

COUNTY OF LOUDOUN, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended

June 30, 2011

Prepared by:

Department of Management and Financial Services
Division of Finance and Accounting



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COUNTY OF LOUDOUN, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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INTRODUCTORY SECTION



Loudoun County, Virginia

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 22, 2011

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

Dear Mr. Chairman and Members of the Board:

I am pleased to present the County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011.

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

The Comprehensive Annual Financial Report marks the County's continued adherence to and refinement of the guidelines and goals set forth in the Board of Supervisors' Fiscal Policy. The purpose of the Fiscal Policy is to set forth those policies of the Board that establish guidelines for the fiscal stability of the County and establish guidelines for the County Administrator in insuring that fiscal stability. An effective Fiscal Policy (1) contributes significantly to the County's ability to insulate itself from fiscal crisis, (2) enhances short-term and long term financial credit ability by helping to achieve the highest credit and bond ratings possible, (3) promotes long-term financial stability by establishing clear and consistent guidelines, (4) directs attention to the total financial picture of the County rather than single issue areas, (5) promotes the view of linking long term financial planning with day-to-day operations, and (6) provides a framework for measuring the impact of government services against established fiscal parameters and guidelines. The summarized progress as reported in the Comprehensive Annual Financial Report has become an indicator of the relative success of these policies. During fiscal year 2011, the County received the highest ratings available (Aaa,AAA,AAA) for general obligation bonds from Moody's Investors Services, Standard and Poor's (S&P) and Fitch Credit Rating Services.

The County concluded fiscal year 2011 in sound financial condition. In addition, the County initiated or continued a number of organizational and administrative initiatives designed to effectively manage the challenges that continued growth has brought to Loudoun County.

The County, through the fiscal year 2011 budgeting process, funded a series of long-range strategic objectives that establishes a base for providing services for our anticipated

**Board of Supervisors
Page Two**

population. These objectives significantly impacted service planning, land use planning and general management. In April, 2011, the County adopted a fiscal year 2012 plan that resulted in an overall increase of \$17.8 million in the general county government and \$48.5 million addition in the school system as compared to fiscal year 2011 appropriations.

It will take planning and commitment to meet the challenge of efficiently providing needed services for the current population while developing the necessary infrastructure for the future and the tax base and resources to pay for that infrastructure. The County population is estimated to be 319,917 in 2011. According to Metropolitan Washington Council of Government's preliminary forecasts, between now and 2020 Loudoun will experience one of the highest percentage growth rates in population and jobs for the entire Washington Metropolitan Area. By 2020, Loudoun's population is expected to be approximately 389,350.

In managing our available resources, the County must strike a balance between the demands for additional services and the ability to pay for those services. The increasing rate of growth has increased the need for growth management and has, concurrently, modestly increased the resources available for program allocation. Financial management continues to be of paramount importance in this and future fiscal years.

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

Respectfully submitted,



**Tim Hemstreet
County Administrator**



Loudoun County, Virginia

www.loudoun.gov

Department of Management and Financial Services

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

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

November 22, 2011

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

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the County of Loudoun, Virginia, for the fiscal year ended June 30, 2011, was prepared by the County's Department of Management and Financial Services, Division of Accounting and Financial Analysis, in accordance with Sections 15.2-2510 and 15.2-2511 of the Code of Virginia. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. The data as presented are accurate in all material respects, are presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of our various funds, and that all disclosures necessary to enable the reader to understand the County's financial activity have been included. The reader is specifically directed to the section entitled "Management's Discussion and Analysis" for a summary of the County's financial activity.

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

Profile of the Government

Loudoun County, established in 1757, is located in the northwestern tip of the Commonwealth of Virginia just west and north of Washington, DC and is considered to be part of the Northern Virginia and Washington Metropolitan areas. The County is governed by an elected body of representatives called the Board of Supervisors with one Supervisor elected from each of the eight magisterial districts and one At-Large (Chairman) for a term of four years. The Board of Supervisors is the legislative and policy setting body for the County government. A County Administrator is appointed by the Board of Supervisors to act as the Board's agent in the administration and operation of all departments and agencies within the County.

