Board of Trustees (the Board) is responsible for the general administration and operation of the defined benefit pension plans and the other employee benefit plans. The Board has full power to invest and reinvest the trust funds of the System through the adoption of investment policies and guidelines that fulfil the Board’s investment objective to maximize long-term investment returns while targeting an acceptable level of risk.

The Board consists of nine members. Five members are appointed by the Governor and four members are appointed by the Joint Rules Committee of the General Assembly subject to confirmation by the General Assembly. The Board appoints a director to serve as the chief administrative officer of the System and a chief investment officer to direct, manage, and administer the investment of the System’s funds.

The System issues a CAFR containing the financial statements and required supplementary information for all of the System’s pension and other employee benefit trust funds. The CAFR is publically available through the About VRS link on the VRS website at [www.varetire.org](http://www.varetire.org), or a copy may be obtained by submitting a request to the VRS Chief Financial Officer, PO Box 2500, Richmond, VA 23218-2500. The pension and other employee benefit trust funds administered by the VRS are classified as fiduciary funds and are included in the basic financial statements of the Commonwealth of Virginia.

##### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS Political Subdivision’s Retirement Plan and the additions to/deductions from the VRS Political Subdivision’s Retirement Plan net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **General Information about the Pension Plan**

##### **Plan Description**

All full-time, salaried permanent (professional) employees of the County and Schools are automatically covered by VRS Retirement Plan upon employment. This plan is administered by the System along with plans for other employer groups in the Commonwealth of Virginia. The County of Loudoun Retirement Plans are in an agent, multiple-employer plan. Members earn one month of service credit for each month they are employed and for which they and their employer are paying contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees in the VRS Retirement Plan – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan, and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>About VRS Plan 1</b> Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p>	<p><b>About VRS Plan 2</b> Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p>	<p><b>About the Hybrid Retirement Plan</b> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See "Eligible Members")</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>
<p><b>Eligible Members</b> Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b> VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible VRS Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p><b>Eligible Members</b> Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b> VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible VRS Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p><b>Eligible Members</b> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees*</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014</li> </ul> <p><b>*Non-Eligible Members</b> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees</li> </ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>



<p><b>Retirement Contributions</b> Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p><b>Retirement Contributions</b> Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016.</p>	<p><b>Retirement Contributions</b> A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<p><b>Creditable Service</b> Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p><b>Creditable Service</b> Same as VRS Plan 1.</p>	<p><b>Creditable Service</b> <u><b>Defined Benefit Component:</b></u> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u><b>Defined Contributions Component:</b></u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>
<p><b>Vesting</b> Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b> Same as VRS Plan 1.</p>	<p><b>Vesting</b> <u><b>Defined Benefit Component:</b></u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. VRS Plan 1 or VRS Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u><b>Defined Contributions Component:</b></u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> </ul>

		<ul style="list-style-type: none"> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distribution is not required by law until age 70½.</p>
<b>Calculating the Benefit</b> The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.  An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	<b>Calculating the Benefit</b> See definition under Plan 1.	<b>Calculating the Benefit</b> <u><b>Defined Benefit Component:</b></u> See definition under Plan 1  <u><b>Defined Contribution Component:</b></u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
<b>Average Final Compensation</b> A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	<b>Average Final Compensation</b> A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	<b>Average Final Compensation</b> Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
<b>Service Retirement Multiplier</b> <b>VRS:</b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%.  <b>Sheriffs and regional jail superintendents:</b> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.  <b>Political subdivision hazardous duty employees:</b> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.	<b>Service Retirement Multiplier</b> Same as Plan1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013  <b>Sheriffs and regional jail superintendents:</b> Same as Plan 1.  <b>Political subdivision hazardous duty employees:</b> Same as Plan 1.	<b>Service Retirement Multiplier</b> <u><b>Defined Benefit Component:</b></u> <b>VRS:</b> The retirement multiplier for the defined benefit component is 1.00%.  For members that opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.  <b>Sheriffs and regional jail superintendents:</b> Not applicable  <b>Political subdivision hazardous duty employees:</b> Not applicable  <b>Defined Contribution Component:</b> Not applicable.
<b>Normal Retirement Age</b> <b>VRS:</b> Age 65.  <b>Political subdivision hazardous duty employees:</b> Age 60	<b>Normal Retirement Age</b> <b>VRS:</b> Normal Social Security retirement age.  <b>Political subdivision hazardous duty employees:</b> Same as Plan 1.	<b>Normal Retirement Age</b> <u><b>Defined Benefit Component:</b></u> <b>VRS:</b> Same as Plan 2.  <b>Political subdivision hazardous duty employees:</b> Not applicable.  <u><b>Defined Contribution Component:</b></u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
<b>Earliest Unreduced Retirement Eligibility</b>	<b>Earliest Unreduced Retirement Eligibility</b>	<b>Earliest Unreduced Retirement Eligibility</b>

<p><b>VRS:</b> Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p> <p><b>Political subdivisions hazardous duty employees:</b> Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.</p>	<p><b>VRS:</b> Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p><b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.</p>	<p><b><u>Defined Benefit Component:</u></b>  <b>VRS:</b> Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p><b>Political subdivisions hazardous duty employees:</b> Not applicable.</p> <p><b><u>Defined Contribution Component:</u></b>  Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Reduced Retirement Eligibility</b>  <b>VRS:</b> Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p> <p><b>Political subdivisions hazardous duty employees:</b> 50 with at least five years of creditable service.</p>	<p><b>Earliest Reduced Retirement Eligibility</b>  <b>VRS:</b> Age 60 with at least five years (60 months) of creditable service.</p> <p><b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b>  <b><u>Defined Benefit Component:</u></b>  <b>VRS:</b> Age Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.</p> <p><b>Political subdivisions hazardous duty employees:</b> Not applicable.</p> <p><b><u>Defined Contribution Component:</u></b>  Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><b><u>Eligibility:</u></b>  For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b>  The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service</li> </ul>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><b><u>Eligibility:</u></b>  Same as Plan 1</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b>  Same as Plan 1</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  <b><u>Defined Benefit Component:</u></b>  Same as Plan 2.</p> <p><b><u>Defined Contribution Component:</u></b>  Not applicable.</p> <p><b><u>Eligibility:</u></b>  Same as Plan 1 and Plan 2.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b>  Same as Plan 1 and Plan 2.</p>

benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.		
<b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.  VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	<b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.  VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	<b>Disability Coverage</b> Eligible political subdivision and school division (including Plan 1 and Plan2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.  Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
<b>Purchase of Prior Service</b> Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.	<b>Purchase of Prior Service</b> Same as Plan 1.	<b>Purchase of Prior Service</b> <u><b>Defined Benefit Component:</b></u> Same as VRS Plan 1 with the following exceptions: <ul style="list-style-type: none"> <li>• Hybrid Retirement Plan members are ineligible for ported service.</li> <li>• The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation.</li> <li>• Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one year period, the rate for most categories of service will change to actuarial cost.</li> </ul> <u><b>Defined Contribution Component:</b></u> Not applicable.

#### Employees Covered by Benefit Terms

As of the June 30, 2016 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

Description	Number
Inactive Members or Their Beneficiaries Currently Receiving Benefits	983
Inactive Members:	
Vested	503
Non-Vested	925
Active Elsewhere in VRS	<u>462</u>
Total Inactive Members	1,890
Active Members	3,084
Total	5,957

## Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5.00% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The County's recommended employer contribution rate for year ending June 30, 2018 was 9.08% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2016.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$19,888,913 and \$19,534,732 for the years ended June 30, 2018 and June 30, 2017, respectively.

## Net Pension Liability

The County's net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2016 in accordance with GAAP, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

## Actuarial Assumptions

The total pension liability for general employees in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level percent closed
Remaining Amortization Period	27, 20, 19, and 18 years
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return*	7.00%
Projected Salary Increases*	3.5% - 5.35%
*Includes Inflation at	2.5%
Cost-of-living Adjustments	2.25 – 2.5%

- \* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

## Mortality rates:

Largest 10 – Non-Hazardous Duty: 20% of deaths are assumed to be service related

### Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates

### Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

### Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

All Others (Non 10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

### Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%

All Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.30%

- \* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

## Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the Employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board and the member rate. For the state plans, through the fiscal year ending June 30, 2019 the rates contributed by the employer will be subject to the portion of the Board rates as adopted by the Virginia legislature. From July 1, 2019 on, we assume 100% of the actuarially determined contribution rates will be payable for all the VRS plans. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

## Changes in Net Pension Liability

County	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2016	\$ 658,037,161	\$ 571,757,854	\$ 86,279,307
Changes for the year:			
Service Cost	24,259,267	-	24,259,267
Interest	45,282,666	-	45,282,666
Changes in benefit terms	12,538,091	-	12,538,091
Changes of assumptions	(716,682)	-	(716,682)
Difference between expected and actual experience	(3,887,588)	-	(3,887,588)
Contributions – employer	-	19,049,642	(19,049,642)
Contributions – employee	-	9,976,492	(9,976,492)
Net investment income	-	70,422,242	(70,422,242)
Benefit payments, including refunds of employee contributions	(22,283,878)	(22,283,878)	-
Administrative expense	-	(391,704)	391,704
Other changes	-	(63,372)	63,372
Net changes	55,191,876	76,709,422	(21,517,546)
<b>Balances at June 30, 2017</b>	<b>\$ 713,229,037</b>	<b>\$ 648,467,276</b>	<b>\$ 64,761,761</b>

## Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Primary Government using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Plan's Net Pension Liability (Asset)	\$ 167,523,300	\$ 64,761,761	\$ (19,967,903)

## Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the County recognized pension expense of \$25,724,515. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,063,789	\$ 4,153,509
Changes of assumptions	-	574,483
Net difference between projected and actual earnings on plan investments	-	9,568,953
Employer contributions subsequent to the Measurement Date	19,888,913	-
Total	\$ 20,952,702	\$ 14,296,945



\$19,888,913 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30:		Amount
2019	\$	(6,590,994)
2020		1,216,891
2022		(972,769)
2022		(6,849,744)
2023		(36,540)
Thereafter		-
<b>Total</b>	<b>\$</b>	<b>(13,233,156)</b>

(B) **VOLUNTEER FIRE AND RESCUE RETIREMENT SYSTEM**

**Plan Description**

The Primary Government is the administrator of a revocable, 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.

At June 30, 2018, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	313
Inactive participants entitled to but not yet receiving benefit payments	686
Active participants	<u>1,132</u>
<b>Total</b>	<b><u>2,131</u></b>

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the County. As such, the trust assets do not meet the criteria for trust reporting under GAAP in paragraph 4 of GASB Statement No. 73.

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 Supplementary Information).

**Measurement of the Total Pension Liability**

The County's total pension liability at the June 30, 2018 measurement date was determined using an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Accumulation of excess points:	33% realization rate
Withdrawal rates:	2003 SOA Pension Plan Turnover Study
	Small Plan Age Table blended with Plan experience
	Age 20: 0.198
	Age 30: 0.126
	Age 40: 0.077
	Age 50: 0.046
Salary Scale:	None assumed

Mortality rates were based on the RP-2014 Mortality Table without projection for mortality improvement and using a blend of 75% Male and 25% Female.

*Discount Rate.* The discount rate used to measure the total pension liability as of June 30, 2018 was 2.98%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2018. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

#### Changes in the Total Pension Liability

Balance as of 06/30/2017	\$ 35,290,006
Service Cost	1,051,821
Interest	1,127,572
Changes of assumptions or other inputs	1,002,748
Differences between expected and actual experience	(310,716)
Benefit Payments	(634,310)
Net Changes	2,237,115
<b>Balance as of 06/30/2018</b>	<b>\$ 37,527,121</b>

#### Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability of the County as of June 30, 2018, calculated using the discount rate of 2.98 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.98 percent) or 1-percentage point higher (3.98 percent) than the current rate:

	1% Decrease 1.98%	Current Discount Rate 2.98%	1% Increase 3.98%
Total Pension liability	\$ 45,346,082	\$ 37,527,121	\$ 31,519,086

#### Pension Expense and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the County recognized pension expense of \$1,353,293.

Components of Pension Expense	Amount
Service Cost	\$ 1,051,821
Interest on total pension liability	1,127,572
Changes of assumptions or other inputs	(712,440)
Differences between expected and actual experience	(159,032)
Pension plan administrative expenses	45,372
<b>Total pension expense</b>	<b>\$ 1,353,293</b>

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 187,590
Changes of assumptions or other inputs	566,771	574,209
<b>Total</b>	<b>\$ 566,771</b>	<b>\$ 761,799</b>

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2019	\$ (285,294)
2020	90,266
2021	-
2022	-
2023	-
Thereafter	-
<b>Total</b>	<b>\$ (195,028)</b>

:

#### **NOTE XIX - UNEARNED REVENUES/DEFERRED INFLOWS OF RESOURCES**

Unearned revenues at the fund level represent amounts for which asset recognition criteria were met, but for which revenue recognition criteria were not met. Unearned revenues for the Primary Government consist of grant funding received before eligibility requirements were met in the amount of \$10,483,713 and unspent donations in the amount of \$523,745. Unearned revenues of the component unit consist of advanced meal payments in the amount of \$1,166,487 and grant funding received before eligibility requirements were met in the amount of \$2,505,043.

Deferred inflows of resources at the fund level represent amounts for which asset recognition criteria were met, but which were not available to finance expenditures of the current period under the modified accrual basis of accounting. Deferred inflows of resources at June 30, 2018 consist of:

Governmental Funds	Amount
Unavailable Taxes – taxes not paid within sixty days of June 30, 2018	\$ 12,617,190
Unavailable Taxes Not Yet Due – taxes for which the County has a legal claim, but which are intended to fund expenditures of the next fiscal period	601,927,446
Prepaid Taxes – taxes due subsequent to June 30, 2018, but paid in advance by taxpayers	27,984,371
Total	<b>\$ 642,529,007</b>

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 \$17.7 million at June 30, 2018.

**NOTE XX – FUND BALANCE CLASSIFICATION**

Specific purpose details for fund balance classifications displayed in the aggregate for governmental funds as of June 30, 2018 are as follows:

<b>FY 2018</b>	<b>General</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Non-Major</b>	<b>Total Governmental Funds</b>
<b>Fund Balance:</b>					
<b>Nonspendable:</b>					
Notes and Loans	\$ 780,495	\$ -	\$ -	\$ -	\$ 780,495
Prepays	543,745	-	-	-	543,745
<b>Subtotal Nonspendable</b>	\$ 1,324,240	\$ -	\$ -	\$ -	\$ 1,324,240
<b>Restricted for:</b>					
Public Safety Facilities	\$ -	\$ 28,161,150	\$ -	\$ 40,276	\$ 28,201,426
Public Safety CAD & E911 Systems	-	2,625,706	-	-	2,625,706
Animal Shelter	-	-	-	543,782	543,782
General Government Facilities	-	8,522,867	-	-	8,522,867
Audio Visual Equipment	-	3,988,238	-	-	3,988,238
Law Library	-	-	-	20,078	20,078
Courts Complex Improvements	-	2,522,331	-	-	2,522,331
Road & Sidewalk Improvements & Construction	-	78,911,814	-	77,190,069	156,101,883
Group Home Improvements	-	1,084,842	-	-	1,084,842
Health & Welfare Programs	-	-	-	4,337,419	4,337,419
Emergency Medical Transport Program	-	-	-	5,235,145	5,235,145
Housing Assistance Programs	-	-	-	32,886,904	32,886,904
Library Improvements, Materials, and Equipment	-	3,606,144	-	4,435,863	8,042,007
Parks, Community Centers & Recreation Centers	-	123,135,187	-	3,447,088	126,582,275
Mass Transit & Parking Garages	-	37,335,299	-	54,484,983	91,820,282
Tourism	-	-	-	1,307,747	1,307,747
Juvenile Detention Center Addition	-	11,686,651	-	-	11,686,651
Youth Shelter Renovation	-	156,913	-	-	156,913
County and School Land Acquisition	-	2,061,941	-	-	2,061,941
Landfill and Wastewater Infrastructure	-	4,483,217	-	85,146	4,568,363
<b>Subtotal Restricted</b>	\$ -	\$ 308,282,300	\$ -	\$ 184,014,500	\$ 492,296,800
<b>Committed to:</b>					
Fiscal Reserve	\$ 191,800,558	\$ -	\$ -	\$ 379,000	\$ 192,179,558
Fire & Rescue Revolving Loans	4,180,176	-	-	-	4,180,176
Major Equipment Replacement	-	-	-	6,844,114	6,844,114
Computer Systems Replacements and Upgrades	2,721,717	-	-	396,335	3,118,052
ERP Project / Initiatives	-	1,778,339	-	-	1,778,339
Audio Visual Equipment	-	312,043	-	-	312,043
Courts Complex Improvements	89,779	1,000,000	-	78,930	1,168,709
Public Safety Facilities	1,426,219	8,318,734	-	-	9,744,953
Public Safety Equipment	-	4,196,046	-	-	4,196,046
Public Safety Firing Range	-	3,907,801	-	-	3,907,801
Adult Detention Center	-	260,000	-	-	260,000
General Government Facilities	2,940,044	5,244	-	3,382,336	6,327,624

<b>FY 2018</b>	<b>General</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Non-Major</b>	<b>Total Governmental Funds</b>
Road & Sidewalk Improvements & Construction	-	48,556,496	-	915	48,557,411
Group Home Improvements	1,295,555	854,916	-	-	2,150,471
CSA At Risk Youth and Families	-	-	-	4,871,220	4,871,220
Library Improvements, Materials, and Equipment	-	1,732	-	-	1,732
Landfill and Wastewater Infrastructure	-	20,714,754	-	185,286	20,900,040
Parks, Community Centers & Recreation Centers	1,267,382	18,882,865	-	809,119	20,959,366
Youth Shelter Renovation	-	14,112	-	-	14,112
Commercial & Rural Economic Development	1,069,569	-	-	-	1,069,569
Mass Transit & Parking Garages	-	4,077,468	-	-	4,077,468
Volunteer Fire & Rescue LOSAP Pension Benefits	19,841,200	-	-	-	19,841,200
County and School Land Acquisition	-	7,425,672	-	-	7,425,672
<b>Subtotal Committed</b>	<b>\$ 226,632,199</b>	<b>\$ 120,306,222</b>	<b>\$ -</b>	<b>\$ 16,947,255</b>	<b>\$ 363,885,676</b>
<b>Assigned to:</b>					
Debt Service	\$ -	\$ -	\$ 30,933,829	\$ -	\$ 30,933,829
Budgeted Use of Fund Balance	32,152,831	-	\$ 20,000,000	4,107,322	56,260,153
Computer Systems Replacements and Upgrades	373,928	-	-	-	373,928
Courts Complex Improvements	4,636	-	-	-	4,636
Public Safety Facilities/Firing Range/CAD System	247,752	-	-	-	247,752
County Facilities Repairs and Improvements	96,397	-	-	503	96,900
Health and Welfare Programs	310,014	-	-	-	310,014
Housing Assistance Programs	-	-	-	3,000,000	3,000,000
Parks, Recreation and Cultural	343,764	-	-	-	343,764
Community Development and Transit Projects	204,950	-	-	-	204,950
Road & Sidewalk Improvements & Construction	-	1,893,509	-	196,538	2,090,047
Construction of Courthouse Memorials	50,000	-	-	-	50,000
Future Capital Projects	-	14,957,716	-	-	14,957,716
<b>Subtotal Assigned</b>	<b>\$ 33,784,272</b>	<b>\$ 16,851,225</b>	<b>\$ 50,933,829</b>	<b>\$ 7,304,363</b>	<b>\$ 108,873,689</b>
<b>Unassigned:</b>					
	\$ 99,528,390	\$ -	\$ -	\$ -	\$ 99,528,390
<b>Subtotal Unassigned</b>	<b>\$ 99,528,390</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 99,528,390</b>
<b>Total Fund Balance</b>	<b>\$ 361,269,101</b>	<b>\$ 445,439,747</b>	<b>\$ 50,933,829</b>	<b>\$ 208,266,118</b>	<b>\$ 1,065,908,795</b>

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

**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 \$175,070,000 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, 2018, the outstanding principal balance on the bonds is \$163,945,000. 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 – RESTATEMENT OF NET POSITION**

The County and the component unit – schools implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 required the County to recognize a liability for net OPEB; therefore, the implementation of this statement resulted in the restatement of net position in the Governmental Activities as of June 30, 2017 by \$75,488,453 and \$166,015,606, respectively. Below are the details of the restatement:

Description	Primary Government	Component Unit - Schools	Total Reporting Entity
Net Position, July 1, 2017	\$770,578,560	\$917,520,004	\$1,688,098,564
Net OPEB Liability, OPEB Trust	(47,271,190)	(36,182,390)	(83,453,580)
Net OPEB Liability, LODA	(10,367,737)	-	(10,367,737)
Net OPEB Liability, VRS GTL	(17,849,616)	(51,466,000)	(69,315,616)
Net OPEB Liability, VRS Health Insurance Credit	-	(78,432,216)	(78,432,216)
Net OPEB Liability, VRS Local Disability Program	-	65,000	65,000
<b>Subtotal - Adjustments</b>	<b>(75,488,543)</b>	<b>(166,015,606)</b>	<b>(241,504,149)</b>
<b>Net Position, July 1, 2017, restated</b>	<b>\$695,090,017</b>	<b>\$751,504,398</b>	<b>\$1,446,594,415</b>
<b>Proprietary Funds – Schedule 44</b>			
Net Position July 1, 2017	\$ -	\$26,782,204	\$26,782,204
Net OPEB Liability	-	(1,172,272)	(1,172,272)
<b>Net Position July 1, 2017, restated</b>	<b>\$ -</b>	<b>\$25,609,932</b>	<b>\$25,609,932</b>

**NOTE XXIII – SUBSEQUENT EVENTS**

On April 19, 2018 the Board of Supervisors authorized the issuance through the EDA of Federally Taxable Series 2018 EDA Bonds in an amount not to exceed \$101,500,000 for capital projects. The bond sale occurred on July 26, 2018 for \$97,350,000 and closed on August 9, 2018.



# Required Supplementary Information

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Loudoun County Leadership Team





**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Budgeted Amounts</b>		<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Resources (Inflows)</b>				
General Property Taxes	\$ 1,145,638,700	\$ 1,145,638,700	\$ 1,203,943,441	\$ 58,304,741
Other Local Taxes	152,048,130	152,048,130	160,587,445	8,539,315
Permits and Licenses	22,727,563	22,767,434	26,413,319	3,645,885
Fines and Forfeitures	1,871,650	1,871,650	2,059,764	188,114
Use of Money and Property	4,957,869	5,080,869	14,018,102	8,937,233
Charges for Services	36,987,999	41,535,100	39,286,622	(2,248,478)
Gifts and Donations	33,635	221,557	107,369	(114,188)
Miscellaneous	156,071	464,242	665,699	201,457
Sales of Capital Assets	-	144,350	339,200	194,850
Recovered Costs	9,513,051	10,629,456	11,708,816	1,079,360
Payment from Component Unit	-	15,674,101	15,674,101	-
Intergovernmental - Commonwealth	86,382,044	91,298,252	87,771,389	(3,526,863)
Intergovernmental - Federal	4,926,815	9,697,940	9,662,906	(35,034)
Transfers from Other Funds	6,423,647	7,856,843	7,856,807	(36)
<b>Amounts Available for Appropriation</b>	<b>1,471,667,174</b>	<b>1,504,928,624</b>	<b>1,580,094,980</b>	<b>75,166,356</b>
<b>Charges to Appropriations (Outflows)</b>				
General Government Administration	85,415,642	86,939,553	91,968,373	(5,028,820)
Judicial Administration	15,608,799	15,963,744	14,772,826	1,190,918
Public Safety	194,185,310	199,135,603	185,602,390	13,533,213
Public Works	19,564,563	21,591,516	18,003,377	3,588,139
Health and Welfare	75,055,509	85,137,116	75,884,270	9,252,846
Parks, Recreation and Culture	59,806,140	62,069,944	55,586,926	6,483,018
Community Development	53,741,863	59,452,812	50,516,282	8,936,530
Education	771,824,151	778,824,151	778,824,151	-
Transfers to Other Funds	244,073,106	285,484,378	285,326,877	157,501
<b>Total Charges to Appropriations</b>	<b>1,519,275,083</b>	<b>1,594,598,817</b>	<b>1,556,485,472</b>	<b>38,113,345</b>
<b>Excess (Deficiency) of Resources Over (Under)</b>				
<b>Charges to Appropriations</b>	(47,607,909)	(89,670,193)	23,609,508	113,279,701
<b>Fund Balance at Beginning of Year</b>	<b>337,659,593</b>	<b>337,659,593</b>	<b>337,659,593</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 290,051,684</b>	<b>\$ 247,989,400</b>	<b>\$ 361,269,101</b>	<b>\$ 113,279,701</b>

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

**COUNTY OF LOUDOUN, VIRGINIA  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2018**

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

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

**PRIMARY GOVERNMENT**

	Measurement Date			
	2017	2016	2015	2014
<b>Total pension liability</b>				
Service cost	\$ 24,259,267	\$ 23,039,213	\$ 22,353,385	\$ 21,840,726
Interest	45,282,666	42,083,862	39,237,646	36,294,239
Changes of benefit terms	12,538,091	-	-	-
Differences between expected and actual experience	(716,682)	1,706,561	(2,390,226)	-
Changes in assumptions	(3,887,588)	-	-	-
Benefit Payments, including refunds of employee contributions	(22,283,878)	(19,980,996)	(17,100,175)	(15,072,398)
<b>Net change in total pension liability</b>	<b>55,191,876</b>	<b>46,848,640</b>	<b>42,100,630</b>	<b>43,062,567</b>
<b>Total pension liability - beginning</b>	<b>658,037,161</b>	<b>611,188,521</b>	<b>569,087,891</b>	<b>526,025,324</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 713,229,037</b>	<b>\$ 658,037,161</b>	<b>\$ 611,188,521</b>	<b>\$ 569,087,891</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 19,049,642	\$ 19,384,057	\$ 18,748,497	\$ 19,154,774
Contributions - employee	9,976,492	9,723,295	9,261,311	9,032,627
Net investment income	70,422,242	10,058,783	24,118,127	69,969,273
Benefit Payments, including refunds of employee contributions	(22,283,878)	(19,980,996)	(17,100,175)	(15,072,398)
Administrative expense	(391,704)	(334,384)	(314,292)	(361,756)
Other	(63,372)	(4,173)	(5,153)	3,687
<b>Net change in total pension liability</b>	<b>76,709,422</b>	<b>18,846,582</b>	<b>34,708,315</b>	<b>82,726,207</b>
<b>Plan fiduciary net position - beginning</b>	<b>571,757,854</b>	<b>552,911,272</b>	<b>518,202,957</b>	<b>435,476,750</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>648,467,276</b>	<b>571,757,854</b>	<b>552,911,272</b>	<b>518,202,957</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 64,761,761</b>	<b>\$ 86,279,307</b>	<b>\$ 58,277,249</b>	<b>\$ 50,884,934</b>
<b>Plan fiduciary net position as a percentage of the total Pension liability</b>	<b>90.92%</b>	<b>86.89%</b>	<b>90.46%</b>	<b>91.06%</b>
<b>Covered payroll</b>	<b>\$ 195,740,717</b>	<b>\$ 187,826,635</b>	<b>\$ 180,313,939</b>	<b>\$ 178,707,569</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>33.09%</b>	<b>45.94%</b>	<b>32.32%</b>	<b>28.47%</b>

**COMPONENT UNIT - NON-PROFESSIONAL PLAN**

<b>Total pension liability</b>				
Service cost	\$ 5,209,000	\$ 5,258,000	\$ 5,228,000	\$ 5,409,000
Interest	9,459,000	8,778,000	8,227,000	7,606,000
Differences between expected and actual experience	(37,000)	905,000	(902,000)	-
Changes in assumptions	(2,080,000)	-	-	-
Benefit Payments, including refunds of employee contributions	(5,490,000)	(4,947,000)	(4,410,000)	(3,882,000)
<b>Net change in total pension liability</b>	<b>7,061,000</b>	<b>9,994,000</b>	<b>8,143,000</b>	<b>9,133,000</b>
<b>Total pension liability - beginning</b>	<b>137,868,000</b>	<b>127,874,000</b>	<b>119,731,000</b>	<b>110,598,000</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 144,929,000</b>	<b>\$ 137,868,000</b>	<b>\$ 127,874,000</b>	<b>\$ 119,731,000</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 3,079,000	\$ 3,731,000	\$ 3,637,000	\$ 3,657,000
Contributions - employee	2,624,000	2,587,000	2,527,000	2,521,000
Net investment income	15,251,000	2,186,000	5,276,000	15,392,000
Benefit Payments, including refunds of employee contributions	(5,490,000)	(4,947,000)	(4,410,000)	(3,882,000)
Administrative expense	(86,000)	(73,000)	(69,000)	(80,000)
Other	(13,000)	(1,000)	(2,000)	-
<b>Net change in total pension liability</b>	<b>15,365,000</b>	<b>3,483,000</b>	<b>6,959,000</b>	<b>17,608,000</b>
<b>Plan fiduciary net position - beginning</b>	<b>124,606,000</b>	<b>121,123,000</b>	<b>114,164,000</b>	<b>96,556,000</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>139,971,000</b>	<b>124,606,000</b>	<b>121,123,000</b>	<b>114,164,000</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 4,958,000</b>	<b>\$ 13,262,000</b>	<b>\$ 6,751,000</b>	<b>\$ 5,567,000</b>
<b>Plan fiduciary net position as a percentage of the total Pension liability</b>	<b>96.58%</b>	<b>90.38%</b>	<b>94.72%</b>	<b>95.35%</b>
<b>Covered payroll</b>	<b>\$ 53,665,362</b>	<b>\$ 53,004,200</b>	<b>\$ 50,973,799</b>	<b>\$ 50,095,243</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>9.24%</b>	<b>25.02%</b>	<b>13.24%</b>	<b>11.11%</b>

Note: This schedule is intended to show information for 10 years. Since 2014 was the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

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.lcps.org>.

**COUNTY OF LOUDOUN, VIRGINIA  
VIRGINIA RETIREMENT SYSTEM  
TEACHERS RETIREMENT PLAN  
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**COMPONENT UNIT - SCHOOLS - PROFESSIONAL PLAN**

<b>Fiscal Year</b>	<b>Employer's Proportion of the Net Pension Liability</b>	<b>Employer's Proportionate Share of the Net Pension Liability</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2018	6.86%	\$ 843,087,000	\$ 542,902,050	155.29%	72.92%
2017	6.62%	927,348,000	507,489,598	182.73%	68.28%
2016	6.37%	802,292,000	473,788,018	169.34%	70.68%
2015	6.15%	743,824,733	468,435,000	158.79%	70.88%

Note: This schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

Amounts presented have a measurement date of the previous fiscal year end.

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.lcps.org>.

**COUNTY OF LOUDOUN, VIRGINIA  
VIRGINIA RETIREMENT SYSTEM  
POLITICAL SUBDIVISION & TEACHERS RETIREMENT PLANS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**Primary Government**

		Contributions in Relation to Contractually Required Contribution	Contribution Excess (Deficiency)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Excess (Deficiency)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 19,888,913	\$ 19,888,913	\$ -	\$ 209,447,996	9.50%
2017	19,033,096	19,033,096	-	195,740,717	9.72%
2016	19,379,659	19,379,659	-	187,826,635	10.32%
2015	18,711,241	18,711,241	-	180,313,939	10.38%

**Component Unit Non-Professional Plan**

		Contributions in Relation to Contractually Required Contribution	Contribution Excess (Deficiency)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Excess (Deficiency)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 3,252,000	\$ 3,252,000	\$ -	\$ 57,768,804	5.63%
2017	3,088,000	3,088,000	-	53,665,362	5.75%
2016	3,739,163	3,739,163	-	53,004,200	7.05%
2015	3,643,729	3,643,729	-	50,973,799	7.15%

**Component Unit Professional Plan (Teachers)**

		Contributions in Relation to Contractually Required Contribution	Contribution Excess (Deficiency)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Excess (Deficiency)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 82,475,000	\$ 82,475,000	\$ -	\$ 580,077,082	14.22%
2017	78,001,000	78,001,000	-	542,902,050	14.37%
2016	70,276,318	70,276,318	-	507,489,598	13.85%
2015	68,243,888	68,243,888	-	473,788,018	14.40%

Note: This schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

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**Notes to Required Supplementary Information  
For the Year Ended June 30, 2018**

**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this is a fairly new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2017 are not material.

**Changes of assumptions** – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four year period ending June 30, 2016.

Largest 10 - Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%

All Others (Non 10 Largest) - Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%

**COUNTY OF LOUDOUN, VIRGINIA  
VOLUNTEER FIRE AND RESCUE LENGTH OF SERVICE RETIREMENT PLAN  
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**

	<b>Measurement Date</b>	
	<b>6/30/2018</b>	<b>6/30/2017</b>
<b>Total Pension Liability</b>		
Service cost	\$ 1,051,821	\$ 1,208,588
Interest	1,127,572	1,015,308
Changes of assumptions or other inputs	1,002,748	(2,871,043)
Differences between expected and actual experience	(310,716)	(59,844)
Benefit Payments	(634,310)	(519,334)
<b>Net change in total pension liability</b>	<b>2,237,115</b>	<b>(1,226,325)</b>
<b>Total pension liability - beginning</b>	<b>35,290,006</b>	<b>36,516,331</b>
<b>Total pension liability - ending</b>	<b>\$ 37,527,121</b>	<b>\$ 35,290,006</b>
 Covered Payroll	 NA	 NA
 Total pension liability as a percentage of covered employee payroll	 NA	 NA

**Notes to Required Supplementary Information**

Note: This schedule is intended to show information for 10 years. Since 2017 was the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

*Trust Assets*. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

There is no covered payroll since this plan provides benefits for volunteers.

*Changes of assumptions or other inputs*. The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

June 30, 2018: 2.98%

June 30, 2017: 3.13%



COUNTY OF LOUDOUN, VIRGINIA  
PRIMARY GOVERNMENT OPEB TRUST  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Primary Government OPEB Trust

	Measurement Date	
	6/30/2018	6/30/2017
<b>Total OPEB Liability</b>		
Service Cost	\$ 988,183	\$ 1,369,218
Interest	6,820,752	6,644,009
Difference between expected and actual experience	(4,709,822)	-
Benefit payments	(5,073,709)	(4,243,376)
<b>Net Change in Total OPEB Liability</b>	<b>(1,974,596)</b>	<b>3,769,851</b>
<b>Total OPEB Liability - Beginning of Year</b>	<b>114,309,481</b>	<b>110,539,630</b>
<b>Total OPEB Liability - End of Year (a)</b>	<b>\$ 112,334,885</b>	<b>\$ 114,309,481</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 10,556,355	\$ 9,743,376
Net investment income	3,378,887	4,377,540
Benefit payments	(5,073,709)	(4,243,376)
Administrative expense	(38,548)	(36,045)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>8,822,985</b>	<b>9,841,495</b>
<b>Plan Fiduciary Net Position - Beginning of Year</b>	<b>61,733,674</b>	<b>51,892,179</b>
<b>Plan Fiduciary Net Position - End of Year (b)</b>	<b>70,556,659</b>	<b>61,733,674</b>
<b>Net OPEB Liability - End of Year (a-b)</b>	<b>\$ 41,778,226</b>	<b>\$ 52,575,807</b>
<b>Plan Fiduciary Net Position as a percentage of Total OPEB Liability</b>	<b>62.8%</b>	<b>54.0%</b>
<b>Covered-Employee Payroll*</b>	<b>\$ 122,947,516</b>	<b>\$ 167,365,462</b>
<b>Net OPEB Liability as a percentage of Covered Payroll</b>	<b>34.0%</b>	<b>31.4%</b>

Primary Government Line of Duty

	Measurement Date	
	6/30/2018	6/30/2017
<b>Total OPEB Liability</b>		
Service Cost	\$ 378,873	\$ -
Interest	642,121	-
Benefit payments	(270,048)	-
<b>Net Change in Total OPEB Liability</b>	<b>750,946</b>	<b>-</b>
<b>Total OPEB Liability - Beginning of Year</b>	<b>10,367,737</b>	<b>-</b>
<b>Total OPEB Liability - End of Year (a)</b>	<b>\$ 11,118,683</b>	<b>\$ 10,367,737</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 270,048	\$ -
Benefit payments	(270,048)	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Beginning of Year</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - End of Year (b)</b>	<b>-</b>	<b>-</b>
<b>Net OPEB Liability - End of Year (a-b)</b>	<b>\$ 11,118,683</b>	<b>\$ 10,367,737</b>
<b>Plan Fiduciary Net Position as a percentage of Total OPEB Liability</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered-Employee Payroll*</b>	<b>\$ 38,581,356</b>	<b>\$ -</b>
<b>Net OPEB Liability as a percentage of Covered Payroll</b>	<b>28.82%</b>	<b>0.00%</b>

Covered-employee payroll is used in this presentation as contributions are not based on a measure of pay. The decrease in covered-employee payroll for June 30, 2018 is due to excluding payroll of active employees who are not eligible for retiree health benefits through the OPEB Trust.

This schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

Actuarial Assumptions

Investment Return : 6.05%

Healthcard Trend: 6.00% initially, grading down to 5.00% ultimate

Mortality Rates based on RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years (pre-retirement), RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year (post-retirement) and RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement (post-disablement).

**COUNTY OF LOUDOUN, VIRGINIA  
PRIMARY GOVERNMENT OPEB TRUST  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**Primary Government OPEB Trust**

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions Made in Relation to the Actuarially Determined Contributions</b>	<b>Contribution (Deficiency) / Excess</b>	<b>Covered Employee Payroll *</b>	<b>Contribution as a Percent of Covered Employee Payroll</b>
2018	\$ 2,991,000	\$ 10,556,355	\$ (7,565,355)	122,947,516	8.59%
2017	6,467,000	12,723,364	(6,256,364)		
2016	6,467,000	10,185,553	(3,718,553)	157,758,000	6.46%
2015	7,232,354	12,431,000	(5,198,646)		
2014	6,934,044	11,761,000	(4,826,956)	165,086,216	7.12%
2013	11,473,875	11,406,000	67,875		
2012	11,469,000	9,602,000	1,867,000	163,737,000	5.86%
2011	10,146,000	8,180,000	1,966,000		
2010	10,451,743	7,065,382	3,386,361	169,779,501	4.16%

\* Includes only those employees eligible for the defined benefit OPEB from the County for fiscal year 2018.

**Primary Government Line of Duty\***

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions Made in Relation to the Actuarially Determined Contributions</b>	<b>Contribution (Deficiency) / Excess</b>	<b>Covered Employee Payroll</b>	<b>Contribution as a Percent of Covered Employee Payroll</b>
2018	\$ 270,048	\$ 270,048	\$ -	38,581,356	0.70%

\*This schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

**Notes to Required Supplementary Information**

Valuation date: July 1, 2017

Actuarially determined contribution rates are calculated biannually as of July 1.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay
Amortization period	30-year
Asset valuation method	Building block method
Inflation	2.50%
Healthcare cost trend rates	6.00%
Salary increases	3.50%
Investment rate of return	6.05%
Mortality	

Mortality rates are based on RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years (pre-retirement), RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year (post-retirement) and RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement (post-disablement).

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMPONENT UNIT - SCHOOLS OPEB TRUST**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**Schedule of Changes in Net OPEB Liability - Component Unit - Schools OPEB Trust**

	Measurement Date	
	6/30/2018	6/30/2017
<b>Total OPEB Liability</b>		
Service Cost	\$ 7,710,000	\$ -
Interest	18,800,379	-
Changes in benefit terms	(2,102,019)	-
Difference between expected and actual experience	13,574,790	-
Changes in assumptions	(3,470,322)	-
Benefit payments	(15,724,264)	-
<b>Net Change in Total OPEB Liability</b>	<b>18,788,564</b>	<b>-</b>
<b>Total OPEB Liability - Beginning of Year</b>	<b>268,596,000</b>	<b>-</b>
<b>Total OPEB Liability - End of Year (a)</b>	<b>\$ 287,384,564</b>	<b>\$ 268,596,000</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 27,724,264	\$ 26,321,831
Net investment income	7,611,010	10,053,902
Benefit payments	(15,724,264)	(14,321,831)
Administrative expense	-	(500)
Other	-	(81,795)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>19,611,010</b>	<b>21,971,607</b>
<b>Plan Fiduciary Net Position - Beginning of Year</b>	<b>140,815,006</b>	<b>118,843,399</b>
<b>Plan Fiduciary Net Position - End of Year (b)</b>	<b>160,426,016</b>	<b>140,815,006</b>
<b>Net OPEB Liability - End of Year (a-b)</b>	<b>\$ 126,958,548</b>	<b>\$ 127,780,994</b>
<b>Plan Fiduciary Net Position as a percentage of Total OPEB Liability</b>	<b>55.82%</b>	<b>52.43%</b>
<b>Covered-Employee Payroll (2)</b>	<b>\$ 460,995,350</b>	<b>\$ 522,745,000</b>
<b>Net OPEB Liability as a percentage of Covered Payroll</b>	<b>27.54%</b>	<b>24.44%</b>

**Schedule of Employer Contributions - Component Unit - Schools OPEB Trust**

Fiscal Year	Actuarially Determined Contributions (1)	Contributions Made in Relation to the Actuarially Determined Contributions	Contribution (Deficiency) / Excess	Covered Employee Payroll (2)	Contribution as a Percent of Covered Employee Payroll
2018	N/A	\$ 27,724,264	N/A	\$ 460,995,350	6.01%
2017	N/A	26,321,831	N/A	522,745,000	5.04%

(1) GASB 75 was effective for employer fiscal years beginning after June 15, 2017. The component unit - schools has no policy to determine contributions to the OPEB Trust; therefore, no actuarially determined contributions are presented.

(2) June 30, 2017 covered employee payroll was projected from the July 1, 2015 covered payroll using the assumed payroll growth rate of 3.0%. The decrease in covered employee payroll for June 30, 2018 is due to excluding payroll from active employees hired on or after July 1, 2013 who are ineligible for retiree benefits.

(3) The component unit - schools participates in the Virginia Pooled OPEB Trust Fund sponsored by the Virginia Municipal League and the Virginia Association of Counties (VML/VACo). The Virginia Pooled OPEB Trust Fund is established as an investment vehicle for participating employers to accumulate assets to fund OPEB.

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.lcps.org>.

COUNTY OF LOUDOUN, VIRGINIA  
 VIRGINIA RETIREMENT SYSTEM - GROUP LIFE INSURANCE (GLI)  
 SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY

	Date	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
<b>Primary Government</b>	2018	1.08%	\$ 16,291,000	\$ 199,689,092	8.16%	48.86%
<b>Component Unit - Teachers</b>	2018	2.94%	\$ 44,272,000	\$ 542,661,496	8.16%	94.54%
<b>Component Unit - Political Subdivision</b>	2018	0.29%	\$ 4,384,000	\$ 53,727,081	8.16%	94.54%

Amounts presented have a measurement date of the previous fiscal year end.

Note: This schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, ten years of data is not available. However, additional years will be included as they become available.

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**COUNTY OF LOUDOUN, VIRGINIA  
VIRGINIA RETIREMENT SYSTEM - GROUP LIFE INSURANCE (GLI)  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

	Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution (Deficiency)/Ex cess	Employer's Covered Payroll	Contributions as a % of Covered Payroll
<b>Primary Government</b>	2018	\$ 1,092,793	\$ 1,092,793	\$ -	\$ 210,152,459	0.52%
	2017	1,038,383	1,038,383	-	199,689,092	0.52%
	2016	931,212	931,212	-	194,002,556	0.48%
	2015	892,631	892,631	-	185,964,746	0.48%
	2014	858,142	858,142	-	178,779,563	0.48%
	2013	825,615	825,615	-	172,003,105	0.48%
	2012	454,472	454,472	-	162,311,594	0.28%
	2011	441,997	441,997	-	157,855,946	0.28%
	2010	324,881	324,881	-	159,982,763	0.20%
	2009	436,753	436,753	-	161,760,184	0.27%
<b>Component Unit - Teachers</b>	2018	\$ 3,021,689	\$ 3,021,689	\$ -	\$ 581,094,062	0.52%
	2017	2,821,840	2,821,840	-	542,661,496	0.52%
	2016	2,433,288	2,433,288	-	506,935,062	0.48%
	2015	2,290,175	2,290,175	-	477,119,855	0.48%
	2014	2,171,127	2,171,127	-	452,318,042	0.48%
	2013	2,066,435	2,066,435	-	430,507,380	0.48%
	2012	1,145,266	1,145,266	-	409,023,724	0.28%
	2011	1,081,839	1,081,839	-	386,371,122	0.28%
	2010	739,257	739,257	-	385,420,183	0.19%
	2009	1,025,288	1,025,288	-	379,736,289	0.27%
<b>Component Unit - Political Subdivision</b>	2018	\$ 300,897	\$ 300,897	\$ -	\$ 57,864,717	0.52%
	2017	279,381	279,381	-	53,727,081	0.52%
	2016	254,042	254,042	-	52,925,461	0.48%
	2015	245,623	245,623	-	51,171,372	0.48%
	2014	240,217	240,217	-	50,045,215	0.48%
	2013	240,335	240,335	-	50,069,822	0.48%
	2012	137,881	137,881	-	49,243,259	0.28%
	2011	135,325	135,325	-	48,330,337	0.28%
	2010	94,798	94,798	-	48,358,115	0.20%
	2009	131,153	131,153	-	48,575,112	0.27%

**Notes to Required Supplementary Information**

**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** - The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016.

<b>Largest Ten Locality Employers - General Employees</b>	Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
	Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
	Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
	Disability Rates	Lowered disability rates
	Salary Scale	No change
	Line of Duty Disability	Increased rate from 14% to 20%
<b>Non-Largest Ten Locality Employers - General Employees</b>	Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
	Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
	Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
	Disability Rates	Lowered disability rates
	Salary Scale	No change
	Line of Duty Disability	Increased rate from 14% to 15%
<b>Largest Ten Locality Employers - Hazardous Duty Employees</b>	Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
	Retirement Rates	Lowered retirement rates at older ages
	Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
	Disability Rates	Increased disability rates
	Salary Scale	No change
	Line of Duty Disability	Increased rate from 60% to 70%
<b>Non-Largest Ten Locality Employers - Hazardous Duty Employees</b>	Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
	Retirement Rates	Increased age 50 rates and lowered rate at older ages
	Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
	Disability Rates	Adjusted rates to better match experience
	Salary Scale	No change
	Line of Duty Disability	Decreased rate from 60% to 45%

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## Other Supplementary Information

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Loudoun County wineries are leading Virginia producers of vinifera and New World grape wines.





## **GENERAL FUND**



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

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Amounts for 2017)**

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
<b>From local sources:</b>				
<u>General Property Taxes:</u>				
Real Property Taxes	\$ 824,827,000	\$ 831,560,026	\$ 6,733,026	\$ 797,045,007
Real and Personal Public Service Corporation Property Taxes	27,442,000	27,942,167	500,167	23,948,534
Personal Property Taxes	287,161,700	332,760,858	45,599,158	278,583,432
Machinery and Tools Taxes	1,250,000	1,967,965	717,965	1,627,470
Penalties and Interest	4,958,000	9,712,425	4,754,425	12,721,331
Total General Property Taxes	1,145,638,700	1,203,943,441	58,304,741	1,113,925,774
<u>Other Local Taxes</u>				
Local Sales and Use Taxes	71,800,000	74,095,287	2,295,287	72,469,150
Business License Taxes	33,062,250	36,760,291	3,698,041	35,210,681
Consumer Utility Taxes	21,837,880	22,094,646	256,766	21,807,354
Taxes on Recordation and Wills	12,550,000	11,715,471	(834,529)	13,495,539
Motor Vehicle Licenses	7,268,000	7,096,295	(171,705)	7,091,920
Bank Franchise Taxes	3,100,000	6,113,457	3,013,457	8,916,977
Hotel and Motel Room Taxes	2,430,000	2,711,998	281,998	2,488,530
Total Other Local Taxes	152,048,130	160,587,445	8,539,315	161,480,151
<u>Permits, Privilege Fees and Regulatory Licenses:</u>				
Animal Licenses	434,750	473,945	39,195	468,740
Permits and Other Licenses	22,332,684	25,939,374	3,606,690	23,689,763
Total Permits, Privilege Fees and Regulatory Licenses	22,767,434	26,413,319	3,645,885	24,158,503
<u>Fines and forfeitures:</u>				
Fines and Forfeitures	1,871,650	2,059,764	188,114	2,068,578
Total Fines and Forfeitures	1,871,650	2,059,764	188,114	2,068,578
<u>Revenue from Use of Money and Property:</u>				
Revenue from Use of Money	1,502,546	11,317,677	9,815,131	5,586,414
Revenue from Use of Property	3,578,323	2,700,425	(877,898)	2,983,571
Total Revenue from Use of Money and Property	5,080,869	14,018,102	8,937,233	8,569,985
<u>Charges for Services:</u>				
Parks, Recreation and Community Services	19,898,633	19,043,818	(854,815)	16,923,470
Transportation and Capital Infrastructure	9,130,818	9,131,128	310	9,192,829
General Services	9,344,298	7,785,722	(1,558,576)	7,243,750
Treasurer	492,600	786,557	293,957	848,889
Human Resources	-	42	42	-
Clerk of the Circuit Court	1,045,000	931,324	(113,676)	1,047,008
Mental Health, Substance Abuse and Development Svcs	790,500	780,067	(10,433)	856,099
Sheriff's Office	581,847	494,157	(87,690)	487,816
Commissioner of the Revenue	-	-	-	1,326
Animal Services	87,200	133,924	46,724	119,223
Community Corrections	83,731	75,353	(8,378)	130,744
Library	42,223	43,707	1,484	35,642
Building and Development	15,000	31,398	16,398	52,012
Mapping and Geographic Information	14,500	11,378	(3,122)	10,095
Commonwealth's Attorney	-	11,989	11,989	10,871
Health Services	8,650	5,601	(3,049)	5,262
Boards, Commissions and Committees	-	4,951	4,951	72
Fire, Rescue and Emergency Management	-	10,203	10,203	1,413
Management and Financial Services	100	-	(100)	-
County Administrator	-	268	268	-
Economic Development	-	2,292	2,292	-
Planning	-	2,129	2,129	1,823
Information Technology	-	338	338	-
County Attorney	-	276	276	693
Total Charges for Services	41,535,100	39,286,622	(2,248,478)	36,969,037