The County provides a full range of municipal services authorized by the Code of Virginia and by the Board of Supervisors. These services include public safety (law enforcement and traffic control, fire and rescue services, corrections and detention, and inspections); health and welfare (health, mental health, developmental services, substance abuse, and social services); education (elementary, secondary, and community college support); parks, recreation and culture (including libraries and museums); community development (planning, zoning, building & development, environmental management, 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, 2011 in the County's various funds is presented in "Management's Discussion and Analysis," which precedes the County's Financial Statements. In addition to General Government activities, the Board of Supervisors exercises, or has the ability to exercise, budgetary control over the County's School System; therefore, elementary and secondary education activities are included within the reporting entity as a discretely presented component unit.

The Board of Supervisors is required to adopt a final budget no later than the close of the fiscal year. The annual budget serves as the foundation for the County's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual Fiscal Plan and Appropriations Resolution and adopted in the Budget by the County's Board of Supervisors. Activities of the General Fund, most Special Revenue Funds, and the Debt Service Fund are included in the annual Appropriations Resolution and adopted Fiscal Plan. Project length budgets are adopted for Capital Project Funds. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund.

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

Local Economic Condition and Outlook

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

The County concluded fiscal year 2011 in sound financial condition and has weathered the national recession better than most communities and has shown some encouraging trends towards stabilization. The County's economic and demographic conditions reflect the prevailing positive conditions of the Washington, D.C. region. The combination of the diversity in the County's business base and the financial strength of the long-term investors in the community have allowed the County's commercial environment to withstand downturns in the national and international economies. The continuing low unemployment rate, as compared to national trends, can be attributed, in part, to strong local employment with a robust regional economy. The County continues its policies of balancing residential growth, and the resulting demands for services with continued expansion of the revenue generating commercial sector. Several recent studies indicate that the potential remains for continued long-term balanced growth.

Fiscal year 2011 saw an increase in the total assessed value of property primarily due to a modest increase in residential, reversing a recent trend of declines, and an increase in commercial value. In July 2004, the Board of Supervisors adopted the current Economic Development Strategic Plan. The plan is community-wide and aligns public and private resources toward shared goals and priorities to enhance the commercial tax base. The Strategic Plan vision is of an innovative, globally competitive economy known for its favorable business environment, exceptional quality of place and strong sense of community.

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

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

Long-term Financial Planning

Recognizing the critical relationship of development and service demands, the County has sought to offset the negative fiscal impacts of residential development by encouraging a fiscally favorable balance between residential and non-residential development. Phasing growth based on the availability of adequate public facilities and distributing the costs of growth more equitably are also at the forefront of the County's strategy. The County has implemented an integrated approach to fiscal and land use planning. The strategy begins with the comprehensive plan. The comprehensive plan establishes the development potential of the County by planning and balancing the residential and non-residential uses of the land.

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

Major Initiatives

The construction of general government and school facilities remain priorities for the County. A new Middle School opened in the fall of 2011 and two additional schools are currently under construction with an anticipated opening in the fall of 2013. A major expansion of the County's Adult Detention Center will be completed over the next several months, while a new library will be open in June 2012. In addition to construction costs, the County must plan for the additional operating costs to staff, operate, and maintain the new facilities. Additional government facilities and new schools are scheduled to be constructed and opened during the next several years.

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, 2010. This Certificate of Achievement is a prestigious national award recognizing adherence to the highest standards for preparation of a state and local government financial report.

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

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

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

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

The timely preparation of this Comprehensive Annual Financial Report could not have been accomplished without the effort of the entire staff of this Department's Controller's Office. Special recognition goes to Accounting Manager, Eileen Nguyen and to the staff of the Financial Reporting division, for their technical expertise, review and dedicated service in the preparation of this Comprehensive Annual Financial Report.

Their continued and diligent efforts towards upgrading the County's Financial Accounting and Management Information System, Fixed Asset Accounting and Control System, and many other ancillary financial systems, have led substantially to the improved quality of financial information being reported to management, the County Administrator, the Board of Supervisors and the citizens of the County.