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Amounts for 2017)**

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
<u>Miscellaneous Revenue:</u>				
Payments from Component Unit	15,674,101	15,674,101	-	28,417,114
Gifts and Donations	221,557	107,369	(114,188)	192,565
Miscellaneous Revenue	190,191	391,648	201,457	268,407
I66 Toll Revenue	274,051	274,051	-	-
Total Miscellaneous Revenue	16,359,900	16,447,169	87,269	28,878,086
<u>Recovered Costs:</u>				
Recovered Costs	10,629,456	11,708,816	1,079,360	9,674,223
Total Recovered Costs	10,629,456	11,708,816	1,079,360	9,674,223
<b>Total from Local Sources</b>	<b>1,395,931,239</b>	<b>1,474,464,678</b>	<b>78,533,439</b>	<b>1,385,724,337</b>
<b>From the Commonwealth:</b>				
<u>Non-categorical Aid:</u>				
State Property Tax Reimbursement	48,071,693	48,070,701	(992)	48,070,701
Auto Daily Rental Tax	6,200,000	6,896,147	696,147	6,342,641
Taxes on Deeds	3,300,000	3,407,992	107,992	3,435,993
Mobile Home Titling Taxes	-	4,452	4,452	5,882
Motor Vehicle Carrier's Taxes	-	3,586	3,586	6,276
Total Non-categorical Aid	57,571,693	58,382,878	811,185	57,861,493
<u>Shared Expenses:</u>				
Sheriff's Office	13,242,632	13,358,686	116,054	13,002,826
Clerk of the Circuit Court	1,098,578	1,140,081	41,503	1,030,134
Commonwealth's Attorney	833,230	888,739	55,509	798,010
Treasurer	330,137	335,796	5,659	326,239
Commissioner of Revenue	344,208	342,303	(1,905)	334,560
General Registrar	-	72,060	72,060	-
Electoral boards	83,683	15,702	(67,981)	86,875
Total Shared Expenses	15,932,468	16,153,367	220,899	15,578,644
<u>Categorical Aid:</u>				
Transportation & Capital Infrastructure	3,518,786	3,518,786	-	3,623,877
Mental Health, Substance Abuse and Development Svcs	6,777,159	4,146,537	(2,630,622)	4,158,099
Family Services	3,072,893	3,048,400	(24,493)	2,957,975
Fire and Rescue	3,135,485	1,165,480	(1,970,005)	473,695
Community Corrections	665,986	665,986	-	658,764
Clerk of the Circuit Court	11,218	11,218	-	28,020
Non-departmental	33,500	73,500	40,000	-
Library	210,912	210,912	-	211,650
Parks, Recreation and Community Services	225,842	225,842	-	179,894
County Administration	-	22,467	22,467	58,685
General Services	57,310	63,026	5,716	30,547
Sheriff's Office	40,000	37,990	(2,010)	45,000
Commonwealth's Attorney	45,000	45,000	-	-
Total Categorical Aid	17,794,091	13,235,144	(4,558,947)	12,426,206
<b>Total from the Commonwealth</b>	<b>91,298,252</b>	<b>87,771,389</b>	<b>(3,526,863)</b>	<b>85,866,343</b>
<b>From the Federal Government:</b>				
<u>Payments in Lieu of Taxes:</u>				
Non-departmental:				
Federally Owned Entitlement Lands	1,800	3,360	1,560	3,292
Total Payments in Lieu of Taxes	1,800	3,360	1,560	3,292

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Amounts for 2017)**

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
<u>Categorical Aid:</u>				
Family Services	7,392,732	7,389,048	(3,684)	7,049,165
Transportation & Capital Infrastructure	60,434	60,434	-	58,390
Mental Health, Substance Abuse and Development Svcs	669,164	643,051	(26,113)	548,596
Library Services	690	690	-	-
Parks, Recreation and Community Services	452,152	435,066	(17,086)	434,398
Sheriff's Office	417,568	153,570	(263,998)	75,989
Fire and Rescue	407,030	316,926	(90,104)	-
General Services	-	460,864	460,864	-
Office of the County Administrator	173,308	140,419	(32,889)	-
Community Corrections	123,062	59,478	(63,584)	8,838
Planning	-	-	-	12,026
Total Categorical Aid	9,696,140	9,659,546	(36,594)	8,187,402
<b>Total from the Federal Government</b>	<b>9,697,940</b>	<b>9,662,906</b>	<b>(35,034)</b>	<b>8,190,694</b>
<b>Total Revenues</b>	<b>1,496,927,431</b>	<b>1,571,898,973</b>	<b>74,971,542</b>	<b>1,479,781,374</b>
<b>EXPENDITURES</b>				
<u>General Government Administration:</u>				
Legislative:				
Boards, Commissions and Committees	2,601,722	2,378,481	223,241	2,352,032
Office of the County Administrator	871,648	961,275	(89,627)	806,027
Total Legislative	3,473,370	3,339,756	133,614	3,158,059
General and Financial Administration:				
Information Technology	37,021,900	33,041,603	3,980,297	28,403,612
Management and Financial Services	15,436,476	14,076,046	1,360,430	13,028,981
Commissioner of Revenue	7,256,144	6,783,264	472,880	6,694,456
Non-departmental	(1,989,559)	11,472,247	(13,461,806)	9,312,259
Transportation & Capital Infrastructure	6,019,710	5,358,952	660,758	4,920,703
Treasurer	5,954,085	5,565,048	389,037	5,109,515
General Services	5,820,805	4,631,742	1,189,063	3,456,918
County Attorney	3,420,456	3,456,178	(35,722)	3,084,874
County Administrator	2,432,671	2,242,478	190,193	2,002,456
Total General and Financial Administration	81,372,688	86,627,558	(5,254,870)	76,013,774
Elections Administration:				
General Registrar	2,003,827	1,751,784	252,043	1,723,337
General Services	89,668	249,275	(159,607)	187,067
Total Elections Administration	2,093,495	2,001,059	92,436	1,910,404
<b>Total General Government Administration</b>	<b>86,939,553</b>	<b>91,968,373</b>	<b>(5,028,820)</b>	<b>81,082,237</b>
<u>Judicial Administration:</u>				
Courts:				
Sheriff's Office	4,892,723	4,427,005	465,718	4,342,222
Clerk of the Circuit Court	4,646,375	4,492,212	154,163	4,318,077
Courts (Circuit and District)	1,537,653	1,449,257	88,396	1,425,348
General Services	937,671	631,289	306,382	708,228
Total Courts	12,014,422	10,999,763	1,014,659	10,793,875
Commonwealth's Attorney:				
Commonwealth's Attorney	3,943,989	3,746,736	197,253	3,563,000
General Services	5,333	26,327	(20,994)	24,239
Total Commonwealth's Attorney	3,949,322	3,773,063	176,259	3,587,239
<b>Total Judicial Administration</b>	<b>15,963,744</b>	<b>14,772,826</b>	<b>1,190,918</b>	<b>14,381,114</b>
<u>Public Safety:</u>				
Law Enforcement:				
Sheriff's Office	60,403,299	56,814,873	3,588,426	56,154,861
Regional Organizations & Contributions	562,349	562,349	-	665,240
General Services	1,052,099	934,636	117,463	1,207,507
Total Law Enforcement	62,017,747	58,311,858	3,705,889	58,027,608



**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Amounts for 2017)**

	2018		2017	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Traffic Control:				
Sheriff's Office	3,325,412	3,005,984	319,428	3,079,394
Total Traffic Control	3,325,412	3,005,984	319,428	3,079,394
Fire, Rescue and Emergency Management:				
Fire, Rescue and Emergency Services	80,685,108	74,834,086	5,851,022	67,053,837
General Services	1,516,978	1,705,223	(188,245)	1,567,571
Total Fire, Rescue and Emergency Management	82,202,086	76,539,309	5,662,777	68,621,408
Corrections and Juvenile Detention:				
Sheriff's Office	22,089,622	21,702,443	387,179	20,073,955
Family Services	3,234,931	2,726,158	508,773	2,758,722
Juvenile Court Service Unit	2,200,389	2,019,993	180,396	2,081,787
Community Corrections	2,676,492	2,342,859	333,633	2,071,585
Regional Organizations & Contributions	-	-	-	506,297
General Services	1,653,971	1,441,911	212,060	1,332,809
Total Corrections and Juvenile Detention	31,855,405	30,233,364	1,622,041	28,825,155
Inspections:				
Building and Development	9,240,970	8,365,212	875,758	8,247,065
General Services	-	286,540	(286,540)	280,072
Total Inspections	9,240,970	8,651,752	589,218	8,527,137
Other Protection:				
Fire, Rescue and Emergency Management	6,158,776	4,952,360	1,206,416	5,201,916
Animal Control	3,433,418	3,207,487	225,931	2,922,674
General Services	901,789	700,276	201,513	658,240
Total Other Protection	10,493,983	8,860,123	1,633,860	8,782,830
<b>Total Public Safety</b>	199,135,603	185,602,390	13,533,213	175,863,532
<u>Public Works:</u>				
Maintenance of Highways, Bridges and Sidewalks:				
General Services	179,755	283,092	(103,337)	375,622
Total Maint. of Highways, Streets, Bridges & Sidewalks	179,755	283,092	(103,337)	375,622
Construction and Waste Removal:				
General Services	7,192,417	6,314,514	877,903	6,154,124
Total Construction and Waste Removal	7,192,417	6,314,514	877,903	6,154,124
Maintenance of General Buildings and Grounds:				
General Services	14,219,344	11,405,771	2,813,573	10,493,637
Total Maintenance of General Buildings and Grounds	14,219,344	11,405,771	2,813,573	10,493,637
<b>Total Public Works</b>	21,591,516	18,003,377	3,588,139	17,023,383
<u>Health and Welfare:</u>				
Health:				
Health Services	5,156,843	4,889,526	267,317	4,751,592
General Services	66,738	74,881	(8,143)	70,576
Regional Organizations & Contributions	424,904	424,904	-	413,065
Total Health	5,648,485	5,389,311	259,174	5,235,233
Mental Health, Substance Abuse and Development Svcs:				
Mental Health, Substance Abuse and Development Svcs	41,344,180	38,127,350	3,216,830	36,247,809
Regional Organizations & Contributions	26,330	26,330	-	26,604
General Services	1,530,487	2,063,130	(532,643)	1,739,714
Total Mental Health, Substance Abuse and Dev. Svcs	42,900,997	40,216,810	2,684,187	38,014,127
Welfare/Family Services:				
Family Services	28,393,772	21,019,649	7,374,123	19,977,517
Parks, Recreation and Community Services	7,258,739	6,867,843	390,896	6,504,127
Regional Organizations & Contributions	435,006	1,511,475	(1,076,469)	1,471,701
General Services	500,117	879,182	(379,065)	882,051
Total Welfare/Family Services	36,587,634	30,278,149	6,309,485	28,835,396
<b>Total Health and Welfare</b>	85,137,116	75,884,270	9,252,846	72,084,756

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Amounts for 2017)**

	2018			2017
	Final Budget	Actual	Variance Positive (Negative)	Actual
<u>Parks, Recreation and Culture:</u>				
Parks, Recreation and Community Services:				
Parks, Recreation and Community Services	39,434,632	34,059,966	5,374,666	32,539,339
Regional Organizations & Contributions	1,675,306	1,675,306	-	1,626,684
General Services	2,299,336	2,642,405	(343,069)	2,312,954
Total Parks, Recreation and Community Services	43,409,274	38,377,677	5,031,597	36,478,977
Cultural Enrichment:				
Regional Organizations & Contributions	319,236	277,632	41,604	165,501
Total Cultural Enrichment	319,236	277,632	41,604	165,501
Library:				
Library Services	17,228,207	15,831,782	1,396,425	14,991,303
General Services	1,113,227	1,099,835	13,392	983,673
Total Library	18,341,434	16,931,617	1,409,817	15,974,976
<b>Total Parks, Recreation and Culture</b>	62,069,944	55,586,926	6,483,018	52,619,454
<u>Community Development:</u>				
Planning and Community Development:				
Building and Development	13,512,640	12,228,904	1,283,736	12,513,094
Planning	8,449,549	7,462,969	986,580	7,199,651
Economic Development	5,402,766	3,725,414	1,677,352	3,367,953
Office of Mapping and Geographic Information	2,602,021	2,332,023	269,998	2,450,471
Transportation & Capital Infrastructure	2,877,076	2,145,803	731,273	1,799,886
Regional Organizations & Contributions	1,953,845	863,145	1,090,700	757,445
General Services	426,661	92,753	333,908	128,910
County Administrator	1,105,100	1,042,131	62,969	879,552
Total Planning and Community Development	36,329,658	29,893,142	6,436,516	29,096,962
Environmental Management:				
Regional Organizations & Contributions	1,264,870	769,623	495,247	756,246
General Services	2,255	3,194	(939)	309,298
Total Environmental Management	1,267,125	772,817	494,308	1,065,544
Cooperative Extension Program:				
Extension Services	459,608	419,769	39,839	397,343
General Services	91,716	46,074	45,642	90,382
Total Cooperative Extension Program	551,324	465,843	85,481	487,725
Transit:				
Office of Transportation Services	21,249,011	19,264,563	1,984,448	19,596,103
General Services	55,694	119,917	(64,223)	88,671
Total Transit	21,304,705	19,384,480	1,920,225	19,684,774
<b>Total Community Development</b>	59,452,812	50,516,282	8,936,530	50,335,005
<u>Education:</u>				
Educational Institutions				
Loudoun County Public Schools	777,952,827	777,952,827	-	729,106,577
Regional Organizations & Contributions	871,324	871,324	-	842,111
Total Educational Institutions	778,824,151	778,824,151	-	729,948,688
<b>Total Education</b>	778,824,151	778,824,151	-	729,948,688
<b>Total Expenditures</b>	1,309,114,439	1,271,158,595	37,955,844	1,193,338,169
<b>Excess of Revenues Over Expenditures</b>	187,812,992	300,740,378	112,927,386	286,443,205
<u>Other Financing Sources (Uses):</u>				
Transfers-in	7,856,843	7,856,807	(36)	13,129,986
Transfers-out	(285,484,378)	(285,326,877)	157,501	(248,291,982)
Sale of capital assets	144,350	339,200	194,850	47,716
<b>Total other financing sources (uses), net</b>	(277,483,185)	(277,130,870)	352,315	(235,114,280)

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Amounts for 2017)**

	<b>2018</b>			<b>2017</b>
			<b>Variance</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Positive</b>	<b>Actual</b>
			<b>(Negative)</b>	
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)</b>				
<b>Expenditures and Other Financing Uses</b>	<b>(89,670,193)</b>	<b>23,609,508</b>	<b>113,279,701</b>	<b>51,328,925</b>
<b>Fund Balances at Beginning of Year</b>	<b>239,375,596</b>	<b>337,659,593</b>	<b>98,283,997</b>	<b>286,330,668</b>
<b>Fund Balances at End of Year</b>	<b>\$ 149,705,403</b>	<b>361,269,101</b>	<b>\$ 211,563,698</b>	<b>\$ 337,659,593</b>



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## **Nonmajor Governmental Funds**



## Non-Major Governmental Funds

<b>Special Revenue Funds</b>
------------------------------

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

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

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

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

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

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

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

**County-Wide Sewer Service District Fund** (1207) - This fund is used to account for the proceeds from the Virginia Resources Authority that are legally restricted to expenditures for small water facility projects in the County. A budget is not legally adopted for this fund; therefore, no budgetary comparison schedule is presented.

**Hamilton Sewer Service District Fund** (1208) - This fund is used to account for the proceeds from the Hamilton Sewer Service Taxing District that are legally restricted to expenditures for sewers in that district. A budget is not legally adopted for this fund; therefore, no budgetary comparison schedule is presented.

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

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

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

**Greenlea Tax District Fund** (1212) - This fund is used to account for the proceeds from the Greenlea Tax District within the Blue Ridge magisterial that are legally restricted to expenditures for the replacement of the damaged bridge on Crooked Bridge Road. The district consists of 19 properties and the assessment is allocated equally among 19 properties in the community and is intended to generate \$660,575 in revenue over 15 years at six percent (6%) interest per year.

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

**Tall Oaks Water & Sewer** (1214) - This fund is used to account for the proceeds from the Tall Oaks Water & Sewer taxing district that are legally restricted to expenditures for the extension of public water and sanitary sewer main lines to serve the properties of the district. The district consists of 10 commercial properties located along the west side of Cascades Parkway, the south side of Maries Road, and the north side of Woodland Road in the Sterling Election District. The special assessment was negotiated on a per property basis and is intended to generate \$1,211,435 in revenue over 20 years at .82% interest per year. A budget is not legally adopted for this fund; therefore, no budgetary comparison schedule is presented.

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

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

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

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

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

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

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

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

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

**Stormwater Maintenance Fund** (1225) - This fund is used to account for the collection of one-time non-refundable maintenance security contributions from property owners that are restricted for use to perform maintenance and repair of non-traditional underground stormwater filtrations systems upon default by the property owner of the Facilities Maintenance Performance Agreement. A budget is not legally adopted for this fund; therefore, no budgetary comparison schedule is presented.

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

**Capital Asset Preservation Fund** (1320) - 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.

**Major Equipment Replacement Fund** (1325) - This fund is used to accumulate resources to allow for the scheduled and emergency replacement of major equipment over \$5,000 in value.

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

<b>Major Funds with Budgetary Comparison Schedule</b>
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**Capital Projects Fund** (1310) - 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** (1410) - This fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs. Financing is provided primarily by transfers from the General Fund.





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**COUNTY OF LOUDOUN, VIRGINIA**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2018**

	Special Revenue Funds					
	Route 28 Special Improv.	Comprehensive Services Act	Legal Resource Center	Federally Forfeited Property	Hotel and Motel Room Tax	County-Wide Sewer Service District
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ 75	\$ -	\$ -	\$ -
Restricted Cash and Investments	-	-	-	-	-	-
Receivables, Net:						
Taxes	134,647	-	-	-	1,207,420	-
Accounts	87,154	3	3,911	-	-	-
Due from Other Governments	-	994,862	-	-	-	-
Interfund Receivables	2,324,030	5,168,829	22,746	1,417,478	494,327	13,918
Notes and Loans Receivable, Net	-	-	-	-	-	-
Total Assets	<u>\$ 2,545,831</u>	<u>\$ 6,163,694</u>	<u>\$ 26,732</u>	<u>\$ 1,417,478</u>	<u>\$ 1,701,747</u>	<u>\$ 13,918</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ 2,227,471	\$ 784,312	\$ 3,095	\$ -	\$ 15,000	\$ -
Accrued Liabilities	-	-	3,559	-	-	-
Unearned Revenues	-	-	-	1,417,478	-	-
Interfund Payables	-	-	-	-	-	-
Due to Component Unit	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-
Total Liabilities	<u>2,227,471</u>	<u>784,312</u>	<u>6,654</u>	<u>1,417,478</u>	<u>15,000</u>	<u>-</u>
Deferred Inflows of Resources						
Property Taxes	172,068	-	-	-	-	-
Prepaid Taxes	102,180	-	-	-	-	-
Total Deferred Inflows of Resources	<u>274,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted	44,112	-	20,078	-	1,307,747	13,918
Committed	-	4,871,220	-	-	379,000	-
Assigned	-	508,162	-	-	-	-
Total Fund Balances	<u>44,112</u>	<u>5,379,382</u>	<u>20,078</u>	<u>-</u>	<u>1,686,747</u>	<u>13,918</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u><u>\$ 2,545,831</u></u>	<u><u>\$ 6,163,694</u></u>	<u><u>\$ 26,732</u></u>	<u><u>\$ 1,417,478</u></u>	<u><u>\$ 1,701,747</u></u>	<u><u>\$ 13,918</u></u>

**Schedule 2**  
Continued

Hamilton Sewer Service District	Community Devel. Authority	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District	State Federal Grant	Tall Oaks Water & Sewer
\$ -	\$ -	\$ 2,079,861	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	9,134	-	8,587
-	-	31,731	-	-	-	-
-	-	-	-	-	244,290	-
185,286	1,520,075	-	-	21,589	2,668,634	29,784
-	-	-	-	-	126,525	-
<b>\$ 185,286</b>	<b>\$ 1,520,075</b>	<b>\$ 2,111,592</b>	<b>\$ -</b>	<b>\$ 30,723</b>	<b>\$ 3,039,449</b>	<b>\$ 38,371</b>
\$ -	\$ 1,520,075	\$ 5,889	\$ -	\$ 21,589	\$ 134,675	\$ 29,785
-	-	24,419	-	-	60,153	-
-	-	1,162,459	-	-	2,572,031	-
-	-	717,265	-	-	-	-
-	-	4,017	-	-	-	-
-	-	197,543	-	-	-	-
-	1,520,075	2,111,592	-	21,589	2,766,859	29,785
-	-	-	-	7,975	-	613
-	-	-	-	-	-	2,748
-	-	-	-	7,975	-	3,361
-	-	-	-	1,159	272,590	5,225
185,286	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>185,286</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,159</b>	<b>272,590</b>	<b>5,225</b>
<b>\$ 185,286</b>	<b>\$ 1,520,075</b>	<b>\$ 2,111,592</b>	<b>\$ -</b>	<b>\$ 30,723</b>	<b>\$ 3,039,449</b>	<b>\$ 38,371</b>

**COUNTY OF LOUDOUN, VIRGINIA**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2018**

	<b>Public Facilities Fund</b>	<b>Sheriff's Fund</b>	<b>Animal Shelter</b>	<b>Housing Fund</b>	<b>Transportation District</b>	<b>Uran Holocaust</b>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Investments	-	-	-	2,302,655	11,379,421	-
Receivables, Net:						
Taxes	-	-	-	-	496,646	-
Accounts	-	1,390	2,976	307	4,107,207	-
Due from Other Governments	-	-	-	-	-	-
Due from Other Funds	95,972,242	39,077	540,806	29,749,942	35,032,588	152,214
Notes and Loans Receivable, Net	-	-	-	3,834,000	-	-
Total Assets	<u>\$ 95,972,242</u>	<u>\$ 40,467</u>	<u>\$ 543,782</u>	<u>\$ 35,886,904</u>	<u>\$ 51,015,862</u>	<u>\$ 152,214</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ 417,061	\$ 191	\$ -	\$ -	\$ 487,025	\$ -
Accrued Liabilities	-	-	-	-	-	-
Unearned Revenues	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Due to Component Unit	1,605,926	-	-	-	-	-
Other Liabilities	-	-	-	-	1,535,521	-
Total Liabilities	<u>2,022,987</u>	<u>191</u>	<u>-</u>	<u>-</u>	<u>2,022,546</u>	<u>-</u>
Deferred Inflows of Resources						
Property Taxes	-	-	-	-	437,655	-
Prepaid Taxes	-	-	-	-	73,856	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>511,511</u>	<u>-</u>
Fund Balances:						
Restricted	93,949,255	40,276	543,782	32,886,904	44,973,645	122,214
Committed	-	-	-	-	-	-
Assigned	-	-	-	3,000,000	3,508,160	30,000
Total Fund Balances	<u>93,949,255</u>	<u>40,276</u>	<u>543,782</u>	<u>35,886,904</u>	<u>48,481,805</u>	<u>152,214</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u><b>\$ 95,972,242</b></u>	<u><b>\$ 40,467</b></u>	<u><b>\$ 543,782</b></u>	<u><b>\$ 35,886,904</b></u>	<u><b>\$ 51,015,862</b></u>	<u><b>\$ 152,214</b></u>

				Capital Funds			Total
Horton Program For the Arts	Symington Fund	EMS Transport	Stormwater Maintenance	Capital Asset Preservation	Major Equipment Replacement	Capital Project Financing	Non-Major Governmental Funds
\$ -	\$ -	\$ 14,491	\$ -	\$ -	\$ -	\$ -	\$ 2,094,427
-	-	-	-	-	-	-	13,682,076
-	-	-	-	-	-	-	1,856,434
-	166,567	15,436	21,340	5,798	-	-	4,443,820
-	-	-	-	-	-	-	1,239,152
23,778	4,184,304	6,218,338	44,663	6,785,778	7,033,089	-	199,643,515
-	-	-	-	-	-	-	3,960,525
\$ 23,778	\$ 4,350,871	\$ 6,248,265	\$ 66,003	\$ 6,791,576	\$ 7,033,089	\$ -	\$ 226,919,949
\$ -	\$ -	\$ 1,001,724	\$ -	\$ 1,708,102	\$ 188,975	\$ -	\$ 8,544,969
-	-	11,396	-	-	-	-	99,527
-	-	-	-	-	-	-	5,151,968
-	-	-	-	-	-	-	717,265
-	-	-	-	-	-	-	1,609,943
-	-	-	-	-	-	-	1,733,064
-	-	1,013,120	-	1,708,102	188,975	-	17,856,736
-	-	-	-	-	-	-	618,311
-	-	-	-	-	-	-	178,784
-	-	-	-	-	-	-	797,095
22,778	4,290,871	5,235,145	66,003	218,798	-	-	184,014,500
-	-	-	-	4,667,635	6,844,114	-	16,947,255
1,000	60,000	-	-	197,041	-	-	7,304,363
23,778	4,350,871	5,235,145	66,003	5,083,474	6,844,114	-	208,266,118
\$ 23,778	\$ 4,350,871	\$ 6,248,265	\$ 66,003	\$ 6,791,576	\$ 7,033,089	\$ -	\$ 226,919,949

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds					
	Route 28 Special Improvements	Comprehensive Services Act	Legal Resource Center	Federally Forfeited Property	Hotel and Motel Room Tax	County-Wide Sewer Service District
<b>REVENUES</b>						
General Property Taxes	\$ 11,691,432	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	3,927,722	-
Permits and Licenses	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Use of Money and Property	-	-	-	-	-	-
Charges for Services	-	-	54,025	-	-	-
Gifts and Donations	-	-	14,950	-	-	-
Miscellaneous	-	-	-	-	-	-
Recovered Costs	-	660,388	-	8,114	-	-
Intergovernmental - Commonwealth	-	3,721,609	-	-	-	-
Intergovernmental - Federal	-	-	-	-	-	-
Total Revenues	11,691,432	4,381,997	68,975	8,114	3,927,722	-
<b>EXPENDITURES</b>						
Current Operating:						
General Government Administration	-	-	-	-	-	-
Judicial Administration	-	-	113,879	8,114	-	-
Public Safety	-	-	-	-	-	-
Public Works	12,009,138	-	-	-	-	-
Health and Welfare	-	7,582,847	-	-	-	-
Parks, Recreation and Culture	-	-	-	-	-	-
Community Development	-	-	-	-	2,754,100	-
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	12,009,138	7,582,847	113,879	8,114	2,754,100	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(317,706)	(3,200,850)	(44,904)	-	1,173,622	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	8,428	4,171,542	55,612	-	-	-
Transfers Out	-	(183,000)	-	-	(404,045)	-
Bond Proceeds	-	-	-	-	-	-
Federal Loan Proceeds	-	-	-	-	-	-
Pledged Bond Anticipation Notes	-	-	-	-	-	-
Total Other Financing Sources (Uses), Net	8,428	3,988,542	55,612	-	(404,045)	-
Net Change in Fund Balances	(309,278)	787,692	10,708	-	769,577	-
<b>Fund Balances at Beginning of Year</b>	353,390	4,591,690	9,370	-	917,170	13,918
<b>Fund Balances at End of Year</b>	\$ 44,112	\$ 5,379,382	\$ 20,078	\$ -	\$ 1,686,747	\$ 13,918

**Schedule 3**  
Continued

Hamilton Sewer Service District	Community Development Authority	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District	State Federal Grant	Tall Oaks Water & Sewer
\$ -	\$ 3,037,042	\$ -	\$ 4,350	\$ 55,391	\$ -	\$ 66,754
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,007	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	13,547	-	-	-	-
-	-	406,201	-	-	4,882	-
-	-	-	-	-	1,419,854	-
-	-	8,206,195	-	-	2,701,118	-
-	3,037,042	8,627,950	4,350	55,391	4,125,854	66,754
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	619,268	-
-	-	-	4,350	54,232	-	61,529
-	-	8,716,092	-	-	3,390,850	-
-	-	-	-	-	-	-
-	3,037,042	-	-	-	109,664	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,037,042	8,716,092	4,350	54,232	4,119,782	61,529
-	-	(88,142)	-	1,159	6,072	5,225
-	-	88,142	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	88,142	-	-	-	-
-	-	-	-	1,159	6,072	5,225
185,286	-	-	-	-	266,518	-
\$ 185,286	\$ -	\$ -	\$ -	\$ 1,159	\$ 272,590	\$ 5,225

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Public Facilities Fund</b>	<b>Sheriff's Fund</b>	<b>Animal Shelter</b>	<b>Housing Fund</b>	<b>Transportation District</b>	<b>Uran Holocaust</b>
<b>REVENUES</b>						
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 8,421,223	\$ -
Other Local Taxes	-	-	-	-	32,192,066	-
Permits and Licenses	-	-	-	-	8,155	-
Fines and Forfeitures	-	-	-	-	-	-
Use of Money and Property	1,292,600	-	-	391,776	123,382	2,255
Charges for Services	-	-	-	-	-	-
Gifts and Donations	27,825,961	14,522	127,458	2,732,915	-	-
Miscellaneous	-	-	-	6,046	130,537	-
Recovered Costs	-	-	-	349	-	-
Intergovernmental - Commonwealth	-	-	9,957	-	-	-
Intergovernmental - Federal	-	-	-	-	-	-
Total Revenues	29,118,561	14,522	137,415	3,131,086	40,875,363	2,255
<b>EXPENDITURES</b>						
Current Operating:						
General Government Administration	-	-	-	-	-	-
Judicial Administration	-	-	-	-	-	-
Public Safety	1,394,754	11,880	-	-	-	-
Public Works	82,097	-	-	-	-	-
Health and Welfare	-	-	-	182,529	-	-
Parks, Recreation and Culture	196,320	-	-	-	-	24,600
Community Development	24,874	-	-	-	2,122,757	-
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	1,698,045	11,880	-	182,529	2,122,757	24,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,420,516	2,642	137,415	2,948,557	38,752,606	(22,345)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	157,376,912	-
Transfers Out	(55,679,535)	-	(29,871)	-	(174,917,190)	-
Bonds Issued	-	-	-	-	-	-
Federal Loan Proceeds	-	-	-	-	-	-
Pledged Bond Anticipation Notes	-	-	-	-	-	-
Total Other Financing Sources (uses), Net	(55,679,535)	-	(29,871)	-	(17,540,278)	-
Net Change in Fund Balances	(28,259,019)	2,642	107,544	2,948,557	21,212,328	(22,345)
<b>Fund Balances at Beginning of Year</b>	122,208,274	37,634	436,238	32,938,347	27,269,477	174,559
<b>Fund Balances at End of Year</b>	\$ 93,949,255	\$ 40,276	\$ 543,782	\$ 35,886,904	\$ 48,481,805	\$ 152,214



				Capital Funds			Total
Horton Program For the Arts	Symington Fund	EMS Transport	Stormwater Maintenance	Capital Asset Preservation	Major Equipment Replacement	Capital Projects Financing	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,276,192
-	-	-	-	74,674	-	-	36,194,462
-	-	-	-	(4,690)	-	-	3,465
-	291	-	-	-	-	-	291
344	93,650	-	-	-	-	-	1,906,014
-	-	5,888,431	37,550	-	-	-	5,980,006
1,850	-	-	-	-	-	-	30,717,656
-	-	-	-	-	-	-	150,130
-	-	-	-	(85,642)	-	-	994,292
-	-	-	-	-	-	-	5,151,420
-	-	-	-	-	-	-	10,907,313
2,194	93,941	5,888,431	37,550	(15,658)	-	-	115,281,241
-	-	-	-	1,064,605	48,766	-	1,113,371
-	-	-	-	-	-	-	121,993
-	-	3,374,761	-	-	9,108	-	5,409,771
-	-	-	-	7,120,437	-	-	19,331,783
-	-	-	-	-	-	-	19,872,318
1,000	947	-	-	760,794	56,890	-	1,040,551
-	-	-	-	-	-	-	8,048,437
-	-	-	-	-	-	145,775,000	145,775,000
-	-	-	-	2,177,190	472,826	-	2,650,016
1,000	947	3,374,761	-	11,123,026	587,590	145,775,000	203,363,240
1,194	92,994	2,513,670	37,550	(11,138,684)	(587,590)	(145,775,000)	(88,081,999)
-	-	-	-	11,723,256	6,800,000	-	180,223,892
-	-	(903,289)	-	(215,784)	(4,484,463)	(128,343,788)	(365,160,965)
-	-	-	-	-	-	148,275,000	148,275,000
-	-	-	-	-	-	69,198,788	69,198,788
-	-	-	-	-	-	56,645,000	56,645,000
-	-	(903,289)	-	11,507,472	2,315,537	145,775,000	89,181,715
1,194	92,994	1,610,381	37,550	368,788	1,727,947	-	1,099,716
22,584	4,257,877	3,624,764	28,453	4,714,686	5,116,167	-	207,166,402
\$ 23,778	\$ 4,350,871	\$ 5,235,145	\$ 66,003	\$ 5,083,474	\$ 6,844,114	\$ -	\$ 208,266,118

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
ROUTE 28 SPECIAL IMPROVEMENTS FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 11,131,000	\$ 11,691,432	\$ 560,432
Transfers from Other Funds	8,428	8,428	-
Amounts Available for Appropriation	<u>11,139,428</u>	<u>11,699,860</u>	<u>560,432</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Works	<u>11,139,428</u>	<u>12,009,138</u>	<u>(869,710)</u>
Total Charges to Appropriations	<u>11,139,428</u>	<u>12,009,138</u>	<u>(869,710)</u>
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	-	(309,278)	(309,278)
<b>Fund Balance at Beginning of Year</b>	<u>353,390</u>	<u>353,390</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 353,390</u></u>	<u><u>\$ 44,112</u></u>	<u><u>\$ (309,278)</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
COMPREHENSIVE SERVICES ACT FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<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	\$ 660,388	\$ (479,612)
Intergovernmental - Commonwealth	3,692,799	3,721,609	28,810
Transfers from Other Funds	4,171,542	4,171,542	-
Amounts Available for Appropriation	<u>9,004,341</u>	<u>8,553,539</u>	<u>(450,802)</u>
<b>Charges to Appropriations (Outflows)</b>			
Health and Welfare	8,830,795	7,582,847	1,247,948
Transfers to Other Funds	183,000	183,000	-
Total Charges to Appropriations	<u>9,013,795</u>	<u>7,765,847</u>	<u>1,247,948</u>
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(9,454)	787,692	797,146
<b>Fund Balance at Beginning of Year</b>	<u>4,591,690</u>	<u>4,591,690</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 4,582,236</u>	<u>\$ 5,379,382</u>	<u>\$ 797,146</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**LEGAL RESOURCES CENTER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Charges for Services	\$ 50,113	\$ 54,025	\$ 3,912
Gifts and Donations	14,950	14,950	-
Transfers from Other Funds	55,612	55,612	-
Amounts Available for Appropriation	<u>120,675</u>	<u>124,587</u>	<u>3,912</u>
<b>Charges to Appropriations (Outflows)</b>			
Judicial Administration	120,675	113,879	6,796
Transfers to Other Funds	-	-	-
Total Charges to Appropriations	<u>120,675</u>	<u>113,879</u>	<u>6,796</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	10,708	10,708
<b>Fund Balance at Beginning of Year</b>	9,370	9,370	-
<b>Fund Balance at End of Year</b>	<u><u>\$ 9,370</u></u>	<u><u>\$ 20,078</u></u>	<u><u>\$ 10,708</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
FEDERALLY FORFEITED PROPERTY FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Recovered Costs	\$ 68,656	\$ 8,114	\$ (60,542)
Intergovernmental - Federal	6,953	-	(6,953)
Amounts Available for Appropriation	<u>75,609</u>	<u>8,114</u>	<u>(67,495)</u>
<b>Charges to Appropriations (Outflows)</b>			
Judicial Administration	43,878	8,114	35,764
Public Safety	31,731	-	31,731
Total Charges to Appropriations	<u>75,609</u>	<u>8,114</u>	<u>67,495</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**HOTEL AND MOTEL ROOM TAX FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Other Local Taxes	\$ 3,530,000	\$ 3,927,722	\$ 397,722
Amounts Available for Appropriation	3,530,000	3,927,722	397,722
<b>Charges to Appropriations (Outflows)</b>			
Community Development	2,756,700	2,754,100	2,600
Transfers to Other Funds	404,045	404,045	-
Total Charges to Appropriations	3,160,745	3,158,145	2,600
<b>Excess of Resources Over</b>			
Charges to Appropriations	369,255	769,577	400,322
<b>Fund Balance at Beginning of Year</b>	917,170	917,170	-
<b>Fund Balance at End of Year</b>	<u>\$ 1,286,425</u>	<u>\$ 1,686,747</u>	<u>\$ 400,322</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY DEVELOPMENT AUTHORITY FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive Negative</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 3,500,000	\$ 3,037,042	\$ (462,958)
Amounts Available for Appropriation	3,500,000	3,037,042	(462,958)
<b>Charges to Appropriations (Outflows)</b>			
Community Development	3,500,000	3,037,042	462,958
Total Charges to Appropriations	3,500,000	3,037,042	462,958
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
RENTAL ASSISTANCE PROGRAM FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<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	\$ 2,007	\$ 2,007	\$ -
Miscellaneous	13,547	13,547	-
Recovered Costs	406,201	406,201	-
Intergovernmental - Federal	8,313,584	8,206,195	(107,389)
Transfers from Other Funds	88,142	88,142	-
Amounts Available for Appropriation	<u>8,823,481</u>	<u>8,716,092</u>	<u>(107,389)</u>
<b>Charges to Appropriations (Outflows)</b>			
Health and Welfare	<u>8,823,481</u>	<u>8,716,092</u>	<u>107,389</u>
Total Charges to Appropriations	<u>8,823,481</u>	<u>8,716,092</u>	<u>107,389</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**DULLES INDUSTRIAL PARK WATER AND SEWER FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 4,350	\$ 4,350	\$ -
Amounts Available for Appropriation	4,350	4,350	-
<b>Charges to Appropriations (Outflows)</b>			
Public Works	4,350	4,350	-
Total Charges to Appropriations	4,350	4,350	-
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GREENLEA TAX DISTRICT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 54,232	\$ 55,391	\$ 1,159
Amounts Available for Appropriation	54,232	55,391	1,159
<b>Charges to Appropriations (Outflows)</b>			
Public Works	54,232	54,232	-
Total Charges to Appropriations	54,232	54,232	-
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	1,159	1,159
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	\$ -	\$ 1,159	\$ 1,159

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
STATE AND FEDERAL GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Recovered Costs	\$ 146,803	\$ 4,882	\$ (141,921)
Intergovernmental - Commonwealth	3,565,124	1,419,854	(2,145,270)
Intergovernmental - Federal	4,925,725	2,701,118	(2,224,607)
Amounts Available for Appropriation	<u>8,637,652</u>	<u>4,125,854</u>	<u>(4,511,798)</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Safety	2,824,562	619,268	2,205,294
Health and Welfare	5,664,267	3,390,850	2,273,417
Community Development	148,823	109,664	39,159
Total Charges to Appropriations	<u>8,637,652</u>	<u>4,119,782</u>	<u>4,517,870</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	6,072	6,072
<b>Fund Balance at Beginning of Year</b>	<u>266,518</u>	<u>266,518</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 266,518</u></u>	<u><u>\$ 272,590</u></u>	<u><u>\$ 6,072</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
TALL OAKS WATER AND SEWER  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 67,367	\$ 66,754	\$ (613)
Amounts Available for Appropriation	67,367	66,754	(613)
<b>Charges to Appropriations (Outflows)</b>			
Public Works	67,367	61,529	5,838
Total Charges to Appropriations	67,367	61,529	5,838
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	5,225	5,225
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ 5,225</u>	<u>\$ 5,225</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
PUBLIC FACILITIES FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<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	\$ 587,157	\$ 1,292,600	\$ 705,443
Gifts and Donations	56,591,463	27,825,961	(28,765,502)
Amounts Available for Appropriation	<u>57,178,620</u>	<u>29,118,561</u>	<u>(28,060,059)</u>
<b>Charges to Appropriations (Outflows)</b>			
Public Safety	1,394,754	1,394,754	-
Public Works	88,369	82,097	6,272
Parks, Recreation and Culture	-	196,320	(196,320)
Community Development	15,962	24,874	(8,912)
Transfers to Other Funds	55,679,535	55,679,535	-
Total Charges to Appropriations	<u>57,178,620</u>	<u>57,377,580</u>	<u>(198,960)</u>
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	-	(28,259,019)	(28,259,019)
<b>Fund Balance at Beginning of Year</b>	<u>122,208,274</u>	<u>122,208,274</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 122,208,274</u>	<u>\$ 93,949,255</u>	<u>\$ (28,259,019)</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
SHERIFF'S FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Gifts and Donations	\$ 36,092	\$ 14,522	\$ (21,570)
Amounts Available for Appropriation	36,092	14,522	(21,570)
<b>Charges to Appropriations (Outflows)</b>			
Public Safety	36,092	11,880	24,212
Total Charges to Appropriations	36,092	11,880	24,212
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	2,642	2,642
<b>Fund Balance at Beginning of Year</b>	37,634	37,634	-
<b>Fund Balance at End of Year</b>	<u>\$ 37,634</u>	<u>\$ 40,276</u>	<u>\$ 2,642</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
ANIMAL SHELTER FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Gifts and Donations	\$ 29,871	\$ 127,458	\$ 97,587
Intergovernmental - Commonwealth	-	9,957	9,957
Amounts Available for Appropriation	<u>29,871</u>	<u>137,415</u>	<u>107,544</u>
<b>Charges to Appropriations (Outflows)</b>			
Transfers to Other Funds	<u>29,871</u>	<u>29,871</u>	<u>-</u>
Total Charges to Appropriations	<u>29,871</u>	<u>29,871</u>	<u>-</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	107,544	107,544
<b>Fund Balance at Beginning of Year</b>	<u>436,238</u>	<u>436,238</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 436,238</u></u>	<u><u>\$ 543,782</u></u>	<u><u>\$ 107,544</u></u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
HOUSING FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<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	\$ -	\$ 391,776	\$ 391,776
Gifts and Donations	8,000,000	2,732,915	(5,267,085)
Miscellaneous Revenue	-	6,046	6,046
Recovered Costs	-	349	349
Amounts Available for Appropriation	<u>8,000,000</u>	<u>3,131,086</u>	<u>(4,868,914)</u>
<b>Charges to Appropriations (Outflows)</b>			
Health and Welfare	<u>8,000,000</u>	<u>182,529</u>	<u>7,817,471</u>
Total Charges to Appropriations	<u>8,000,000</u>	<u>182,529</u>	<u>7,817,471</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	2,948,557	2,948,557
<b>Fund Balance at Beginning of Year</b>	<u>32,938,347</u>	<u>32,938,347</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 32,938,347</u></u>	<u><u>\$ 35,886,904</u></u>	<u><u>\$ 2,948,557</u></u>



**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
TRANSPORTATION DISTRICT FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
General Property Taxes	\$ 8,610,000	\$ 8,421,223	\$ (188,777)
Other Local Taxes	88,267,607	32,192,066	(56,075,541)
Permits and Licenses	-	8,155	8,155
Use of Money and Property	23,000	123,382	100,382
Miscellaneous	623,000	130,537	(492,463)
Transfers from Other Funds	154,660,161	157,376,912	2,716,751
Amounts Available for Appropriation	<u>252,183,768</u>	<u>198,252,275</u>	<u>(53,931,493)</u>
<b>Charges to Appropriations (Outflows)</b>			
Community Development	26,234,364	2,122,757	24,111,607
Transfers to Other Funds	376,865,033	174,917,190	201,947,843
Total Charges to Appropriations	<u>403,099,397</u>	<u>177,039,947</u>	<u>226,059,450</u>
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(150,915,629)	21,212,328	172,127,957
<b>Fund Balance at Beginning of Year</b>	<u>27,269,477</u>	<u>27,269,477</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ (123,646,152)</u>	<u>\$ 48,481,805</u>	<u>\$ 172,127,957</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
URAN HOLOCAUST FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<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	\$ -	\$ 2,255	\$ 2,255
Amounts Available for Appropriation	-	2,255	2,255
<b>Charges to Appropriations (Outflows)</b>			
Parks, Recreation and Culture	30,000	24,600	5,400
Total Charges to Appropriations	30,000	24,600	5,400
<b>Deficiency of Resources Under</b>			
Charges to Appropriations	(30,000)	(22,345)	7,655
<b>Fund Balance at Beginning of Year</b>	174,559	174,559	-
<b>Fund Balance at End of Year</b>	<u>\$ 144,559</u>	<u>\$ 152,214</u>	<u>\$ 7,655</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
HORTON PROGRAM FOR THE ARTS FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<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	\$ -	\$ 344	\$ 344
Gifts and Donations	-	1,850	1,850
Amounts Available for Appropriation	-	2,194	2,194
<b>Charges to Appropriations (Outflows)</b>			
Parks, Recreation and Culture	1,000	1,000	-
Total Charges to Appropriations	1,000	1,000	-
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(1,000)	1,194	2,194
<b>Fund Balance at Beginning of Year</b>	22,584	22,584	-
<b>Fund Balance at End of Year</b>	<u>\$ 21,584</u>	<u>\$ 23,778</u>	<u>\$ 2,194</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
SYMINGTON FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Fines & Forfeitures	\$ -	\$ 291	\$ 291
Use of Money and Property	-	93,650	93,650
Amounts Available for Appropriation	-	93,941	93,941
<b>Charges to Appropriations (Outflows)</b>			
Parks, Recreation and Culture	60,000	947	59,053
Total Charges to Appropriations	60,000	947	59,053
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(60,000)	92,994	152,994
<b>Fund Balance at Beginning of Year</b>	4,257,877	4,257,877	-
<b>Fund Balance at End of Year</b>	<u>\$ 4,197,877</u>	<u>\$ 4,350,871</u>	<u>\$ 152,994</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
EMS TRANSPORT FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Charges for Services	\$ 5,473,443	\$ 5,888,431	\$ 414,988
Amounts Available for Appropriation	5,473,443	5,888,431	414,988
<b>Charges to Appropriations (Outflows)</b>			
Public Safety	2,878,574	3,374,761	(496,187)
Transfers to Other Funds	903,289	903,289	-
Total Charges to Appropriations	3,781,863	4,278,050	(496,187)
<b>Excess of Resources Over</b>			
Charges to Appropriations	1,691,580	1,610,381	(81,199)
<b>Fund Balance at Beginning of Year</b>	3,624,764	3,624,764	-
<b>Fund Balance at End of Year</b>	<u>\$ 5,316,344</u>	<u>\$ 5,235,145</u>	<u>\$ (81,199)</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL ASSET PRESERVATION PROGRAM FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Budget Authorization</b>
<b>REVENUES</b>				
Other Local Taxes	\$ 1,761,184	\$ 74,674	\$ 1,835,858	\$ 1,973,243
Permits and Licenses	6,954	(4,690)	2,264	974
Use of Money and Property	-	-	-	29,833
Charges for Services	98	-	98	-
Recovered Costs	3,182,011	(85,642)	3,096,369	2,942,988
<b>Total Revenues</b>	<u>4,950,247</u>	<u>(15,658)</u>	<u>4,934,589</u>	<u>4,947,038</u>
<b>EXPENDITURES</b>				
General Government Administration	8,386,815	1,064,605	9,451,420	9,506,874
Judicial Administration	1,399,151	-	1,399,151	1,399,151
Public Safety	567,958	-	567,958	567,958
Public Works	19,255,661	7,120,437	26,376,098	29,974,879
Health & Welfare	426,545	-	426,545	426,545
Parks, Recreation, & Cultural Development	5,104,380	760,794	5,865,174	6,674,293
Community Development	527,204	-	527,204	527,204
Capital Outlay	46,823,574	2,177,190	49,000,764	49,633,333
<b>Total Expenditures</b>	<u>82,491,288</u>	<u>11,123,026</u>	<u>93,614,314</u>	<u>98,710,237</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>(77,541,041)</u>	<u>(11,138,684)</u>	<u>(88,679,725)</u>	<u>(93,763,199)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	82,464,100	11,723,256	94,187,356	94,187,356
Transfers Out	(208,373)	(215,784)	(424,157)	(424,157)
<b>Total Other Financing Sources, Net</b>	<u>82,255,727</u>	<u>11,507,472</u>	<u>93,763,199</u>	<u>93,763,199</u>
<b>Net Change in Fund Balances</b>	<u>\$ 4,714,686</u>	<u>368,788</u>	<u>\$ 5,083,474</u>	<u>\$ -</u>
<b>Fund Balance at Beginning of Year</b>		<u>4,714,686</u>		
<b>Fund Balance at End of Year</b>		<u>\$ 5,083,474</u>		