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

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

Respectfully submitted,



Mark Adams
Director of Management and Financial Services



Janet Romanchyk
Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Loudoun
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



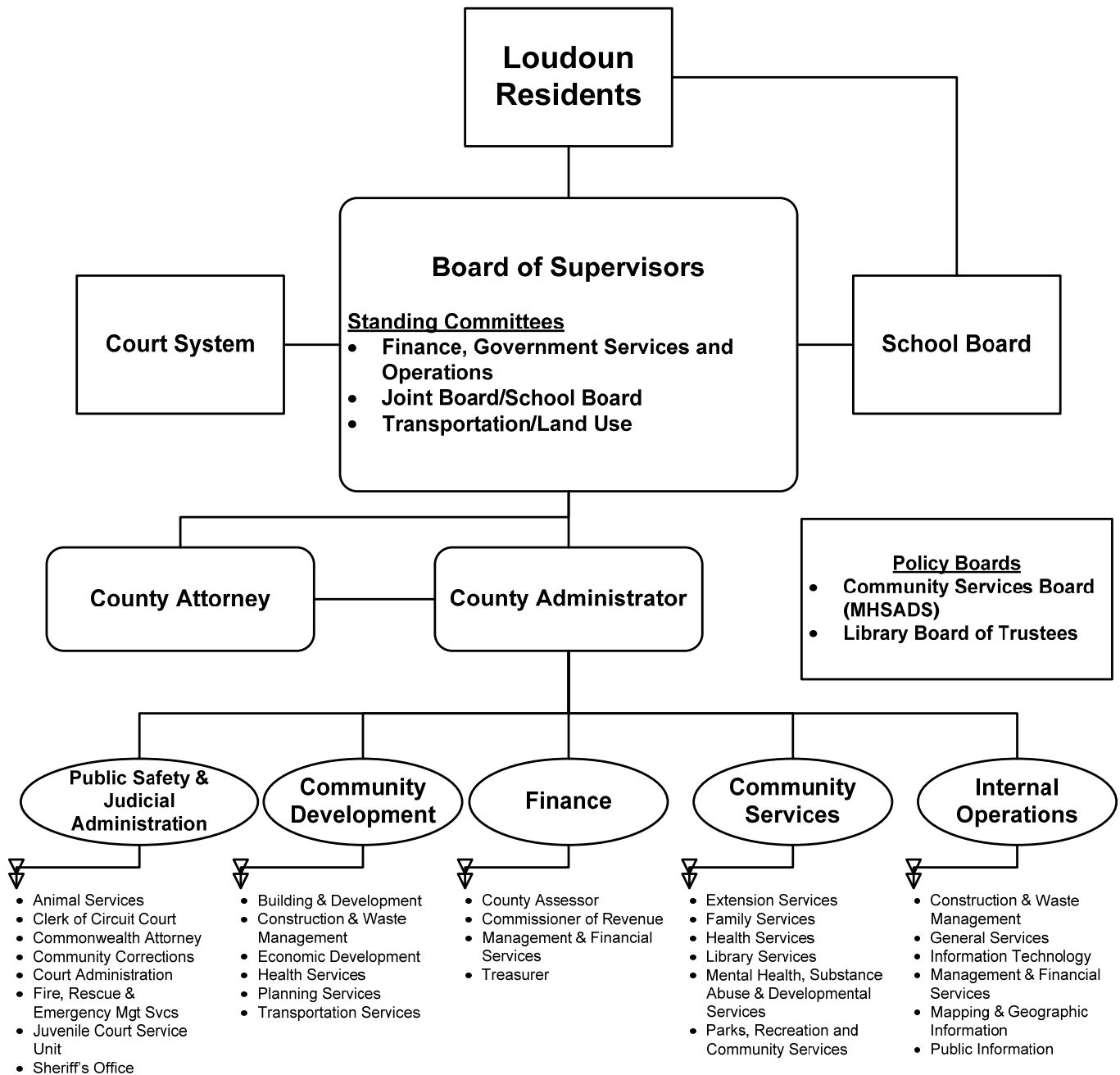
Linda C. Danison

President

Jeffrey R. Emer

Executive Director

LOUDOUN COUNTY ORGANIZATION CHART



COUNTY OF LOUDOUN, VIRGINIA
Directory of Officials
June 30, 2011

BOARD OF SUPERVISORS

Scott K. York, Chairman
Susan Klimek Buckley, Vice Chairman
James G. Burton
Lori Waters
Sally R. Kurtz
Stephens Miller
Kelly Burk
Andrea McGimsey
Eugene A. Delgaudio