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
MAJOR EQUIPMENT REPLACEMENT FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Transfers from Other Funds	\$ 6,800,000	\$ 6,800,000	\$ -
Amounts Available for Appropriation	6,800,000	6,800,000	-
<b>Charges to Appropriations (Outflows)</b>			
General Government Administration	247,850	48,766	199,084
Judicial Administration	25,685	-	25,685
Public Safety	-	9,108	(9,108)
Parks, Recreation, and Culture	-	56,890	(56,890)
Capital Outlay	2,073,902	472,826	1,601,076
Transfers to Other Funds	4,484,463	4,484,463	-
Total Charges to Appropriations	6,831,900	5,072,053	1,759,847
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(31,900)	1,727,947	1,759,847
<b>Fund Balance at Beginning of Year</b>	5,116,167	5,116,167	-
<b>Fund Balance at End of Year</b>	<u>\$ 5,084,267</u>	<u>\$ 6,844,114</u>	<u>\$ 1,759,847</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FINANCING FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Final Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>			
Issuance of Bonds	\$ 202,906,200	\$ 148,275,000	\$ (54,631,200)
Issuance of Federal Loans	-	69,198,788	69,198,788
Lease Purchase Financing	21,705,000	-	(21,705,000)
Issuance of Pledge Bond Anticipation Notes	-	56,645,000	56,645,000
<b>Amounts Available for Appropriation</b>	<u>224,611,200</u>	<u>274,118,788</u>	<u>49,507,588</u>
<b>Charges to Appropriations (Outflows)</b>			
Payment to Component Unit	146,102,200	145,775,000	327,200
Transfers to Other Funds	78,509,000	128,343,788	(49,834,788)
<b>Total Charges to Appropriations</b>	<u>224,611,200</u>	<u>274,118,788</u>	<u>(49,507,588)</u>
<b>Excess of Resources Over</b>			
Charges to Appropriations	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Budget Authorization</b>
<b>REVENUES</b>				
Other Local Taxes	\$ 5,515,197	\$ 887,660	\$ 6,402,857	\$ 3,955,773
Use of Money and Property	146,978	1,507,565	1,654,543	1,609,865
Charges for Services	23,765,448	-	23,765,448	19,503,879
Gifts and Donations	1,450,889	-	1,450,889	1,629,716
Miscellaneous	1,868,757	1,298,495	3,167,252	42,947,661
Recovered Costs	2,050,732	-	2,050,732	5,439,541
Intergovernmental - Commonwealth	48,628,300	15,960,172	64,588,472	142,955,587
Intergovernmental - Federal	22,464,920	70,790	22,535,710	35,097,601
Payment from Component Unit	-	5,578,941	5,578,941	5,578,941
<b>Total Revenues</b>	<b>105,891,221</b>	<b>25,303,623</b>	<b>131,194,844</b>	<b>258,718,564</b>
<b>EXPENDITURES</b>				
General Government Administration	36,091,425	2,073,179	38,164,604	67,831,724
Judicial Administration	77,024	-	77,024	77,024
Public Safety	23,465,493	1,177,615	24,643,108	48,853,906
Public Works	56,375,027	7,411,186	63,786,213	92,508,332
Health & Welfare	3,436,855	474,331	3,911,186	5,391,749
Parks, Recreation, & Cultural Development	3,671,641	494,055	4,165,696	10,909,151
Community Development	412,084,211	165,146,007	577,230,218	1,025,548,507
Education	14,425,887	3,750,000	18,175,887	18,175,887
Capital Outlay	487,347,900	77,152,973	564,500,873	1,034,617,099
<b>Total Expenditures</b>	<b>1,036,975,463</b>	<b>257,679,346</b>	<b>1,294,654,809</b>	<b>2,303,913,379</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(931,084,242)</b>	<b>(232,375,723)</b>	<b>(1,163,459,965)</b>	<b>(2,045,194,815)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,432,357,700	285,049,682	1,717,407,382	2,157,152,041
Transfers Out	(94,754,485)	(14,102,360)	(108,856,845)	(108,862,860)
Sales of Capital Assets	349,175	-	349,175	349,175
<b>Total Other Financing Sources, Net</b>	<b>1,337,952,390</b>	<b>270,947,322</b>	<b>1,608,899,712</b>	<b>2,048,638,356</b>
<b>Net Change in Fund Balances</b>	<b>\$ 406,868,148</b>	<b>38,571,599</b>	<b>\$ 445,439,747</b>	<b>\$ 3,443,541</b>
<b>Fund Balance at Beginning of Year</b>		<b>406,868,148</b>		
<b>Fund Balance at End of Year</b>		<b>\$ 445,439,747</b>		

COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Use of Money and Property	\$ 234,027	\$ 2,795,179	\$ 2,561,152
Miscellaneous Revenue	765,000	1,290,657	525,657
Transfers from Other Funds	185,675,983	185,676,430	447
Issuance Premium	9,176,031	9,841,786	665,755
<b>Amounts Available for Appropriation</b>	<u>195,851,041</u>	<u>199,604,052</u>	<u>3,753,011</u>
<b>Charges to Appropriations (Outflows)</b>			
Debt Service	184,566,667	169,403,624	15,163,043
Transfers to Other Funds	2,789,454	2,789,454	-
Original Issuance Discount	-	205,621	(205,621)
Payment to Component Unit	19,144,926	19,144,926	-
<b>Total Charges to Appropriations</b>	<u>206,501,047</u>	<u>191,543,625</u>	<u>14,957,422</u>
<b>Excess (Deficiency) of Resources Over (Under)</b>			
Charges to Appropriations	(10,650,006)	8,060,427	18,710,433
<b>Fund Balance at Beginning of Year</b>	<u>42,873,402</u>	<u>42,873,402</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 32,223,396</u>	<u>\$ 50,933,829</u>	<u>\$ 18,710,433</u>

## **Proprietary Funds**



## Proprietary Funds

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

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

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

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF PROPRIETARY NET POSITION**  
**AS OF JUNE 30, 2018**

	<b>Central Service Funds</b>						
	<b><u>Duplicating</u></b>	<b><u>Telephone</u></b>	<b><u>Mail</u></b>	<b><u>Support</u></b>	<b><u>Vehicle Replacement</u></b>	<b><u>Self-Insurance</u></b>	<b><u>Total</u></b>
<b>ASSETS</b>							
Current Assets:							
Restricted Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,864,000	\$ 1,864,000
Receivables, Net	800	10,049	-	-	52,633	630,189	693,671
Due from Other Governments	-	-	-	-	2,508,796	-	2,508,796
Interfund Receivables	371,871	3,012,007	114,045	211,565	31,519,522	25,925,790	61,154,800
Inventory	-	-	52,736	-	-	-	52,736
Prepaid Items	-	-	-	-	598,962	-	598,962
Total Current Assets	372,671	3,022,056	166,781	211,565	34,679,913	28,419,979	66,872,965
Noncurrent Assets:							
Capital Assets:							
Depreciable, Net	-	833,710	8,010	-	51,330,757	-	52,172,477
Total Noncurrent Assets	-	833,710	8,010	-	51,330,757	-	52,172,477
<b>Total Assets</b>	<b>\$ 372,671</b>	<b>\$ 3,855,766</b>	<b>\$ 174,791</b>	<b>\$ 211,565</b>	<b>\$ 86,010,670</b>	<b>\$ 28,419,979</b>	<b>\$ 119,045,442</b>
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	\$ 89,446	\$ 195,710	\$ 4,391	\$ -	\$ 663,900	\$ 1,599,629	\$ 2,553,076
Due to Component Unit	-	-	60,114	7,156	137,960	-	205,230
Claims Liabilities	-	-	-	-	-	7,885,503	7,885,503
Accrued Liabilities	-	-	11,766	-	-	1,387,073	1,398,839
Total Current Liabilities	89,446	195,710	76,271	7,156	801,860	10,872,205	12,042,648
Noncurrent Liabilities:							
Claims Liabilities	-	-	-	-	-	3,900,096	3,900,096
Total Noncurrent Liabilities	-	-	-	-	-	3,900,096	3,900,096
<b>Total Liabilities</b>	<b>\$ 89,446</b>	<b>\$ 195,710</b>	<b>\$ 76,271</b>	<b>\$ 7,156</b>	<b>\$ 801,860</b>	<b>\$ 14,772,301</b>	<b>\$ 15,942,744</b>
<b>NET POSITION</b>							
Net Investment in Capital Assets	-	833,710	8,010	-	51,330,757	-	52,172,477
Unrestricted	283,225	2,826,346	90,510	204,409	33,878,053	13,647,678	50,930,221
<b>Total Net Position</b>	<b>\$ 283,225</b>	<b>\$ 3,660,056</b>	<b>\$ 98,520</b>	<b>\$ 204,409</b>	<b>\$ 85,208,810</b>	<b>\$ 13,647,678</b>	<b>\$ 103,102,698</b>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PROPRIETARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Central Service Funds</b>						
	<b><u>Duplicating</u></b>	<b><u>Telephone</u></b>	<b><u>Mail</u></b>	<b><u>Support</u></b>	<b><u>Vehicle Replacement</u></b>	<b><u>Self-Insurance</u></b>	<b><u>Total</u></b>
<b>Operating Revenues:</b>							
Charges for Services	\$ 1,132,166	\$ 2,498,430	\$ 572,331	\$ -	\$ 10,418,996	\$ 59,421,291	\$ 74,043,214
Use of Property	14,483	81,047	2,270	-	-	-	97,800
Miscellaneous	-	-	-	-	209	341,225	341,434
Intergovernmental - Commonwealth	-	-	-	-	2,508,796	-	2,508,796
<b>Total Operating Revenues</b>	<b>1,146,649</b>	<b>2,579,477</b>	<b>574,601</b>	<b>-</b>	<b>12,928,001</b>	<b>59,762,516</b>	<b>76,991,244</b>
<b>Operating Expenses:</b>							
Personnel Services	-	-	247,256	(204,409)	-	-	42,847
Other Services and Charges	1,038,496	1,853,116	(27,869)	195	31,873	5,807,730	8,703,541
Materials and Supplies	91,547	255,204	315,590	-	658,006	-	1,320,347
Depreciation	-	263,374	1,686	-	8,181,632	-	8,446,692
Claims	-	-	-	-	-	52,101,760	52,101,760
<b>Total Operating Expenses</b>	<b>1,130,043</b>	<b>2,371,694</b>	<b>536,663</b>	<b>(204,214)</b>	<b>8,871,511</b>	<b>57,909,490</b>	<b>70,615,187</b>
<b>Operating Income</b>	<b>16,606</b>	<b>207,783</b>	<b>37,938</b>	<b>204,214</b>	<b>4,056,490</b>	<b>1,853,026</b>	<b>6,376,057</b>
<b>Non-Operating Revenues:</b>							
Gain on Sale of Capital Assets	-	-	-	-	479,593	-	479,593
<b>Total Non-Operating Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>479,593</b>	<b>-</b>	<b>479,593</b>
<b>Net Income Before Transfers</b>	<b>16,606</b>	<b>207,783</b>	<b>37,938</b>	<b>204,214</b>	<b>4,536,083</b>	<b>1,853,026</b>	<b>6,855,650</b>
Transfers In	-	-	-	-	3,117,145	5,455,700	8,572,845
Transfers Out	-	-	-	-	-	-	-
<b>Total Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,117,145</b>	<b>5,455,700</b>	<b>8,572,845</b>
<b>Change in Net Position</b>	<b>16,606</b>	<b>207,783</b>	<b>37,938</b>	<b>204,214</b>	<b>7,653,228</b>	<b>7,308,726</b>	<b>15,428,495</b>
<b>Net Position at Beginning of Year</b>	<b>266,619</b>	<b>3,452,273</b>	<b>60,582</b>	<b>195</b>	<b>77,555,582</b>	<b>6,338,952</b>	<b>87,674,203</b>
<b>Net Position at End of Year</b>	<b>\$ 283,225</b>	<b>\$ 3,660,056</b>	<b>\$ 98,520</b>	<b>\$ 204,409</b>	<b>\$ 85,208,810</b>	<b>\$ 13,647,678</b>	<b>\$ 103,102,698</b>

**COUNTY OF LOUDOUN, VIRGINIA  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	Central Service Funds						Total
	<u>Duplicating</u>	<u>Telephone</u>	<u>Mail</u>	<u>Support</u>	<u>Vehicle Replacement</u>	<u>Self-Insurance</u>	
<b>Cash Flows from Operating Activities:</b>							
Receipts from Customers	\$ 1,146,369	\$ 2,577,924	\$ 575,701	\$ -	\$ 10,575,576	\$ 59,349,565	\$ 74,225,135
Payments to Suppliers for Goods and Services	(1,125,812)	(1,905,967)	(401,126)	(194,636)	(175,972)	(5,066,324)	(8,869,837)
(Payments) Receipts for Interfund Services	(20,557)	(638,416)	61,844	28,625	(870,506)	(7,751,563)	(9,190,573)
Claims Paid	-	-	-	-	-	(52,355,912)	(52,355,912)
Payments to Component Unit	-	-	10,919	1,281	17,199	-	29,399
Payments to Employees	-	-	(247,338)	164,730	-	498,534	415,926
<b>Net Cash Provided By (Used in) Operating Activities</b>	-	33,541	-	-	9,546,297	(5,325,700)	4,254,138
<b>Cash Flows from Non-capital Financing Activities:</b>							
Transfers In	-	-	-	-	3,117,145	5,455,700	8,572,845
<b>Net Cash Provided by Non-capital Financing Activities</b>	-	-	-	-	3,117,145	5,455,700	8,572,845
<b>Cash Flows from Capital and Related Financing Activities:</b>							
Additions to Capital Assets	-	(33,541)	-	-	(13,243,259)	-	(13,276,800)
Proceeds from Sale of Capital Assets	-	-	-	-	579,817	-	579,817
<b>Net Cash Used in Capital and Related Financing Activities</b>	-	(33,541)	-	-	(12,663,442)	-	(12,696,983)
<b>Net Increase in Cash and Cash Equivalents</b>	-	-	-	-	-	130,000	130,000
<b>Cash and Cash Equivalents at Beginning of Year</b>	-	-	-	-	-	1,734,000	1,734,000
<b>Cash and Cash Equivalents at End of Year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,864,000	\$ 1,864,000
<b>Reconciliation of Operating Income to Net Cash Provided by (Used In) Operating Activities:</b>							
<b>Operating Income</b>	\$ 16,606	\$ 207,783	\$ 37,938	\$ 204,214	\$ 4,056,490	\$ 1,853,026	\$ 6,376,057
<b>Adjustment Not Affecting Cash:</b>							
Depreciation	-	263,374	1,686	-	8,181,632	-	8,446,692
<b>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</b>							
Receivables, Net	(280)	(1,553)	1,100	-	(2,352,425)	(412,951)	(2,766,109)
Interfund Services	(20,557)	(638,416)	61,844	28,625	(870,506)	(7,751,563)	(9,190,573)
Inventory	-	-	(571)	10,243	-	-	9,672
Prepaid Items	-	13,858	-	-	243,108	26,126	283,092
Deferred Pension Expense	-	-	26,655	142,030	-	-	168,685
Accounts Payable	4,231	188,495	(74,474)	(275)	270,799	715,280	1,104,056
Due to Component Unit	-	-	10,919	1,281	17,199	-	29,399
Claims Liabilities	-	-	-	-	-	(254,152)	(254,152)
Accrued Liabilities	-	-	(82)	(39,679)	-	498,534	458,773
Net Pension Liability	-	-	(63,913)	(340,564)	-	-	(404,477)
Deferred Gain on Pension Investments	-	-	(1,102)	(5,875)	-	-	(6,977)
<b>Total Adjustments</b>	(16,606)	(174,242)	(37,938)	(204,214)	5,489,807	(7,178,726)	(2,121,919)
<b>Net Cash Provided By (Used in) Operating Activities</b>	\$ -	\$ 33,541	\$ -	\$ -	\$ 9,546,297	\$ (5,325,700)	\$ 4,254,138
<b>Non-Cash Capital Related Financing Activities:</b>							
Gain on Sale of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 479,593	\$ -	\$ 479,593



## **Fiduciary Funds**



## Agency Funds

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

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

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

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

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

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS**  
**AS OF JUNE 30, 2018**

	<b>Special Welfare</b>	<b>Performance Bonds</b>	<b>Employee Benefits Distribution</b>	<b>ADC Inmate</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 273,755	\$ 17,591,362	\$ 3,233,129	\$ 542,268	\$ 21,640,514
Cash with Fiscal Agents	-	-	60,000	-	60,000
Accounts Receivable	-	-	15,948	-	15,948
<b>Total Assets</b>	<b>\$ 273,755</b>	<b>\$ 17,591,362</b>	<b>\$ 3,309,077</b>	<b>\$ 542,268</b>	<b>\$ 21,716,462</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 746	\$ 10,001	\$ 265,266	\$ -	\$ 276,013
Other Liabilities	-	-	3,043,811	-	3,043,811
Funds Held in Trust for Others	273,009	17,581,361	-	542,268	18,396,638
<b>Total Liabilities</b>	<b>\$ 273,755</b>	<b>\$ 17,591,362</b>	<b>\$ 3,309,077</b>	<b>\$ 542,268</b>	<b>\$ 21,716,462</b>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
<b><u>Special Welfare Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 216,489	\$ 69,191	\$ 11,925	\$ 273,755
Accounts Receivable	-	69,172	69,172	-
<b>Total Assets</b>	<u>\$ 216,489</u>	<u>\$ 138,363</u>	<u>\$ 81,097</u>	<u>\$ 273,755</u>
Liabilities:				
Accounts Payable	\$ 1,326	\$ 746	\$ 1,326	\$ 746
Funds Held in Trust for Others	215,163	70,146	12,300	273,009
<b>Total Liabilities</b>	<u>\$ 216,489</u>	<u>\$ 70,892</u>	<u>\$ 13,626</u>	<u>\$ 273,755</u>
 <b><u>Performance Bond Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 19,383,388	\$ 3,935,880	\$ 5,727,906	\$ 17,591,362
Accounts Receivable	-	3,736,375	3,736,375	-
<b>Total Assets</b>	<u>\$ 19,383,388</u>	<u>\$ 7,672,255</u>	<u>\$ 9,464,281</u>	<u>\$ 17,591,362</u>
Liabilities:				
Accounts Payable	\$ 88,029	\$ 10,001	\$ 88,029	\$ 10,001
Funds Held in Trust for Others	19,295,359	4,016,983	5,730,981	17,581,361
<b>Total Liabilities</b>	<u>\$ 19,383,388</u>	<u>\$ 4,026,984</u>	<u>\$ 5,819,010</u>	<u>\$ 17,591,362</u>
 <b><u>Employee Benefits Distribution Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 3,047,991	\$ 542,814,030	\$ 542,628,892	\$ 3,233,129
Cash with Fiscal Agents	60,000	-	-	60,000
Accounts Receivable	-	15,948	-	15,948
<b>Total Assets</b>	<u>\$ 3,107,991</u>	<u>\$ 542,829,978</u>	<u>\$ 542,628,892</u>	<u>\$ 3,309,077</u>
Liabilities:				
Accounts Payable	\$ 2,795,576	\$ 265,266	\$ 2,795,576	\$ 265,266
Other Liabilities	\$ 312,415	\$ 141,877,604	\$ 139,146,208	\$ 3,043,811
<b>Total Liabilities</b>	<u>\$ 3,107,991</u>	<u>\$ 142,142,870</u>	<u>\$ 141,941,784</u>	<u>\$ 3,309,077</u>
 <b><u>Adult Detention Center (ADC) Inmate Fund</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 499,488	\$ 2,245,426	\$ 2,202,646	\$ 542,268
<b>Total Assets</b>	<u>\$ 499,488</u>	<u>\$ 2,245,426</u>	<u>\$ 2,202,646</u>	<u>\$ 542,268</u>
Liabilities:				
Funds Held in Trust for Others	\$ 499,488	\$ 2,245,426	\$ 2,202,646	\$ 542,268
<b>Total Liabilities</b>	<u>\$ 499,488</u>	<u>\$ 2,245,426</u>	<u>\$ 2,202,646</u>	<u>\$ 542,268</u>
 <b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$ 23,147,356	\$ 549,064,527	\$ 550,571,369	\$ 21,640,514
Cash with Fiscal Agents	60,000	-	-	60,000
Accounts Receivable	-	3,821,495	3,805,547	15,948
<b>Total Assets</b>	<u>\$ 23,207,356</u>	<u>\$ 552,886,022</u>	<u>\$ 554,376,916</u>	<u>\$ 21,716,462</u>
Liabilities:				
Accounts Payable	\$ 2,884,931	\$ 276,013	\$ 2,884,931	\$ 276,013
Other Liabilities	312,415	141,877,604	139,146,208	3,043,811
Funds Held in Trust for Others	20,010,010	6,332,555	7,945,927	18,396,638
<b>Total Liabilities</b>	<u>\$ 23,207,356</u>	<u>\$ 148,486,172</u>	<u>\$ 149,977,066</u>	<u>\$ 21,716,462</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. It accounts for all financial resources except those required to be accounted for in another fund. Financing is provided primarily by transfers from the primary government and the Commonwealth of Virginia 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 proceeds transferred from the primary government.

### **Special Revenue Funds**

**School Nutrition Fund** - This fund is used to account for the procurement, preparation and serving of student breakfasts, snacks, and lunches. The primary revenue sources are receipts derived from food sales and the Federal school lunch program.

**Grant Fund** - This fund is used to account for all Federal, State and local grants. The primary revenue source is Federal government funding.

**Lease Fund** - This fund is used to account for all lease proceeds and expenditures.

**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 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 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 Fund** - This fund is used to account for the financing of goods and services of the fleet management services.

**Self-Insurance Fund** - This fund is used to account for the transactions associated with the comprehensive health benefits self-insurance program, the disability self-insurance program, and the workers' compensation insurance program.

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

**COUNTY OF LOUDOUN, VIRGINIA  
COMBINING BALANCE SHEET  
GOVERNMENTAL FUNDS  
COMPONENT UNIT - SCHOOL BOARD  
AS OF JUNE 30, 2018**

	<b>General</b>	<b>Capital Improvements</b>	<b>Special Revenue</b>	<b>Capital Asset Replacement</b>	<b>Debt Service</b>	<b>Permanent Peabody</b>	<b>Total School Board</b>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
Restricted Cash and Investments	-	-	3,485,817	-	-	-	3,485,817
Receivables, Net:							
Accounts	2,797,323	-	4,576,674	-	-	-	7,373,997
Due from Primary Government	282,371,071	-	-	-	-	-	282,371,071
Due from Other Governments	15,255,444	-	2,494,165	-	-	-	17,749,609
Interfund Receivables	-	71,435,228	14,389,227	7,350,325	2,396,901	25,870	95,597,551
Due from Component Unit	10,682	-	-	-	-	-	10,682
Inventory of Supplies	-	-	313,732	-	-	-	313,732
Prepaid Items	180,142	-	1,128	-	-	-	181,270
<b>Total Assets</b>	<b>\$ 300,614,862</b>	<b>\$ 71,435,228</b>	<b>\$ 25,260,743</b>	<b>\$ 7,350,325</b>	<b>\$ 2,396,901</b>	<b>\$ 25,870</b>	<b>\$ 407,083,929</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 18,853,832	\$ 11,450,567	\$ 478,630	\$ 839,547	\$ -	\$ -	\$ 31,622,576
Retainage Payable	-	12,897,553	-	-	-	-	12,897,553
Accrued Liabilities	78,021,682	375,970	2,997,335	-	-	-	81,394,987
Interfund Payables	158,676,198	-	3,561,464	-	-	-	162,237,662
Other Liabilities	3,673,009	-	-	-	-	-	3,673,009
Unearned Revenue	-	-	3,670,209	-	-	-	3,670,209
<b>Total Liabilities</b>	<b>259,224,721</b>	<b>24,724,090</b>	<b>10,707,638</b>	<b>839,547</b>	<b>-</b>	<b>-</b>	<b>295,495,996</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Inflows Related to Sales Tax	5,044,729	-	-	-	-	-	5,044,729
Fund Balances:							
Non-spendable:							
Inventories	-	-	313,732	-	-	-	313,732
Advances and Prepaid Items	180,142	-	1,128	-	-	-	181,270
Permanent Fund-Nonexpendable	-	-	-	-	-	25,870	25,870
Restricted for:	-	-	-	-	-	-	-
Legal Agreement	-	-	2,293,825	-	-	-	2,293,825
Committed to:	-	-	-	-	-	-	-
Subsequent Year Appropriations	-	-	-	-	2,396,901	-	2,396,901
Capital Improvements	-	46,711,138	-	-	-	-	46,711,138
Capital Asset Preservation	-	-	-	6,510,778	-	-	6,510,778
Assigned to:	-	-	-	-	-	-	-
Contractual Obligations	20,588,162	-	-	-	-	-	20,588,162
Subsequent Year Appropriations	15,500,000	-	-	-	-	-	15,500,000
School Nutrition Services Fund	-	-	11,944,420	-	-	-	11,944,420
Unassigned	77,108	-	-	-	-	-	77,108
<b>Total Fund Balances</b>	<b>36,345,412</b>	<b>46,711,138</b>	<b>14,553,105</b>	<b>6,510,778</b>	<b>2,396,901</b>	<b>25,870</b>	<b>106,543,204</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 300,614,862</b>	<b>\$ 71,435,228</b>	<b>\$ 25,260,743</b>	<b>\$ 7,350,325</b>	<b>\$ 2,396,901</b>	<b>\$ 25,870</b>	<b>\$ 407,083,929</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, 2018

	<u>General</u>	<u>Capital Improvements</u>	<u>Special Revenue</u>	<u>Capital Asset Replacement</u>	<u>Debt Service</u>	<u>Permanent Peabody</u>	<u>Total School Board</u>
<b>REVENUES</b>							
Use of Money and Property	\$ 2,032,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,032,297
Charges for Services	3,140,331	-	18,825,907	-	-	-	21,966,238
Miscellaneous	2,570,910	-	1,939,638	-	-	-	4,510,548
Recovered Costs	3,586,291	-	-	-	-	-	3,586,291
Intergovernmental - Commonwealth	334,329,801	-	3,663,548	-	-	-	337,993,349
Intergovernmental - Federal	107,774	-	25,560,738	-	-	-	25,668,512
Payments from Primary Government	732,468,059	169,919,757	-	12,688,000	10,293,895	-	925,369,711
<b>Total Revenues</b>	<u>1,078,235,463</u>	<u>169,919,757</u>	<u>49,989,831</u>	<u>12,688,000</u>	<u>10,293,895</u>	<u>-</u>	<u>1,321,126,946</u>
<b>EXPENDITURES</b>							
Current Operating:							
Instruction	859,209,460	-	19,267,512	-	-	1,050	878,478,022
Support Services	190,970,563	14,080	27,499,537	13,484,381	-	-	231,968,561
Technology	29,327,533	-	6,747,113	-	-	-	36,074,646
Capital Outlay	3,023,804	173,549,180	3,285,959	1,084,697	-	-	180,943,640
Debt service:	-	-	-	-	-	-	-
Principal Payments	-	-	-	-	9,992,314	-	9,992,314
Interest and Service Charges	-	-	-	-	301,581	-	301,581
<b>Total Expenditures</b>	<u>1,082,531,360</u>	<u>173,563,260</u>	<u>56,800,121</u>	<u>14,569,078</u>	<u>10,293,895</u>	<u>1,050</u>	<u>1,337,758,764</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>(4,295,897)</u>	<u>(3,643,503)</u>	<u>(6,810,290)</u>	<u>(1,881,078)</u>	<u>-</u>	<u>(1,050)</u>	<u>(16,631,818)</u>
<b>OTHER FINANCING SOURCES</b>							
Lease/Purchase Financing	-	-	10,000,000	-	-	-	10,000,000
Transfers in	44,677	-	-	-	-	-	44,677
Transfers out	-	-	(44,677)	-	-	-	(44,677)
<b>Total Other Financing Sources</b>	<u>44,677</u>	<u>-</u>	<u>9,955,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
<b>Net Change in Fund Balances</b>	(4,251,220)	(3,643,503)	3,145,033	(1,881,078)	-	(1,050)	(6,631,818)
<b>Fund Balances at Beginning of Year</b>	<u>40,596,632</u>	<u>50,354,641</u>	<u>11,408,072</u>	<u>8,391,856</u>	<u>2,396,901</u>	<u>26,920</u>	<u>113,175,022</u>
<b>Fund Balances at End of Year</b>	<u>\$ 36,345,412</u>	<u>\$ 46,711,138</u>	<u>\$ 14,553,105</u>	<u>\$ 6,510,778</u>	<u>\$ 2,396,901</u>	<u>\$ 25,870</u>	<u>\$ 106,543,204</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL GENERAL FUND  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Use of Money and Property	\$ 3,295,981	\$ 3,295,981	\$ 2,032,297	\$ (1,263,684)
Charges for Services	3,031,680	3,031,680	3,140,331	108,651
Miscellaneous	3,581,572	3,581,572	2,570,910	(1,010,662)
Recovered Costs	2,375,000	2,464,486	3,586,291	1,121,805
Intergovernmental - Commonwealth	341,054,265	341,079,265	334,329,801	(6,749,464)
Intergovernmental - Federal	180,062	180,062	107,774	(72,288)
Transfers from Other Funds	795,259	795,259	44,677	(750,582)
Payment from Primary Government	747,164,568	747,050,082	732,468,059	(14,582,023)
<b>Amounts Available for Appropriation</b>	<u>1,101,478,387</u>	<u>1,101,478,387</u>	<u>1,078,280,140</u>	<u>(23,198,247)</u>
<b>Charges to Appropriations (Outflows)</b>				
Education	1,113,478,387	1,126,444,672	1,082,531,360	43,913,312
<b>Total Charges to Appropriations</b>	<u>1,113,478,387</u>	<u>1,126,444,672</u>	<u>1,082,531,360</u>	<u>43,913,312</u>
<b>Excess (Deficiency) of Resources Over (Under)</b>				
Charges to Appropriations	(12,000,000)	(24,966,285)	(4,251,220)	20,715,065
<b>Fund Balance at Beginning of Year</b>	<u>40,596,632</u>	<u>40,596,632</u>	<u>40,596,632</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 28,596,632</u>	<u>\$ 15,630,347</u>	<u>\$ 36,345,412</u>	<u>\$ 20,715,065</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL CAPITAL IMPROVEMENTS FUND  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Budget Authorization</b>
<b>REVENUES</b>				
Payment from Primary Government	\$ 935,705,628	\$ 169,919,757	\$ 1,105,625,385	\$ 1,377,756,191
Miscellaneous	450,000	-	450,000	350,000
<b>Total Revenues</b>	<u>936,155,628</u>	<u>169,919,757</u>	<u>1,106,075,385</u>	<u>1,378,106,191</u>
<b>EXPENDITURES</b>				
Education	803,465	14,080	817,545	961,000
Capital Outlay	884,942,163	173,549,180	1,058,491,343	1,377,145,191
<b>Total Expenditures</b>	<u>885,745,628</u>	<u>173,563,260</u>	<u>1,059,308,888</u>	<u>1,378,106,191</u>
<b>Excess (Deficiency) of Resources Over (Under)</b>				
Charges to Appropriations	<u>50,410,000</u>	<u>(3,643,503)</u>	<u>46,766,497</u>	<u>-</u>
<b>OTHER FINANCING USES</b>				
Transfers Out	(55,359)	-	(55,359)	-
<b>Total Other Financing Uses</b>	<u>(55,359)</u>	<u>-</u>	<u>(55,359)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>\$ 50,354,641</u>	<u>\$ (3,643,503)</u>	<u>\$ 46,711,138</u>	<u>\$ -</u>
<b>Fund Balance at Beginning of Year</b>		50,354,641		
<b>Fund Balance at End of Year</b>		<u>\$ 46,711,138</u>		

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE OF**  
**SCHOOL NUTRITION SERVICES FUND - SPECIAL REVENUE**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Charges for Services	\$ 20,769,824	\$ 20,825,523	\$ 18,808,535	\$ (2,016,988)
Miscellaneous	-	-	727,298	727,298
Intergovernmental - Commonwealth	364,421	364,421	411,782	47,361
Intergovernmental - Federal	9,179,212	9,179,212	10,122,501	943,289
<b>Amounts Available for Appropriation</b>	<u>30,313,457</u>	<u>30,369,156</u>	<u>30,070,116</u>	<u>(299,040)</u>
<b>Charges to Appropriations (Outflows)</b>				
Education	30,313,457	30,369,156	27,394,132	2,975,024
<b>Total Charges to Appropriations</b>	<u>30,313,457</u>	<u>30,369,156</u>	<u>27,394,132</u>	<u>2,975,024</u>
<b>Excess of Resources Over</b>				
Charges to Appropriations	-	-	2,675,984	2,675,984
<b>Fund Balance at Beginning of Year</b>	<u>9,583,296</u>	<u>9,583,296</u>	<u>9,583,296</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 9,583,296</u>	<u>\$ 9,583,296</u>	<u>\$ 12,259,280</u>	<u>\$ 2,675,984</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL GRANT FUND - SPECIAL REVENUE  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Charges for Services	\$ 50,000	\$ 92,397	\$ 17,372	\$ (75,025)
Miscellaneous	2,203,396	3,132,125	1,149,659	(1,982,466)
Intergovernmental - Commonwealth	4,985,801	8,868,365	3,251,766	(5,616,599)
Intergovernmental - Federal	16,452,701	22,669,225	15,438,237	(7,230,988)
<b>Amounts Available for Appropriation</b>	<u>23,691,898</u>	<u>34,762,112</u>	<u>19,857,034</u>	<u>(14,905,078)</u>
<b>Charges to Appropriations (Outflows)</b>				
Education	23,691,898	34,762,112	19,856,278	14,905,834
Transfers to Other Funds	-	-	44,677	(44,677)
<b>Total Charges to Appropriations</b>	<u>23,691,898</u>	<u>34,762,112</u>	<u>19,900,955</u>	<u>14,861,157</u>
<b>Deficiency of Resources Under</b>				
Charges to Appropriations	-	-	(43,921)	(43,921)
<b>Fund Balance at Beginning of Year</b>	<u>87,346</u>	<u>87,346</u>	<u>87,346</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 87,346</u>	<u>\$ 87,346</u>	<u>\$ 43,425</u>	<u>\$ (43,921)</u>

**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL LEASE FUND - SPECIAL REVENUE  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Miscellaneous	\$ -	\$ -	\$ 62,681	\$ 62,681
Lease/Purchase Financing	10,000,000	11,730,539	10,000,000	(1,730,539)
<b>Amounts Available for Appropriation</b>	<u>10,000,000</u>	<u>11,730,539</u>	<u>10,062,681</u>	<u>(1,667,858)</u>
<b>Charges to Appropriations (Outflows)</b>				
Education	10,000,000	11,730,539	9,549,711	2,180,828
<b>Total Charges to Appropriations</b>	<u>10,000,000</u>	<u>11,730,539</u>	<u>9,549,711</u>	<u>2,180,828</u>
<b>Excess of Resources Over</b>				
Charges to Appropriations	-	-	512,970	512,970
<b>Fund Balance at Beginning of Year</b>	1,737,430	1,737,430	1,737,430	-
<b>Fund Balance at End of Year</b>	<u>\$ 1,737,430</u>	<u>\$ 1,737,430</u>	<u>\$ 2,250,400</u>	<u>\$ 512,970</u>



**COUNTY OF LOUDOUN, VIRGINIA  
BUDGETARY COMPARISON SCHEDULE OF  
SCHOOL CAPITAL ASSET PRESERVATION FUND  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Budget Authorization</b>
<b>REVENUES</b>				
Payment from Primary Government	\$ 14,689,628	\$ 12,688,000	\$ 27,377,628	\$ 21,079,856
<b>Total Revenues</b>	<u>14,689,628</u>	<u>12,688,000</u>	<u>27,377,628</u>	<u>21,079,856</u>
<b>EXPENDITURES</b>				
Education	4,886,005	13,484,381	18,370,386	21,613,217
Capital Outlay	1,411,767	1,084,697	2,496,464	(533,361)
<b>Total Expenditures</b>	<u>6,297,772</u>	<u>14,569,078</u>	<u>20,866,850</u>	<u>21,079,856</u>
<b>Excess (Deficiency) of Resources Over (Under)</b>				
Charges to Appropriations	8,391,856	(1,881,078)	6,510,778	-
<b>Net Change in Fund Balances</b>	<u>\$ 8,391,856</u>	<u>\$ (1,881,078)</u>	<u>\$ 6,510,778</u>	<u>\$ -</u>
<b>Fund Balance at Beginning of Year</b>		8,391,856		
<b>Fund Balance at End of Year</b>		<u>\$ 6,510,778</u>		

**COUNTY OF LOUDOUN, VIRGINIA**  
**BUDGETARY COMPARISON SCHEDULE OF**  
**SCHOOL DEBT SERVICE FUND**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Resources (Inflows)</b>				
Payment from Primary Government	\$ 10,293,895	\$ 10,293,895	\$ 10,293,895	\$ -
<b>Amounts Available for Appropriation</b>	<u>10,293,895</u>	<u>10,293,895</u>	<u>10,293,895</u>	<u>-</u>
<b>Charges to Appropriations (Outflows)</b>				
Debt Service	10,293,895	10,293,895	10,293,895	-
<b>Total Charges to Appropriations</b>	<u>10,293,895</u>	<u>10,293,895</u>	<u>10,293,895</u>	<u>-</u>
<b>Excess of Resources Over Charges to Appropriations</b>	-	-	-	-
<b>Fund Balance at Beginning of Year</b>	2,396,901	2,396,901	2,396,901	-
<b>Fund Balance at End of Year</b>	<u>\$ 2,396,901</u>	<u>\$ 2,396,901</u>	<u>\$ 2,396,901</u>	<u>-</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF PROPRIETARY NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**COMPONENT UNIT - SCHOOL BOARD**  
**AS OF JUNE 30, 2018**

	<b>Central Service Fund</b>	<b>Self- Insurance Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Deposits	\$ -	\$ 2,719,000	\$ 2,719,000
Receivables, Net	4,444	268,316	272,760
Interfund Receivables	-	67,301,618	67,301,618
Inventory of Supplies	778,452	-	778,452
Total Current Assets	<u>782,896</u>	<u>70,288,934</u>	<u>71,071,830</u>
Noncurrent Assets:			
Capital Assets:			
Depreciable, Net	3,516,345	-	3,516,345
Total Noncurrent Assets	<u>3,516,345</u>	<u>-</u>	<u>3,516,345</u>
<b>Total Assets</b>	<u>4,299,241</u>	<u>70,288,934</u>	<u>74,588,175</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to OPEB	120,934	-	120,934
Deferred Outflows Related to Pension	904,000	-	904,000
	<u>1,024,934</u>	<u>-</u>	<u>1,024,934</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 592,605	\$ 429,197	\$ 1,021,802
Accrued Liabilities	12,309	1,290,283	1,302,592
Interfund Payables	661,507	-	661,507
Claims Liabilities	-	17,280,892	17,280,892
Total Current Liabilities	<u>1,266,421</u>	<u>19,000,372</u>	<u>20,266,793</u>
Noncurrent Liabilities:			
Compensated Absences	361,551	-	361,551
Claims Liabilities	-	976,799	976,799
Net OPEB Liability	1,132,997	-	1,132,997
Net Pension Liability	633,379	-	633,379
Total Noncurrent Liabilities	<u>2,127,927</u>	<u>976,799</u>	<u>3,104,726</u>
<b>Total Liabilities</b>	<u>3,394,348</u>	<u>19,977,171</u>	<u>23,371,519</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to OPEB	65,467	-	65,467
Deferred Inflows Related to Pension	919,000	-	919,000
Total Deferred Inflows of Resources	<u>984,467</u>	<u>-</u>	<u>984,467</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,516,345	-	3,516,345
Unrestricted	(2,570,985)	50,311,763	47,740,778
<b>Total Net Position</b>	<u>\$ 945,360</u>	<u>\$ 50,311,763</u>	<u>\$ 51,257,123</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF CHANGES IN PROPRIETARY NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Central Service Fund</b>	<b>Self- Insurance Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for Services	\$ 17,175,991	\$ 194,219,007	\$ 211,394,998
Use of Property	12,587	-	12,587
<b>Total Operating Revenues</b>	<u>17,188,578</u>	<u>194,219,007</u>	<u>211,407,585</u>
<b>Operating Expenses:</b>			
Personnel Services	5,901,416	5,657,154	11,558,570
Other Services and Charges	2,246,542	8,939,609	11,186,151
Materials and Supplies	9,193,323	258,840	9,452,163
Depreciation	207,293	-	207,293
Claims	-	153,356,217	153,356,217
<b>Total Operating Expenses</b>	<u>17,548,574</u>	<u>168,211,820</u>	<u>185,760,394</u>
<b>Operating Income (Loss)</b>	(359,996)	26,007,187	25,647,191
<b>Net Position at Beginning of Year, as Restated (Note XXII)</b>	1,305,356	24,304,576	25,609,932
<b>Net Position at End of Year</b>	<u>\$ 945,360</u>	<u>\$ 50,311,763</u>	<u>\$ 51,257,123</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**COMBINING STATEMENT OF PROPRIETARY CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**COMPONENT UNIT - SCHOOL BOARD**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Central Service Fund</b>	<b>Self- Insurance Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers	\$ 17,192,466	\$ 194,383,913	\$ 211,576,379
Payments to Suppliers for Goods and Services	(11,137,317)	(9,902,007)	(21,039,324)
Claims Paid	-	(152,379,418)	(152,379,418)
Payments to Employees	(5,789,407)	(5,657,154)	(11,446,561)
Payments to Interfund Services	(265,742)	(26,445,334)	(26,711,076)
<b>Net Cash Provided by Operating Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>			
<b>Net Operating Income (Loss)</b>	<u>\$ (359,996)</u>	<u>\$ 26,007,187</u>	<u>\$ 25,647,191</u>
<b>Adjustment Not Affecting Cash:</b>			
Depreciation	207,293	-	207,293
<b>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</b>			
Receivable, Net	3,888	164,906	168,794
Interfund Receivables	-	(26,445,334)	(26,445,334)
Inventory	(58,446)	-	(58,446)
Accounts Payable	348,685	386,102	734,787
Interfund Payables	(265,742)	-	(265,742)
Claims Liabilities	-	976,799	976,799
Accrued Liabilities	12,309	(1,089,660)	(1,077,351)
Compensated Absences	361,551	-	361,551
Net OPEB Liability	(94,741)	-	(94,741)
Net Pension Liability	(154,801)	-	(154,801)
<b>Total Adjustments</b>	<u>359,996</u>	<u>(26,007,187)</u>	<u>(25,647,191)</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 <b>Noncash Investing, Capital, and Financing Activities</b>			
Contributions of capital assets from government	\$ -	\$ -	\$ -

COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF OPEB TRUST NET POSITION  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2018

	Other Postemployment Benefits Trust Fund
<b>ASSETS</b>	
Investments, at Fair Value:	
Investments in Pooled Funds	\$ 160,426,016
<b>Total Investments</b>	<u>160,426,016</u>
<b>Total Assets</b>	<u>160,426,016</u>
<b>LIABILITIES</b>	
Accounts Payable	-
<b>Total Liabilities</b>	<u>-</u>
<b>NET POSITION</b>	
Held in Trust for Other Postemployment Benefits	<u>\$ 160,426,016</u>

COUNTY OF LOUDOUN, VIRGINIA  
STATEMENT OF CHANGES IN OPEB TRUST NET POSITION  
COMPONENT UNIT - SCHOOL BOARD  
FOR THE YEAR ENDED JUNE 30, 2018

	Other Postemployment Benefits Trust Fund
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 27,724,264
<b>Total Contributions</b>	<u>27,724,264</u>
Investment Earnings:	
Net Appreciation in Fair Value of Investments	7,676,163
Interest	<u>22,080</u>
<b>Total Investment Earnings</b>	<u>7,698,243</u>
Less Investment Expense:	
Investment Management Fees	<u>(87,233)</u>
<b>Net Investment Income</b>	<u>7,611,010</u>
<b>Total Additions</b>	<u>35,335,274</u>
<b>DEDUCTIONS</b>	
Benefits	15,202,582
Administrative Expense	<u>521,682</u>
<b>Total Deductions</b>	<u>15,724,264</u>
<b>Change in Net Position</b>	19,611,010
<b>Net Position at Beginning of Year</b>	<u>140,815,006</u>
<b>Net Position at End of Year</b>	<u>\$ 160,426,016</u>

COUNTY OF LOUDOUN, VIRGINIA  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUNDS  
 COMPONENT UNIT - SCHOOL BOARD  
 AS OF JUNE 30, 2018

	Payroll Liabilities Distribution Fund	Student Activity Fund	Total Agency Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 7,981,132	\$ 7,981,132
Accounts Receivable, net	-	-	-
Due from General Fund	-	-	-
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
Collections Held in Trust	-	7,981,132	7,981,132
Total Current Liabilities	<u>\$ -</u>	<u>\$ 7,981,132</u>	<u>\$ 7,981,132</u>
<b>Total Liabilities</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 three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

COUNTY OF LOUDOUN, VIRGINIA  
SCHEDULE OF CAPITAL ASSETS BY SOURCE  
AS OF JUNE 30, 2018

<b>CAPITAL ASSETS</b>	
Land	\$ 168,639,424
Buildings	530,812,915
Improvements Other Than Buildings	63,954,364
Equipment	277,966,587
Infrastructure	651,392,232
Construction in Progress	90,946,719
<b>Total Current Assets</b>	<u>1,783,712,241</u>
Less Accumulated Depreciation	<u>(425,120,294)</u>
<b>Net Capital Assets</b>	<u><u>\$ 1,358,591,947</u></u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF CAPITAL ASSETS BY FUNCTION**  
**AS OF JUNE 30, 2018**

<b>Function</b>	<b>Land</b>	<b>Buildings</b>	<b>Improvements other than Buildings</b>	<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Total</b>
General Government Administration	\$ 23,742,240	\$ 17,235,599	\$ -	\$ 121,576,262	\$ 1,285,970	\$ 163,840,071
Judicial Administration	398,112	35,050,899	-	1,298,637	-	36,747,648
Public Safety	25,468,934	205,965,300	-	90,668,393	477,550	322,580,177
Public Works	32,155,453	65,590,863	38,958	9,433,919	649,247,226	756,466,419
Health and Welfare	3,944,806	43,776,859	-	1,141,344	-	48,863,009
Parks, Recreation and Culture	66,230,104	147,952,056	51,525,793	8,578,947	381,486	274,668,386
Community Development	16,699,775	15,241,339	12,389,613	45,269,085	-	89,599,812
<b>Total Capital Assets Allocation to Functions</b>	168,639,424	530,812,915	63,954,364	277,966,587	651,392,232	1,692,765,522
Less: Accumulated Depreciation	-	(120,220,979)	(29,317,426)	(140,957,294)	(134,624,595)	(425,120,294)
<b>Total</b>	<u>\$ 168,639,424</u>	<u>\$ 410,591,936</u>	<u>\$ 34,636,938</u>	<u>\$ 137,009,293</u>	<u>\$ 516,767,637</u>	<u>1,267,645,228</u>
<b>Construction in Progress</b>						90,946,719
<b>Total Capital Assets</b>						<u>\$ 1,358,591,947</u>

**COUNTY OF LOUDOUN, VIRGINIA**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

<b>Function</b>	<b>Capital Assets June 30, 2017</b>	<b>Additions</b>	<b>Deductions</b>	<b>Transfers In / (Out)</b>	<b>Capital Assets June 30, 2018</b>
General Government Administration	\$ 112,599,952	\$ 16,980,702	\$ 8,942,067	\$ 43,201,484	\$ 163,840,071
Judicial Administration	36,753,243	-	5,595	-	36,747,648
Public Safety	310,581,959	2,899,970	568,879	9,667,127	322,580,177
Public Works	738,933,460	16,163,779	64,174	1,433,354	756,466,419
Health and Welfare	48,850,296	18,750	6,037	-	48,863,009
Parks, Recreation and Culture	229,448,756	3,062,042	1,641,473	43,799,061	274,668,386
Community Development	87,731,465	4,940,488	3,072,847	706	89,599,812
<b>Total Capital Assets Allocation to Function</b>	<u>1,564,899,131</u>	<u>44,065,731</u>	<u>14,301,072</u>	<u>98,101,732</u>	<u>1,692,765,522</u>
Construction in Progress	123,556,336	65,492,115	-	(98,101,732)	90,946,719
<b>Total</b>	<u>1,688,455,467</u>	<u>109,557,846</u>	<u>14,301,072</u>	<u>-</u>	<u>1,783,712,241</u>
Less: Accumulated Depreciation	<u>(385,110,975)</u>	<u>(49,261,332)</u>	<u>9,252,013</u>	<u>-</u>	<u>(425,120,294)</u>
<b>Net Capital Assets</b>	<u><u>\$ 1,303,344,492</u></u>	<u><u>\$ 60,296,514</u></u>	<u><u>\$ 23,553,085</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,358,591,947</u></u>

# Statistical Section

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**Loudoun County's "Data Center Alley" is the world's largest concentration of data centers, with nearly ten million square feet currently in operation.**

The Statistical Section contains historical information on financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information that when used in conjunction with the financial statements, provides financial statement users with a context for assessing Loudoun County's economic condition.





## 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>	174
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	178
These schedules contain information to help the reader assess the County's significant local revenue sources, the property tax, as well as other revenue sources.	
<b>Debt Capacity</b>	183
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	186
These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	188
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	

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

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

**COUNTY OF LOUDOUN, VIRGINIA**  
**NET POSITION BY COMPONENT**  
(accrual basis of accounting)

	Fiscal Years									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Primary Government:</b>										
Net Investment in Capital Assets	\$ 1,237,487,750	\$ 1,106,888,416	\$ 996,818,157	\$ 884,138,828	\$ 807,212,078	\$ 756,586,759	\$ 653,910,318	\$ 577,369,256	\$ 585,178,496	\$ 527,364,157
Restricted	293,384,471	318,365,692	300,791,873	337,071,835	291,903,114	289,263,838	281,340,465	268,799,538	117,028,380	140,839,102
Unrestricted (4)	(850,200,389)	(654,675,548)	(649,774,311)	(571,270,147)	(577,761,995)	(523,228,920)	(486,196,509)	(578,627,392)	(574,814,326)	(588,919,383)
Total Primary Government Net Position	\$ 680,671,832	\$ 770,578,560	\$ 647,835,719	\$ 649,940,516	\$ 521,353,197	\$ 522,621,677	\$ 449,054,274	\$ 267,541,402	\$ 127,392,550	\$ 79,283,876
<b>Component Unit: (1)</b>										
Net Investment in Capital Assets	\$ 1,787,598,402	\$ 1,634,288,422	\$ 1,583,599,591	\$ 1,527,139,377	\$ 1,469,383,294	\$ 1,345,039,435	\$ 1,296,827,243	\$ 1,236,090,727	\$ 1,218,969,901	\$ 1,118,111,822
Restricted	2,319,695	1,851,696	3,381,400	29,406	32,647,494	45,542,377	25,723,640	69,473,633	95,452,677	160,182,948
Unrestricted (3) & (4)	(871,681,333)	(718,620,114)	(746,749,077)	(816,145,675)	(871,065,799)	(101,134,357)	(82,512,411)	(12,775,272)	8,838,292	25,363,594
Total Component Unit Net Position	\$ 918,236,764	\$ 917,520,004	\$ 840,231,914	\$ 711,023,108	\$ 630,964,989	\$ 1,289,447,455	\$ 1,240,038,472	\$ 1,327,320,262	\$ 1,323,260,870	\$ 1,303,658,364
<b>Total Reporting Entity: (2)</b>										
Net Investment in Capital Assets	\$ 3,961,462,111	\$ 3,569,057,217	\$ 1,775,172,438	\$ 1,497,405,980	\$ 1,435,368,414	\$ 1,263,421,137	\$ 1,181,750,230	\$ 983,749,795	\$ 873,938,252	\$ 720,468,499
Restricted	295,704,166	320,217,388	304,173,273	337,101,241	324,550,608	334,806,215	307,064,105	184,105,398	212,481,057	301,059,613
Unrestricted (4)	(2,658,257,681)	(2,201,176,041)	(591,278,078)	(492,586,334)	(607,600,836)	213,841,780	145,702,769	427,006,471	364,234,111	361,314,128
Total Reporting Entity Net Position	\$ 1,598,908,596	\$ 1,688,098,564	\$ 1,488,067,633	\$ 1,341,920,887	\$ 1,152,318,186	\$ 1,812,069,132	\$ 1,634,517,104	\$ 1,594,861,664	\$ 1,450,653,420	\$ 1,382,842,240

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

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

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

(4) FY2014 net position was restated for both the Primary Government and the component unit due to the implementation of GASB statement 68, *Accounting & Financial Reporting for Pensions*.