At Large
Sugarland Run District
Blue Ridge District
Broad Run District
Catoclin District
Dulles District
Leesburg District
Potomac District
Sterling District

SCHOOL BOARD

John Stevens, Chairman
Priscilla B. Godfrey, Vice Chairman
Thomas E. Reed
Bob Ohneiser
Jennifer Bergel
Tom Marshall
Robert F. DuPree
Brenda Sheridan
Dr. Joseph M. Guzman

Potomac District
Blue Ridge District
At-Large Member
Broad Run District
Catoclin District
Leesburg District
Dulles District
Sterling District
Sugarland Run District

CONSTITUTIONAL OFFICERS

Robert S. Wertz, Jr.
James E. Plowman
Gary M. Clemens
Stephen O. Simpson
H. Roger Zurn, Jr.

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

ADMINISTRATIVE OFFICERS - GENERAL GOVERNMENT

Tim Hemstreet
Linda A. Neri
Candice L. deButts
John R. Roberts
Mark Adams
Ben Mays

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

ADMINISTRATIVE OFFICERS - SCHOOL SYSTEM

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

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

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 319,917 and is one of the fastest growing jurisdictions in the Washington Metropolitan Area.

The County is governed by an elected body of representatives called the Board of Supervisors, with one Supervisor elected from each of the eight magisterial districts and one At-Large (Chairman) for a term of four years. The Board of Supervisors is the legislative and policy setting body for the County government, oversees general governmental operations, and is responsible for appropriating funds for the various County departments and agencies. A County Administrator is appointed by the Board of Supervisors to act as the Board's agent in the administration and operation of these departments and agencies. The Board also appoints the Planning Commission, the Library Board, the Family Services Board, as well as other advisory boards, commissions, committees, etc.

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

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

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



KPMG LLP
2001 M Street, NW
Washington, DC 20036-3389

Independent Auditors' Report

The Members of the Loudoun County Board of Supervisors
County of Loudoun, Virginia

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia (the County) as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Loudoun, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specification for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia (Specifications). Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia, as of June 30, 2011, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1(M) to the financial statements, the County adopted the provisions of several new statements of the Governmental Accounting Standards Board effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the



scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis and the required supplementary information and the notes to the required supplemental information are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information identified as introductory section, other supplementary information, and statistical section in the accompanying table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information included in the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

November 22, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF LOUDOUN, VIRGINIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

The following discussion and analysis of the County of Loudoun's (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2011. 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 2011

The assets of the total reporting entity, which includes the School Board component unit, exceeded liabilities by \$1.6 billion. Of this amount, \$423.8 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. (Exhibit I).

On a government-wide basis, the County had expenses net of program revenues of \$862.0 million and general revenues of \$1.0 billion resulting in an increase in net assets of \$140.1 million over FY 2010. (Exhibit II)

The General Fund, on a financial resource basis, reported revenues in excess of expenditures and other financing sources and uses of \$9.2 million. (Exhibit V).

As of June 30, 2011, the County governmental funds reported combined fund balances of \$592.1 million, an increase of \$72.6 million. Approximately 53.8% or \$318.3 million is unrestricted and available to meet the County's current and future needs.

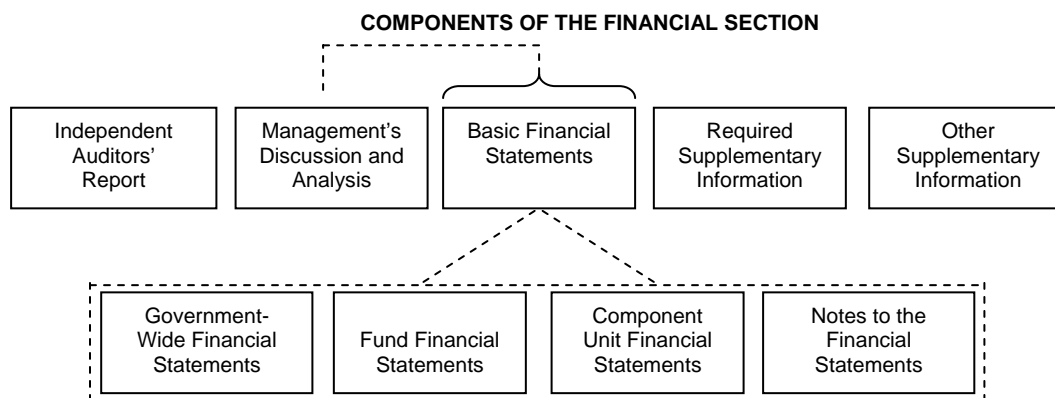
Total general fund revenues, excluding other financing sources and uses, exceeded final budget expectations by \$64.0 million. Expenditure savings totaled \$27.3 million compared to final budget expectations.

On June 07, 2011, the County, through the Industrial Development Authority of Loudoun County, sold Virginia Public Facility Lease Revenue Bonds in the amount of \$36.2 million in two series at a true interest cost of 3.89%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, and equipping of two public safety office facilities, fire and rescue apparatus, and road improvements for a public school.

On June 22, 2011, the County sold general obligation public improvement bonds in the amount of \$53.5 million at a true interest cost of 3.09%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, and equipping of public schools, fire and rescue stations, and park and recreation facilities in the County.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

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



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

GOVERNMENT-WIDE STATEMENTS

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

The County has three kinds of funds:

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

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

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

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

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Assets:

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

Table 1
Summary Statement of Net Assets
Comparison as of June 30, 2011 and 2010 (thousands)

	Primary Government			Component Unit-Schools		
	FY 11	FY 10	Increase/ (Decrease)	FY 11	FY 10	Increase/ (Decrease)
Current and Other Assets	\$ 1,100,282	\$ 1,013,825	\$ 86,457	\$ 252,108	\$ 291,843	\$ (39,735)
Capital Assets	894,689	846,468	48,221	1,290,913	1,239,882	51,031
Total Assets	\$ 1,994,971	\$ 1,860,293	\$ 134,678	\$ 1,543,021	\$ 1,531,725	\$ 11,296
Other Liabilities	\$ 464,488	\$ 464,224	\$ 264	\$ 76,409	\$ 82,206	\$ (5,797)
Long Term Liabilities	1,262,941	1,268,677	(5,736)	139,292	126,258	13,034
Total Liabilities	\$ 1,727,429	\$ 1,732,901	\$ (5,472)	\$ 215,701	\$ 208,464	\$ 7,237
Net Assets						
Invested in Capital Assets, Net of Related Debt	\$ 577,369	\$ 585,178	\$ (7,809)	\$ 1,270,622	\$ 1,218,970	\$ 51,652
Restricted	114,632	117,028	(2,396)	69,473	95,454	(25,981)
Unrestricted	(424,460)	(574,814)	150,354	(12,775)	8,837	(21,612)
Total Net Assets (Deficit)	\$ 267,541	\$ 127,392	\$ 140,149	\$ 1,327,320	\$ 1,323,261	\$ 4,059

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

The increase in the primary government's Current and Other Assets is due to a combination of factors. The first factor is the net increase in cash related accounts. Cash, cash equivalents and investments rose by \$78.4 million. Attributing to the increase in cash are unspent funds for ongoing capital projects not yet completed. The capital projects fund ended fiscal year 2011 with a net change in fund balance of \$57.8 million. The remainder of the increase in cash is primarily because the predicted use of fund balance was not necessary. Another contributing factor to the increase in Current and Other Assets is the increase in net receivables of \$5.9 million resulting primarily from an increase in receivables not yet due offset by a decrease in delinquent taxes; and a combined increase of \$2.2 million in due from other governments, prepaid items and notes and loans receivable. The increase in Other Liabilities is due primarily to the increase in property taxes not yet due offset by decreases in accounts payable and other liabilities. The decrease in Long Term Liabilities is due primarily to the net reduction in bond payables offset by an increase in leases payable arising from the issuance of financing leases. The increase in Capital Assets is due to the net increase in capital assets over depreciation expense. Please refer to Note VII of the notes to the financial statements for detailed information.