FY2015 net position was restated for the Primary Government due to the implementation of GASB 73, *Accounting & Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*.

FY2016 net position was restated for the Primary Government due to the implementation of the second portion of GASB 73, *Accounting & Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, and due to an accounting change related to the handling of NVTC gas tax, see Note XVII for more information.

FY2017 net position was restated for both the Primary Government and the component unit due to the implementation of GASB statement 75, *Accounting & Financial Reporting for Postemployment Benefits Other Than Pension*.

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

	Fiscal Years									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Primary Government:</b>										
<b>Expenses</b>										
General government administration	\$ 106,415,722	\$ 90,831,388	\$ 78,872,933	\$ 76,492,767	\$ 70,124,315	\$ 61,912,835	\$ 70,316,709	\$ 62,046,397	\$ 63,686,674	\$ 62,822,643
Judicial administration	15,467,018	14,466,547	15,514,395	13,911,561	13,095,288	13,583,932	13,914,515	12,713,817	13,102,418	12,195,513
Public safety	200,837,715	187,136,722	190,279,538	174,526,644	160,559,061	157,521,067	154,479,975	139,449,347	136,689,853	146,132,847
Public works	54,001,167	53,722,949	47,129,942	44,804,904	85,334,726	55,288,784	52,378,576	53,898,740	73,414,534	87,509,156
Health and welfare	96,850,956	94,719,324	92,463,665	85,297,302	81,275,904	80,983,615	83,094,558	81,624,733	85,065,383	82,537,935
Parks, recreation and culture	63,441,891	58,406,598	69,415,513	56,609,220	49,076,706	49,451,751	48,706,940	44,867,154	44,766,554	47,983,009
Community development	223,699,567	195,159,443	176,053,814	115,226,033	50,019,751	49,822,990	46,653,869	38,362,638	42,006,747	40,960,236
Education	947,494,077	833,513,916	775,002,448	754,055,346	715,184,760	666,322,749	516,790,758	523,831,880	558,233,336	648,732,511
Interest and other debt service charges	40,898,539	38,312,079	36,695,179	36,439,379	34,383,474	60,737,458	46,467,254	46,222,850	42,984,767	38,106,182
Total Primary Government expenses	\$ 1,749,106,653	\$ 1,566,268,966	\$ 1,481,427,428	\$ 1,357,363,158	\$ 1,259,053,985	\$ 1,195,625,181	\$ 1,032,803,154	\$ 1,003,017,556	\$ 1,059,950,266	\$ 1,166,980,032
<b>Program Revenues</b>										
Charges for services:										
General government administration	\$ 1,370,381	\$ 1,411,793	\$ 1,362,795	\$ 1,656,935	\$ 1,353,242	\$ 1,330,300	\$ 1,196,643	\$ 1,604,464	\$ 1,291,961	\$ 1,193,028
Judicial administration	1,431,886	1,547,052	1,338,326	1,482,901	1,523,323	1,879,288	1,540,865	1,525,826	1,625,414	1,925,667
Public safety	25,148,431	23,027,925	20,180,529	15,977,837	15,573,927	15,841,619	13,472,302	11,954,370	9,743,766	10,199,123
Public works	7,822,486	7,262,932	5,707,115	6,250,470	5,968,154	2,517,428	3,092,074	3,392,704	2,840,600	3,239,278
Health and welfare	8,181,685	8,283,297	7,484,824	7,337,339	7,948,274	8,130,889	8,659,934	8,675,500	7,830,997	7,444,700
Parks, recreation and culture	18,383,223	16,154,978	16,511,902	15,968,622	15,780,946	16,677,711	16,373,314	16,066,824	14,734,804	14,052,720
Community development	20,066,372	20,083,890	18,691,245	20,322,823	18,881,378	21,724,548	18,987,466	15,020,443	12,555,265	12,143,717
Education	-	-	-	-	-	4,660	4,647	1,744	4,188	61,609
Operating grants and contributions	85,545,876	88,332,960	103,482,664	86,573,896	96,662,699	92,839,966	84,070,450	64,135,538	79,233,436	73,551,322
Capital grants and contributions	34,267,434	59,875,630	48,214,136	64,993,806	31,300,805	49,208,083	44,375,368	18,665,478	17,632,716	50,436,513
Total Primary Government program revenues	\$ 202,217,774	\$ 225,980,457	\$ 222,973,536	\$ 220,564,630	\$ 194,992,748	\$ 210,154,492	\$ 191,773,063	\$ 141,042,891	\$ 147,493,147	\$ 174,247,677
Total Primary Government net expense (1)	\$ (1,546,888,879)	\$ (1,340,288,509)	\$ (1,258,453,891)	\$ (1,136,798,527)	\$ (1,064,061,237)	\$ (985,470,689)	\$ (841,030,091)	\$ (861,974,665)	\$ (912,457,119)	\$ (992,732,355)
<b>General Revenues and Other Changes in Net Position</b>										
Taxes:										
Property taxes	\$ 1,227,487,897	\$ 1,138,369,567	\$ 1,053,830,653	\$ 976,628,296	\$ 909,770,674	\$ 853,973,763	\$ 826,556,065	\$ 809,717,753	\$ 779,918,323	\$ 780,314,126
Local sales and use taxes	106,362,027	122,662,155	93,154,168	91,534,573	81,669,562	69,555,652	68,907,540	63,589,457	57,604,972	55,353,088
Consumer utility taxes	22,094,646	21,807,354	21,555,702	22,548,783	21,415,296	21,504,030	19,864,904	20,236,914	20,087,509	19,891,260
Business license taxes	36,760,291	35,210,681	31,785,671	31,558,942	29,209,497	28,400,538	25,995,888	25,355,444	23,076,923	25,552,292
Franchise license taxes	887,660	885,931	268,173	814,680	761,526	679,828	657,160	586,485	503,990	424,254
Motor vehicle licenses	7,096,295	7,091,920	6,817,105	6,547,752	6,304,760	6,061,581	5,861,761	5,663,926	5,486,343	5,313,822
Bank franchise taxes	6,113,457	8,916,977	3,870,002	5,720,221	3,102,805	1,295,921	1,457,653	2,015,493	1,098,270	585,119
Taxes on recordation and wills	11,715,471	13,495,539	10,786,451	10,812,714	9,417,841	11,535,308	8,988,228	7,936,513	7,424,426	7,401,252
Hotel and motel room taxes	6,639,720	2,488,530	5,720,710	5,699,308	4,722,338	4,947,024	4,940,965	5,044,602	4,748,883	5,572,925
Payment from Component Unit	21,253,042	28,417,114	-	-	-	-	-	-	-	-
Interest and investment earnings	20,226,860	23,407,795	22,929,100	3,852,976	3,262,087	1,806,389	2,251,057	2,625,335	4,229,035	12,182,445
Unrestricted grants and contributions	58,386,236	57,864,787	57,189,579	58,109,728	56,742,228	57,029,514	54,190,713	55,383,277	54,732,247	56,173,663
Miscellaneous	7,447,092	2,413,000	2,527,431	5,750,380	7,807,943	2,248,557	2,871,029	3,968,318	1,654,872	2,104,896
Special Item	-	-	-	26,764,758	-	-	-	-	-	6,381,106
Total Primary Government general revenues	\$ 1,532,470,694	\$ 1,463,031,350	\$ 1,310,434,745	\$ 1,246,343,111	\$ 1,134,186,557	\$ 1,059,038,092	\$ 1,022,542,963	\$ 1,002,123,517	\$ 960,565,793	\$ 977,250,248
<b>Change in Net Position (2)</b>	<b>\$ (14,418,185)</b>	<b>\$ 122,742,841</b>	<b>\$ 51,980,853</b>	<b>\$ 109,544,582</b>	<b>\$ 70,125,320</b>	<b>\$ 73,567,403</b>	<b>\$ 181,512,872</b>	<b>\$ 140,148,852</b>	<b>\$ 48,108,674</b>	<b>\$ (15,482,107)</b>

(1) Net (expense) 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 indicates that expenses were greater than program revenues and; therefore, general revenues were needed to finance that function or program. A number without parentheses indicates that program revenues were more than sufficient to cover expenses.

FY18 Net Position decreased significantly from FY17 due to the implementation of GASB Statement 75, *Accounting & Financial Reporting for Postemployment Benefits Other Than Pensions* as well as decreases in the general fund, capital projects fund, and non-major governmental funds. See MD&A and the Notes to Financial Statements for more information.

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

	Fiscal Years									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Pre GASB 54:</b>										
<b>General Fund:</b>										
Reserved										\$ 13,116,086
Unreserved										
Designated										105,123,783
Undesignated										42,653,142
Total General Fund										\$ 160,893,011
<b>Other Governmental Funds:</b>										
Reserved										\$ 80,629,313
Unreserved										
Designated:										
Special Revenue Funds										-
Capital Project Funds										135,914,520
Debt Service Fund										19,116,001
Undesignated:										
Special Revenue Funds										126,253,942
Total Other Governmental Funds										\$ 361,913,776
<b>Post GASB 54:</b>										
<b>General Fund:</b>										
Nonspendable	\$ 1,324,240	\$ 1,409,235	\$ 2,236,771	\$ 1,552,625	\$ 4,196,375	\$ 2,702,989	\$ 3,141,458	\$ 3,485,287	\$ 3,382,785	
Restricted	-	-	-	-	-	-	496,427	587,920	736,194	
Committed	226,632,199	212,953,184	194,062,295	165,501,135	128,847,559	123,624,193	116,969,167	127,596,371	111,378,755	
Assigned	33,784,272	54,776,969	34,321,280	91,014,370	27,788,140	42,016,085	35,150,320	3,089,893	4,368,207	
Unassigned	99,528,390	68,520,205	55,710,322	34,268,797	62,038,432	51,307,907	46,465,428	61,501,286	67,221,557	
Total General Fund (1)	\$ 361,269,101	\$ 337,659,593	\$ 286,330,668	\$ 292,336,927	\$ 222,870,506	\$ 219,651,174	\$ 202,222,800	\$ 196,260,757	\$ 187,087,498	
<b>All Other Governmental Funds:</b>										
Nonspendable	\$ -	\$ 180,365	\$ 2,398,345	\$ 2,540,189	\$ 2,950,698	\$ 2,576,238	\$ 2,976,188	\$ 1,455,427	\$ 1,532,553	
Restricted (3)	492,296,800	471,607,332	413,916,669	403,094,097	347,266,991	289,263,838	280,844,038	268,211,618	252,044,227	
Committed (2)	137,253,477	130,592,082	108,765,849	86,192,886	87,263,100	71,710,962	93,409,781	115,791,455	65,777,747	
Assigned	75,089,417	54,528,173	56,881,796	42,111,174	53,582,435	58,525,142	22,625,174	10,347,947	13,064,889	
Unassigned	-	-	-	(462)	(906,121)	(638,138)	(664,939)	-	-	
Total All Other Governmental Funds (1)	\$ 704,639,694	\$ 656,907,952	\$ 581,962,659	\$ 533,937,884	\$ 490,157,103	\$ 421,438,042	\$ 399,190,242	\$ 395,806,447	\$ 332,419,416	
<b>Total Governmental Funds</b>	<b>\$ 1,065,908,795</b>	<b>\$ 994,567,545</b>	<b>\$ 868,293,327</b>	<b>\$ 826,274,811</b>	<b>\$ 713,027,609</b>	<b>\$ 641,089,216</b>	<b>\$ 601,413,042</b>	<b>\$ 592,067,204</b>	<b>\$ 519,506,914</b>	<b>\$ 522,806,787</b>

- (1) The increase in general fund balance from FY2014 to FY2015 is primarily related to an increase in general property taxes due to a 6% increase in tax assessments. The increase in all other governmental funds fund balance from FY2014 to FY2015 is due to an increase in developer contributions and an increase in NVT A 70% funding for road improvements that were not present in FY2014.
- (2) FY2015 committed fund balance was restated due to the implementation of GASB 73, Accounting & Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.
- (3) FY2016 restricted fund balance was restated due to an accounting change related to the handling of NVTC gas tax, see Notes to Financial Statements Note XVII for more information.

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

	Fiscal Years									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b>										
General property taxes	\$ 1,227,219,633	\$ 1,134,524,954	\$ 1,053,830,393	\$ 972,795,283	912,961,722	\$ 852,834,842	\$ 828,523,936	\$ 811,668,497	\$ 780,886,551	\$ 777,764,635
Other local taxes	197,669,567	212,559,087	173,957,982	175,236,973	156,603,625	143,979,882	136,674,099	130,428,834	120,031,316	120,094,012
Permits and licenses	26,416,784	24,159,923	22,386,605	24,125,597	23,901,359	22,614,546	18,621,240	14,444,622	10,791,655	11,844,637
Fines and forfeitures	2,060,055	2,068,578	1,726,649	2,147,816	2,249,057	2,746,066	2,729,647	2,705,771	2,539,918	2,545,492
Use of money and property	20,226,860	11,376,790	7,107,594	3,852,976	3,262,087	3,770,933	4,854,195	5,080,665	5,806,890	15,356,324
Charges for services	45,266,628	42,089,936	38,312,633	35,081,533	33,473,618	32,089,497	30,759,688	29,376,216	26,227,611	25,121,561
Gifts and donations	30,825,025	36,554,981	43,861,872	38,613,977	44,308,322	47,171,149	32,595,451	15,346,612	23,607,010	16,038,282
Miscellaneous	3,404,981	1,364,968	1,353,394	1,402,609	5,414,298	2,349,169	1,359,712	2,080,701	620,206	1,333,558
Recovered costs	12,703,108	10,501,462	10,024,886	10,653,575	9,798,854	8,591,178	10,124,849	11,147,553	10,524,622	8,345,611
Intergovernmental - Commonwealth of Virginia	108,882,981	104,158,503	95,471,328	94,207,396	101,578,851	87,849,590	87,405,196	85,827,355	79,536,378	92,494,168
Intergovernmental - Federal Government	20,641,009	30,669,525	22,891,443	17,414,426	16,877,484	16,361,651	21,216,867	23,561,617	36,828,492	31,208,905
Payment from Component Unit	21,253,042	28,417,114	-	1,336,176	-	28,174,303	-	-	-	-
Total revenues	\$ 1,716,569,673	\$ 1,638,445,821	\$ 1,470,924,779	\$ 1,376,868,337	\$ 1,310,429,277	\$ 1,248,532,806	\$ 1,174,864,880	\$ 1,131,668,443	\$ 1,097,400,649	\$ 1,102,147,185
<b>Expenditures</b>										
General government administration	\$ 95,154,923	\$ 92,085,756	\$ 75,818,203	\$ 73,713,453	\$ 71,290,404	\$ 59,857,783	\$ 68,187,026	\$ 57,425,608	\$ 58,971,603	\$ 58,014,874
Judicial administration	14,894,819	14,504,305	14,218,844	12,991,779	12,393,266	12,634,767	12,438,251	11,906,191	12,010,979	12,159,740
Public safety	192,189,776	183,158,722	173,299,516	167,742,292	156,508,109	151,361,628	146,717,960	139,766,826	134,915,733	141,207,093
Public works	44,746,346	38,888,809	35,498,009	34,636,706	81,737,077	48,249,790	46,330,697	47,410,592	65,313,594	55,961,771
Health and welfare	96,230,919	91,856,980	88,519,474	84,716,353	80,335,173	79,541,256	80,280,556	81,217,371	83,739,002	82,476,368
Parks, recreation and culture	57,121,532	58,537,526	54,094,185	51,768,132	47,054,221	45,351,862	42,601,230	42,865,541	42,229,577	44,256,562
Community development	223,710,726	193,719,087	173,225,017	114,009,274	53,813,487	48,960,308	45,934,636	37,561,438	40,414,055	42,939,187
Education	947,494,077	833,513,916	755,004,406	754,055,349	702,281,760	694,497,052	528,356,150	523,831,880	558,233,336	661,083,089
Capital outlay	79,802,989	69,538,716	83,531,166	30,975,698	32,545,249	64,776,387	35,427,284	50,947,973	58,053,186	85,295,782
Debt service:										
Principal payments	118,240,000	115,555,000	107,440,000	108,400,000	97,475,000	91,803,777	118,704,451	101,275,616	76,369,500	83,497,294
Interest	49,810,134	48,987,121	48,458,967	30,808,029	45,322,074	47,906,917	52,048,310	52,840,683	50,386,103	46,615,572
Service Charges	1,353,490	1,245,599	14,635,637	17,963,316	242,298	5,016,185	26,937	313,984	468,806	1,764,936
Total expenditures	\$ 1,920,749,731	\$ 1,741,591,537	\$ 1,623,743,424	\$ 1,481,780,381	\$ 1,380,998,118	\$ 1,349,957,712	\$ 1,177,053,488	\$ 1,147,363,703	\$ 1,181,105,474	\$ 1,315,272,268
Deficiency of revenues under expenditures	\$ (204,180,058)	\$ (103,145,716)	\$ (152,818,645)	\$ (104,912,044)	\$ (70,568,841)	\$ (101,424,906)	\$ (2,188,608)	\$ (15,695,260)	\$ (83,704,825)	\$ (213,125,083)
<b>Other financing sources (uses)</b>										
Transfers in	\$ 658,806,811	\$ 559,548,915	\$ 604,508,990	\$ 335,425,664	\$ 344,490,584	\$ 212,301,419	\$ 225,303,162	\$ 295,977,594	\$ 210,275,969	\$ 318,270,686
Transfers (out)	(667,379,656)	(571,674,592)	(609,018,446)	(353,568,109)	(348,480,199)	(209,179,221)	(230,973,170)	(305,302,007)	(219,434,691)	(314,474,722)
Issuance Premium	9,841,786	20,559,059	18,140,155	20,109,092	9,813,352	17,227,036	11,565,392	7,827,179	2,959,133	18,065,439
Issuance of Bonds and Leases	148,275,000	169,630,000	175,525,000	159,140,000	115,160,000	119,990,000	5,000,000	89,750,000	175,720,527	382,004,977
Issuance of Federal Loans	69,198,788	51,308,836	42,396,239	11,207,976	-	-	-	-	-	-
Issuance of Bond Anticipation Notes	56,645,000	-	-	-	-	-	-	-	-	-
Premium on Refunded Bonds & Leases	-	-	15,979,967	-	-	11,671,077	-	-	-	-
Issuance Discount	(205,621)	-	-	-	-	-	-	-	-	-
Issuance of Refunding Bonds & Leases	-	-	83,650,000	-	-	127,155,000	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	(98,866,723)	-	-	(138,064,231)	-	-	(89,120,000)	(131,030,000)
Proceeds from Sale of Capital Assets to Component Unit	-	-	(19,998,042)	-	-	-	-	-	-	-
Payment to refunded lease escrow agent	-	47,716	-	-	-	-	-	-	-	-
Sales of Capital Assets	339,200	-	89,340	37,128	21,523,497	-	639,062	2,784	4,014	7,169,475
Total other financing sources, net	\$ 275,521,308	\$ 229,419,934	\$ 212,406,480	\$ 172,351,751	\$ 142,507,234	\$ 141,101,080	\$ 10,895,384	\$ 88,255,550	\$ 80,404,952	\$ 280,005,855
<b>SPECIAL ITEM</b>										
Return of fiscal reserve from component unit	-	-	-	26,764,758	-	-	-	-	-	-
<b>Total change in fund balances</b>	<b>\$ 71,341,250</b>	<b>\$ 126,274,218</b>	<b>\$ 59,587,835</b>	<b>\$ 94,204,465</b>	<b>\$ 71,938,393</b>	<b>\$ 39,676,174</b>	<b>\$ 8,706,776</b>	<b>\$ 72,560,290</b>	<b>\$ (3,299,873)</b>	<b>\$ 66,880,772</b>
<b>Debt service as a percentage of noncapital expenditures (Primary Government Only)</b>										
Total debt service	\$ 168,050,134	\$ 164,542,121	\$ 155,898,967	\$ 139,208,029	\$ 142,797,074	\$ 139,710,694	\$ 170,752,761	\$ 154,116,299	\$ 126,755,603	\$ 130,112,866
Total expenditures	1,920,749,731	1,741,591,537	1,623,743,424	1,481,780,381	1,380,998,118	1,349,957,712	1,177,053,488	1,147,363,703	1,181,105,474	1,302,929,705
Capital outlay - Primary Government Only	(78,430,515)	(89,051,970)	(85,836,133)	(24,949,672)	(42,695,285)	(66,460,172)	(37,726,538)	(55,271,711)	(60,858,796)	(87,290,325)
Noncapital Expenditure	\$ 1,842,319,216	\$ 1,652,539,567	\$ 1,537,907,291	\$ 1,456,830,709	\$ 1,338,302,833	\$ 1,283,497,540	\$ 1,139,326,950	\$ 1,092,091,992	\$ 1,120,246,678	\$ 1,215,639,380
Debt service as a percentage of noncapital expenditures	9.12%	9.96%	10.14%	9.56%	10.67%	11.28%	14.99%	14.11%	11.31%	10.70%

TABLE E

**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>
2018	\$ 1,227,219,633	\$ 107,249,687	\$ 22,094,646	\$ 36,760,291	\$ 6,113,457	\$ 7,096,295	\$ 11,715,471	\$ 6,639,720	\$ 1,424,889,200
2017	1,134,524,954	119,944,008	21,807,354	35,210,681	8,916,977	7,091,920	13,495,539	6,092,608	1,347,084,041
2016	1,053,830,393	93,154,168	21,555,702	31,785,671	4,138,175	6,817,105	10,786,451	5,720,710	1,227,788,375
2015	972,795,283	91,534,573	22,548,783	31,558,942	6,534,901	6,547,752	10,812,714	5,699,308	1,148,032,256
2014	912,961,722	81,669,562	21,415,296	29,209,497	3,864,331	6,304,760	9,417,841	4,722,338	1,069,565,347
2013	852,834,842	69,555,652	21,504,030	28,400,538	1,975,749	6,061,581	11,535,308	4,947,024	996,814,724
2012	828,523,936	68,907,540	19,864,904	25,995,888	2,114,813	5,861,761	8,988,228	4,940,965	965,198,035
2011	811,668,497	63,589,457	20,236,914	25,355,444	2,601,978	5,663,926	7,936,513	5,044,602	942,097,331
2010	780,886,551	57,604,972	20,087,509	23,076,923	1,602,260	5,486,343	7,424,426	4,748,883	900,917,867
2009	777,764,635	55,353,088	19,891,260	25,552,292	1,009,373	5,313,822	7,401,252	5,572,925	897,858,647

**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			
2018	\$60,623,857,260	\$25,174,726,918	\$3,347,546,494	\$3,556,701,543	\$6,535,465,563	\$6,917,094,580	\$92,321,203,198	\$ 1.26
2017	57,231,479,660	23,374,431,066	2,815,696,720	3,388,052,579	4,929,481,053	6,610,088,180	85,129,052,898	\$ 1.41
2016	54,917,990,742	21,568,714,666	2,995,288,600	3,278,370,552	3,998,584,450	6,257,253,650	80,501,695,360	1.40
2015	52,975,768,941	20,323,832,864	2,940,245,016	3,033,345,780	3,326,341,970	6,012,249,930	76,587,284,641	1.34
2014	49,375,732,710	18,798,029,977	2,982,086,580	2,875,108,689	2,598,818,757	5,433,975,660	71,195,801,053	1.42
2013	44,774,937,934	17,688,305,039	2,862,747,040	2,728,476,540	2,617,701,019	5,289,844,810	65,382,322,762	1.41
2012	42,339,146,700	17,195,936,300	2,968,638,600	2,587,376,111	2,121,835,958	5,148,056,700	62,064,876,969	1.39
2011	40,803,550,100	16,925,004,000	3,074,079,800	2,374,460,302	2,079,399,563	4,975,969,800	60,280,523,965	1.43
2010	39,017,317,800	17,059,031,027	3,195,328,500	2,235,611,828	1,962,529,466	4,830,803,300	58,639,015,321	1.42
2009	39,830,524,980	18,002,444,600	4,009,280,100	2,081,825,371	1,976,148,727	5,023,445,900	60,876,777,878	1.36
2008	45,791,942,249	17,358,716,900	4,794,833,700	2,297,252,769	1,619,759,946	4,882,198,700	66,980,306,864	1.26

(1) Property in Loudoun County is assessed annually at 100% fair market value with the date of value being January 1.

Tax rates are per \$100 of assessed value.

(2) Source: Loudoun County Office of the Commissioner of Revenue.

Data through 2017 is obtained from the Land Book for each year. Data for 2018 are from the assessment summary.

Public service corporation assessment in the commercial property column reflects assessed value for January 1 of the corresponding fiscal year.

Beginning FY2014, public service company tangible personal property other than motor vehicles is included in commercial property.

Prior year numbers are adjusted as more current data becomes available

(3) Source: Loudoun County Office of the Commissioner of Revenue, for June 30 of each year.

TABLE G

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

Type of tax	Calendar Years									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>LOUDOUN COUNTY</b>										
Countywide Tax Levies:										
Real property (1):										
General Fund	\$ 1.085	\$ 1.125	\$ 1.145	\$ 1.135	\$ 1.155	\$ 1.205	\$ 1.235	\$ 1.285	\$ 1.300	\$ 1.245
Route 28 Highway Improvement	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Aldie Sewer Service District ended 01/01/13	n/a	n/a	n/a	n/a	n/a	n/a	0.13	0.13	0.13	0.13
Metrorail Service District	0.20	0.20	0.20	0.20	0.20	0.20	n/a	n/a	n/a	n/a
Hamilton Sewer Service District (5)	n/a	n/a	n/a	n/a	0.30	0.30	0.30	0.30	0.30	0.30
Total direct real property tax rate (2)	1.159	1.150	1.169	1.158	1.251	1.251	1.251	1.302	1.319	1.265
Personal property:										
Personal Property (General)	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200
Mobile Homes	1.085	1.125	1.145	1.135	1.155	1.205	1.235	1.285	1.300	1.245
Aircraft & Flight Simulators	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010
Heavy Equipment	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Satellite Manufacturing Equipment	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010	0.010
Computer Equipment	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200	4.200
Machinery and Tools	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750
Total direct personal property tax rate (2)	3.500	3.988	3.808	3.808	3.750	3.659	3.699	3.515	3.277	3.139
Total Direct Rate	1.26	\$ 1.41	\$ 1.40	\$ 1.34	\$ 1.42	\$ 1.41	\$ 1.39	1.43	1.42	1.36
<b>OVERLAPPING GOVERNMENTS (3)</b>										
Town of Hamilton										
Real Estate	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.25	\$ 0.25
Personal Property	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Town of Leesburg										
Real Estate	0.184	0.184	0.186	0.183	0.192	0.192	0.195	0.195	0.195	0.195
Personal Property	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Town of Lovettsville (4)										
Real Estate	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.18
Town of Middleburg (4)										
Real Estate	0.153	0.165	0.17	0.17	0.20	0.15	0.19	0.15	0.19	0.15
Town of Purcellville										
Real Estate	0.22	0.22	0.220	0.220	0.225	0.225	0.225	0.23	0.23	0.22
Personal Property	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
Machinery and tools	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Town of Round Hill										
Real Estate	0.18	0.18066	0.18018	0.18018	0.1981	0.2034	0.209	0.20	0.20	0.20
Personal Property	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15

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

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

(3) Town of Hillsboro has no tax assessment

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

(5) As of tax year 2015, the Hamilton Sewer Service district is no longer taxed.



TABLE H

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

Taxpayer (1)	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Taxable Real Property Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Real Property Assessed Value
Toll Road Investors Partnership II LLC	\$ 367,724,700	1	0.45%	\$ 214,486,100	3	0.38%
Cyrusone LLC	309,343,210	2	0.38%			
Dulles Town Center Mall LLC	289,796,160	3	0.35%	293,029,900	2	0.52%
Chelsea GCA Realty Partnership LP	261,062,410	4	0.32%	127,366,800	7	0.22%
Digital Loudoun Parkway Center North LLC	243,647,560	5	0.30%			
Redwood ERC Ashburn LLC	212,503,500	6	0.26%			
Equinix R P II LLC	193,652,360	7	0.24%			
VISA USA INC	192,420,560	8	0.23%	207,990,900	4	0.37%
Smith, Verlin W, Et Als Trustees	142,284,200	9	0.17%	161,295,700	5	0.28%
RPAI Ashburn Loudoun LLC	140,350,290	10	0.17%			
America Online Inc				345,481,500	1	0.61%
Brambleton Group LLC				127,763,000	6	0.22%
Pulte Home Corporation				124,368,800	8	0.22%
P L Dulles LLC				119,079,300	9	0.21%
T M Weltfonds Loudoun LP				113,898,500	10	0.20%
Total	<u>\$ 2,352,784,950</u>		<u>2.86%</u>	<u>\$ 1,834,760,500</u>		<u>3.23%</u>

(1) This table excludes public service corporations since their real property values are assessed by the State Corporation Commission.

TABLE I

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 1,213,241,606	\$ 1,190,308,082	98.11%	\$ -	1,190,308,082	98.110%
2017	1,129,065,901	1,090,009,645	96.54%	36,924,652	1,126,934,297	99.811%
2016	1,050,289,098	1,016,281,573	96.76%	33,314,448	1,049,596,021	99.934%
2015	972,652,465	963,827,628	99.09%	8,060,240	971,887,868	99.921%
2014	913,313,060	897,169,471	98.23%	15,655,880	912,825,351	99.947%
2013	850,743,546	838,772,203	98.59%	11,769,336	850,541,539	99.976%
2012	824,588,825	814,911,747	98.83%	9,647,046	824,558,793	99.996%
2011	806,466,618	798,419,783	99.00%	8,016,194	806,435,977	99.996%
2010	777,591,117	768,962,907	98.89%	8,606,719	777,569,626	99.997%
2009	778,479,460	769,037,117	98.79%	9,243,697	778,280,814	99.974%

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

Primary Government Governmental Activities							
Fiscal Year	General Obligation Bonds <sup>1</sup>	Bond Anticipation Notes	Capital Leases <sup>1</sup>	Loans	Total Reporting Entity	Percentage of Personal Income	Debt Per Capita
2018	\$ 1,087,529,944	56,439,379	\$ 256,587,139	\$ 174,111,839	\$ 1,574,668,301	5.17%	\$ 3,912
2017	1,038,219,500	-	279,439,309	104,913,051	1,422,571,860	4.96%	3,622
2016	1,025,500,848	-	230,288,475	53,604,215	1,309,393,538	4.84%	3,448
2015	1,041,253,540	-	144,228,977	11,271,200	1,196,753,717	4.63%	3,246
2014	1,004,718,677	-	120,023,278	-	1,124,741,955	4.69%	3,168
2013	974,349,587	-	131,656,081	-	1,106,005,668	4.87%	3,242
2012	917,395,705	-	144,014,658	-	1,061,410,363	4.73%	3,227
2011	1,020,102,916	-	161,458,366	-	1,181,561,282	5.59%	3,689
2010	1,004,330,000	-	138,968,844	-	1,143,298,844	5.81%	3,661
2009	1,007,377,247	-	128,696,096	-	1,136,073,343	6.06%	3,725

<sup>1</sup> Prior period amounts for General Obligation Bonds and Capital Leases have been adjusted to include unamortized premium with Capital Lease balances

TABLE K

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

<b>Fiscal Year</b>	<b>General Obligation Bonds <sup>1</sup></b>	<b>Total General Bonded Debt</b>	<b>Resources Restricted to Repaying Principal</b>	<b>Net General Bonded Debt</b>	<b>Percentage of Taxable Assessed Value of Property</b>	<b>Net Bonded Debt Per Capita</b>
2018	\$ 1,087,529,944	1,087,529,944	-	1,087,529,944	1.18%	\$ 2,702
2017	1,038,219,500	1,038,219,500	-	1,038,219,500	1.22%	2,644
2016	1,025,500,848	1,025,500,848	-	1,025,500,848	1.27%	2,700
2015	1,041,253,540	1,041,253,540	-	1,041,253,540	1.36%	2,824
2014	1,004,718,677	1,004,718,677	10,004,029	994,714,648	1.40%	2,802
2013	974,349,587	974,349,587	10,004,029	964,345,558	1.47%	2,826
2012	917,395,705	917,395,705	10,004,029	907,391,676	1.46%	2,759
2011	1,020,102,916	1,020,102,916	-	1,020,102,916	1.69%	3,185
2010	1,004,330,000	1,004,330,000	-	1,004,330,000	1.71%	3,216
2009	1,007,377,247	1,007,377,247	-	1,007,377,247	1.65%	3,303

<sup>1</sup> Prior period amounts for General Obligation Bonds have been adjusted to remove unamortized premium for Capital Leases

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

**TABLE L**

		Fiscal Policy Guideline	Fiscal Years									
			2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Ratio Data:												
Population			402,561	392,711	379,807	368,669	354,983	341,187	328,890	320,265	312,311	304,964
Estimated Market Value of Taxable Property			\$92,321,203,198	\$85,129,052,898	\$80,501,695,360	\$76,587,284,641	\$71,195,801,053	\$65,382,322,762	\$62,064,876,969	\$60,280,523,965	\$58,639,015,321	\$60,876,777,878
Per Capita Income			75,700	73,100	71,218	70,046	67,577	66,517	68,208	66,042	62,979	61,471
Governmental Expenditures			3,125,085,075	2,784,364,590	2,659,833,676	2,233,206,801	2,155,954,294	1,922,082,165	1,806,724,146	1,800,455,938	1,774,733,828	1,895,186,256
Total Reporting Entity Outstanding Debt			1,574,668,301	1,422,571,860	1,309,393,538	1,196,753,717	1,124,741,955	1,106,005,668	1,061,410,363	1,181,561,282	1,143,298,844	1,136,073,343
Total Reporting Entity Debt Service Expenditures			179,055,454	175,491,847	179,045,809	165,458,284	151,198,767	152,949,942	179,700,528	163,843,477	138,679,732	141,921,045
Debt Capacity Goals / Ratios:												
Annual Debt Issuance Limit		\$ 225,000,000	\$ 158,275,000	\$ 175,630,000	\$ 169,990,000	\$ 160,085,000	\$ 125,160,000	\$ 129,916,000	\$ 12,000,000	\$ 97,894,000	\$ 92,863,000	\$ 260,240,000
Debt Per Capita		2,500.00	3,911.63	3,622.44	3,447.52	3,246.15	3,168.44	3,241.64	3,227.25	3,689.32	3,660.77	3,725.27
Debt To Estimated Market Value of Taxable Property		3.00%	1.71%	1.67%	1.63%	1.56%	1.58%	1.69%	1.71%	1.96%	1.95%	1.87%
Debt To Per Capita Income		8.00%	5.17%	4.96%	4.84%	4.63%	4.69%	4.87%	4.73%	5.59%	5.81%	6.06%
Debt Service To Expenditures		10.00%	5.73%	6.30%	6.73%	7.41%	7.01%	7.96%	9.95%	9.10%	7.81%	7.49%
Affordability Index:												
Fiscal Year 2018		\$2,300,885,039	\$ 1,574,668,301									
Fiscal Year 2017		\$2,149,398,589		\$ 1,422,571,860								
Fiscal Year 2016		\$2,034,051,045			\$ 1,309,393,538							
Fiscal Year 2015		\$1,941,328,928				\$ 1,196,753,717						
Fiscal Year 2014		\$1,810,318,028					\$ 1,124,741,955					
Fiscal Year 2013		\$1,648,991,669						\$ 1,106,005,668				
Fiscal Year 2012		\$1,591,185,228							\$ 1,061,410,363			
Fiscal Year 2011		\$1,529,131,778								\$ 1,181,561,282		
Fiscal Year 2010		\$1,464,094,362									\$ 1,143,298,844	
Fiscal Year 2009		\$1,466,411,897										\$ 1,136,073,343
<b>OVERLAPPING DEBT (2)</b>												
Commonwealth of Virginia			\$ 103,440,136	\$ 108,975,136	\$ 112,442,636	\$ 117,510,136	\$ 122,150,136	\$ 126,270,136	\$ 129,970,136	\$ 129,991,834	\$ 133,091,834	\$ 152,523,472
Peumansend Creek Regional Jail Authority (4)			-	-	76,000	153,600	232,800	313,600	396,000	481,600	569,600	658,400
Northern Virginia Criminal Justice Academy (4)			-	-	2,692,800	2,905,650	3,111,900	3,309,900	3,499,650	3,682,800	5,387,250	5,651,250
Loudoun Water (formally Loudoun County Sanitation Authority) (3)			-	-	-	27,476	54,953	82,429	109,906	137,382	164,858	192,335
Dulles Town Center Community Development Authority			20,325,000	22,350,000	24,260,000	26,080,000	31,520,000	32,705,000	33,740,000	34,635,000	35,405,000	36,060,000
Virginia Revolving Loan Fund (3)			-	-	-	658,326	793,022	923,767	1,293,433	1,173,861	1,293,433	1,409,497
Dulles Industrial Park Water and Sewer (3)			-	-	-	72,968	213,372	346,712	473,342	593,601	-	-
Greenlea Community Bridge			219,179	248,730	276,585	302,841	327,590	350,918	372,907	393,633	-	-
<b>Total Overlapping Debt</b>			<b>\$ 123,984,315</b>	<b>\$ 131,573,866</b>	<b>\$ 139,748,021</b>	<b>\$ 147,710,997</b>	<b>\$ 158,403,773</b>	<b>\$ 164,302,462</b>	<b>\$ 169,855,374</b>	<b>\$ 171,089,711</b>	<b>\$ 175,911,975</b>	<b>\$ 196,494,954</b>
<b>Fiscal Policy Guideline</b>			<b>\$ 923,212,032</b>	<b>\$ 851,290,529</b>	<b>\$ 805,016,954</b>	<b>\$ 765,872,846</b>	<b>\$ 711,958,011</b>	<b>\$ 653,823,228</b>	<b>\$ 620,648,770</b>	<b>\$ 602,805,240</b>	<b>\$ 586,390,153</b>	<b>\$ 608,767,779</b>

(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.

(3) Overlapping Debt for Loudoun Water, Virginia Revolving Loan Fund and Dulles Industrial Park Water and Sewer paid in full in FY16

(4) Overlapping Debt for Peumansend Creek Regional Jail Authority and Northern Virginia Criminal Justice Academy paid in full in FY17

TABLE M

**COUNTY OF LOUDOUN, VIRGINIA  
DEMOGRAPHIC STATISTICS**

<b>Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>Unemployment Rate (4)</b>	<b>School Enrollment (5)</b>
2018	402,561	\$ 30,473,867,700	\$ 75,700	2.7%	81,235
2017	392,711	28,707,174,100	73,100	3.2%	79,001
2016	379,807	27,049,094,926	71,218	3.4%	76,263
2015	368,669	25,823,788,774	70,046	3.8%	73,461
2014	354,983	23,988,686,191	67,577	4.5%	70,858
2013	341,187	22,694,735,679	66,517	4.7%	68,289
2012	328,890	22,432,929,120	68,208	4.8%	65,668
2011	320,265	21,150,941,130	66,042	5.0%	63,220
2010	312,311	19,669,034,469	62,979	5.2%	60,096
2009	304,964	18,746,421,461	61,471	5.0%	57,009
2008	298,420	19,175,272,748	64,256	2.9%	54,047

**Sources:**

(1) 2010, U.S. Census Bureau. Other years are Loudoun County Department of Planning & Zoning estimates (August 2018).

(2) Loudoun County Department of Management and Budget

(3) Through 2016: U.S. Bureau of Economic Analysis, 11/16/2017 release; 2017-18 Department of Management and Budget estimates.

(4) Virginia Employment Commission for the month of June. Prior year values reflect updates and revisions to labor force estimates.

(5) Loudoun County Public Schools, for the end of September of the given fiscal year.

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

Employer	2018			2009		
	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	11,103	6.68%	1	10,533	7.88%
County of Loudoun	2	3,976	2.39%	2	3,304	2.47%
United Air Lines, Inc.	3	1,000-5,000	2.11%	7	1,000-5,000	2.62%
Orbital ATK, Inc. (formerly Orbital Sciences Corp)	4	1,000-5,000	2.11%	9	1,000-5,000	2.62%
M.C. Dean, Inc.	5	1,000-5,000	2.11%	5	1,000-5,000	2.62%
U.S. Department of Homeland (Security) Defense	6	1,000-5,000	2.11%	6	1,000-5,000	2.62%
Raytheon Company	7	1,000-5,000	1.65%			
Loudoun Hospital Center	8	1,000-5,000	2.11%	8	1,000-5,000	2.62%
Swissport USA, Inc.	9	1,000-5,000	1.65%	10	1,000-5,000	2.62%
U.S. Postal Service	10	1,000-5,000	2.11%			
America Online				3	1,000-5,000	2.62%
Verizon Business (formerly MCI Worldcom)				4	1,000-5,000	2.62%
Totals			25.03%			31.31%

(1) Virginia Employment Commission, 4th Quarter 2017 and 2008, 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										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government Administration	446	425	401	405	370	352	372	372	379	348	352
Judicial Administration	147	140	137	132	132	130	132	128	128	126	128
Public Safety	1,528	1,577	1,567	1,494	1,421	1,409	1,407	1,294	1,294	1,294	1,331
Public Works	90	87	83	84	104	116	84	83	83	113	120
Health and Welfare	685	627	618	599	666	589	589	599	599	598	603
Parks, Recreation and Culture	743	644	631	625	595	605	605	570	570	572	573
Community Development	337	254	251	247	248	237	237	257	249	253	268
Total Primary Government	3,976	3,754	3,688	3,584	3,536	3,438	3,426	3,303	3,302	3,304	3,375
Education	11,103	10,640	10,210	9,822	9,638	9,671	9,663	10,098	9,838	10,533	9,309
Total Reporting Entity	15,079	14,394	13,898	13,406	13,746	13,109	13,089	13,401	13,140	13,837	12,684

**Source:** County of Loudoun Department of Management and Budget



TABLE P

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

Function	Fiscal Years										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Government Administration</b>											
County's bond ratings											
Moody's	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
Standard and Poor's	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Fitch	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Major computer availability	99.99%	99.97%	99.95%	99%	99%	99%	100%	100%	100%	100%	100%
<b>Judicial Administration</b>											
Number of Deed book recordings	60,159	68,629	62,418	63,854	59,982	88,743	62,250	65,745	64,312	61,946	65,951
<b>Public Safety</b>											
Sheriff's Office											
Average response time for emergency calls	9:56 min	11:31 min	9:54 min	9:15 min	9:14 min	9:21 min	9:00 min	6:05 min	9:28 min	8.69 min	8:04 min
Average response time for non-emergency calls	18:45 min	18:44 min	15:38 min	14:50 min	14:33 min	13:29 min	13:00 Min	10:20 min	13:35 min	14.21 min	11:89 min
Fire and Rescue Services											
Number of emergency medical incidents responded	21,585	21,303	20,101	19,425	18,356	17,984	17,067	18,133	16,060	15,888	16,381
<b>Health and Welfare</b>											
Number of senior meals provided	158,589	156,460	152,138	146,033	133,808	119,560	116,250	113,500	113,276	111,252	113,444
Number of vaccinations administered(a)	3,754	4,244	3,905	4,383	2,933	2,607	5,000	2,248	58,177	4,591	3,714
Number of Loudoun residents in the Medical Reserve Corps	1,422	1,368	1,382	1,379	1,365	1,306	1,300	1,100	1,189	900	816
<b>Parks, Recreation, and Culture</b>											
Annual park visits (d)	661,936	876,495	848,925	817,301	843,039	783,742	660,144	567,415	541,358	775,928	849,462
Number of adults participating in adult sports leagues	5,150	5,777	6,367	5,968	5,604	5,228	6,125	5,279	6,934	10,124	10,386
Number of children participating in youth sports	54,117	53,217	52,763	52,251	51,746	51,659	49,189	83,370	63,680	62,075	87,985
<b>Community Development</b>											
Number of residential building permits (b)	3,650	2,691	3,109	4,056	4,276	4,302	3,236	2,679	2,073	2,314	2,401
Number of new structures completed after January 1st of tax year	965	1,017	891	863	1,890	1,556	1,402	1,067	1,360	1,260	4,332
Number of subdivision applications submitted	242	270	267	225	300	253	260	246	193	284	364
<b>Education</b>											
Per Pupil Expenditures	\$ 14,548	\$ 14,332	\$ 12,232	\$ 12,951	\$ 12,611	\$ 13,121	\$ 12,514	\$ 12,062	\$ 12,345	\$ 13,473	\$ 13,293
High School Completion Rate	95.50%	95.50%	95.90%	95.60%	95.20%	95.70%	95.30%	94.00%	95.95%	96.08%	95.27%
Pupil-Teacher Ratio											
Kindergarten	23.0	23.0	23.0	22.0	22.0	24.0	24.0	24.0	24.0	23.0	22.0
Elementary	23.0	23.0	23.0	22.0	22.0	24.0	24.0	24.0	24.0	23.0	22.0
Intermediate/Middle	23.8	23.8	22.3	21.6	21.6	23.6	23.6	23.6	23.6	22.6	21.6
High	24.8	24.8	24.8	25.9	25.9	27.9	27.9	27.9	27.9	26.9	25.9
SAT Scores											
Math			546	541	541	539	535	532	536	535	531
Critical reading			544	543	543	539	531	536	535	533	525
Writing			527	528	527	528	524	524	526	525	519
SAT Scores (c)											
Math	586	569									
Evidence-based Reading and Writing	598	586									
Total	1,184	1,155	1,617	1,612	1,611	1,606	1,590	1,592	1,597	1,593	1,575

Source: County of Loudoun Department of Management and Budget and Loudoun County Public Schools

Notes: (a) FY2010 includes H1N1 (Swine Flu) vaccinations; beginning in FY13, numbers shown are vaccine visits, prior years are number of vaccines  
(b) Starting FY2014, all figures shown are for fiscal year. Data through FY2013 were for calendar years.  
(c) The SAT exam was redesigned in March 2016 to include two sections with a maximum total score of 1600. The maximum score for the old SAT exam was 2400.  
(d) Effective FY18, annual park visits no longer includes visits to the Potomack Lakes Sports Complex as it no longer falls under the parks division.

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

Function	Fiscal Years									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Government Administration (1)</b>										
Square footage of office space - Owned (a)	635,797	601,987	425,737	596,677	504,846	504,846	485,138	427,665	297,321	297,321
Square footage of office space - Leased (a)	125,865	139,156	138,256	149,770	149,770	155,923	222,539	257,289	261,633	250,412
Square footage of court space	187,211	187,211	187,211	187,211	187,211	187,211	187,211	187,211	171,309	169,709
<b>Public Safety (1)</b>										
Police										
Sheriff stations	5	5	4	4	4	4	4	4	4	3
Jail capacity	460	460	460	460	460	460	460	220	220	220
Square footage of jail	212,000	212,000	212,000	212,000	212,000	212,000	212,000	114,924	114,924	87,850
Fire and Rescue										
Fire and Rescue stations	21	20	19	20	20	20	20	19	19	18
Other protections										
Animal shelters	1	1	1	1	1	1	1	1	1	1
<b>Public Works (1)</b>										
Transportation										
Commuter buses	78	76	74	65	57	52	50	47	45	38
<b>Health and Welfare (1)</b>										
Mental Health and Developmental Services										
Group homes - Mental Health	12	12	12	12	12	12	12	12	11	11
Group homes - Developmental Services	7	7	7	7	7	7	7	7	7	7
Family Services										
Homeless shelters	1	1	1	1	1	1	1	1	1	1
Transition shelters	1	1	1	1	1	1	1	1	1	1
Youth shelters	2	2	2	2	2	2	2	1	1	1
<b>Parks, Recreation and Culture (1)</b>										
Libraries	9	9	9	8	8	8	7	7	7	7
Square footage of libraries	179,260	179,260	170,060	166,060	162,088	162,088	122,088	127,920	123,200	108,200
Parks and Recreation Facilities										
Regional parks	3	3	3	3	3	3	3	3	2	2
District parks	4	4	3	3	3	3	3	3	3	3
Community parks	8	8	8	8	19	19	19	12	12	10
Neighborhood parks	35	31	31	22	-	-	-	-	-	-
Acres of parks	3,438	3,408	3,349	3,580	3,580	3,580	3,580	3,316	3,316	2,965
Recreation Center	2	1	1	1	1	1	1	1	1	1
Square Footage of recreation center	205,875	84,209	84,209	84,209	84,209	84,209	84,209	84,209	84,209	84,209
Community Centers	9	9	9	9	9	9	9	7	7	7
Square Footage of community centers	92,696	92,696	92,696	92,696	92,696	92,696	92,696	76,274	76,274	76,274
Respite centers	3	3	3	3	3	3	3	2	2	2
Senior citizen centers	4	3	3	3	3	3	3	2	2	2
<b>Community Development (1)</b>										
Landfill										
Landfills	1	1	1	1	1	1	1	1	1	1
Recycling drop-off centers	9	9	9	9	9	9	9	9	9	9
<b>Education (2)</b>										
Elementary Schools										
Buildings	57	57	56	56	55	53	52	52	51	50
Square footage	4,227,919	4,199,245	4,093,488	4,093,488	3,991,121	3,790,191	3,689,714	3,690,349	3,588,208	3,497,213
Capacity	39,845	40,655	39,111	38,163	37,139	35,288	33,297	33,070	32,318	31,731
Middle Schools										
Buildings	16	15	15	15	14	14	14	13	13	13
Square footage	2,602,676	2,418,083	2,418,083	2,418,083	2,231,569	2,231,569	2,231,569	2,056,399	2,056,399	2,029,747
Capacity	20,447	18,918	18,144	16,956	16,711	16,566	16,731	15,346	15,476	15,403
High Schools										
Buildings	15	15	15	14	13	13	12	12	10	10
Square footage	3,766,798	3,766,798	3,766,798	3,463,864	3,146,799	3,146,799	2,872,612	2,874,190	2,342,849	2,342,849
Capacity	26,101	25,068	24,629	22,212	20,639	20,607	18,741	18,723	15,118	15,206
Alternative Schools										
Buildings	2	2	2	2	2	2	2	2	2	2
Square footage	127,071	127,071	127,071	123,771	123,771	123,771	123,771	124,862	124,862	124,862
School Buses	788	800	814	859	880	854	854	840	780	731

Sources: (1) Loudoun County Department of Transportation and Capital Infrastructure  
(2) Loudoun County Public Schools CAFR

Notes: (a) Beginning in FY16, the square footage shown is office space only, prior years included warehouse and storage space.





Published by  
Loudoun County Controllers' Office  
1 Harrison Street, SE  
P.O. Box 7000  
Leesburg, VA 20177  
703-777-0290  
[www.loudoun.gov](http://www.loudoun.gov)