The decrease in the component unit-schools' Current and Other Assets is due primarily to the combination of (1) the decrease in cash with fiscal agents of \$26.9 million resulting from bond and financing lease proceeds being used toward the completion of capital projects, (2) the reduction the schools' fund balance in the general fund and health insurance fund totaling \$11.3 million, and (3) the increase of \$2.9 million in the receivable for due from other governments, an amount derived from pending reimbursements from the state and federal government. The decrease in Other Liabilities is due primarily to the reduction in accounts payable. The increase in Long Term Liabilities is primarily due to the combination of (1) the addition of \$10.8 million to the net obligation for other post employment benefits (OPEB) and (2) the increase of \$1.7 million in compensated absences. The increase in Capital Assets is due to increases in all types of capital assets. Please refer to Note VII of the notes to the financial statements for detailed information.

Statement of Activities

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

Table 2
Changes in Net Assets
Comparison for the years ended June 30, 2011 and 2010 (thousands)

	Primary Government			Component Unit-Schools		
	FY 11	FY 10	Increase/ (Decrease)	FY 11	FY 10	Increase/ (Decrease)
REVENUES						
<u>Program Revenues:</u>						
Charges for Services	\$ 58,242	\$ 50,627	\$ 7,615	\$ 22,380	\$ 21,848	\$ 532
Operating Grants and Contributions	64,136	79,233	(15,097)	237,354	208,335	29,019
Capital Grants and Contributions	18,665	17,633	1,032	2,576	2,172	404
<u>General Revenues:</u>						
Property Taxes	809,718	779,918	29,800	0	0	0
Other Taxes	130,429	120,032	10,397	0	0	0
Grants and Contributions not Restricted to Specific Programs	55,383	54,732	651	0	0	0
Other	6,594	5,884	710	204	222	(18)
Payment from County	0	0	0	521,184	557,778	(36,594)
Total Revenues	\$ 1,143,167	\$ 1,108,059	\$ 35,108	\$ 783,698	\$ 790,355	\$ (6,657)
EXPENSES						
General Government	\$ 62,046	\$ 63,687	\$ (1,641)	\$ 0	\$ 0	\$ 0
Judicial Administration	12,714	13,102	(388)	0	0	0
Public Safety	139,449	136,690	2,759	0	0	0
Public Works	53,899	73,414	(19,515)	0	0	0
Health and Welfare	81,625	85,065	(3,440)	0	0	0
Parks, Recreation and Culture	44,867	44,767	100	0	0	0
Community Development	38,363	42,007	(3,644)	0	0	0
Education	523,832	558,233	(34,401)	779,639	770,652	8,987
Interest and Other Debt Service Charges	46,223	42,985	3,238	0	0	0
Total Expenses	\$ 1,003,018	\$ 1,059,950	\$ (56,932)	\$ 779,639	\$ 770,652	\$ 8,987
Change in Net Assets	\$ 140,149	\$ 48,109	\$ 92,040	\$ 4,059	\$ 19,703	\$ (15,644)
Net Assets (Deficit) Beginning of Year	127,392	79,284	48,108	1,323,261	1,303,558	19,703
Net Assets End of Year	\$ 267,541	\$ 127,393	\$ 140,148	\$ 1,327,320	\$ 1,323,261	\$ 4,059

Revenues

For the fiscal year ended June 30, 2011, primary government revenues totaled \$1.1 billion, an increase of \$35.1 million from the prior fiscal year.

Property tax revenue, the County's largest revenue source, increased by \$29.8 million from the prior fiscal year due to better than anticipated revaluation figures, and lower than anticipated appeals and land use program participation. Property tax revenue also includes monies received from the Commonwealth of Virginia for the Personal Property Tax Relief Act of 1998 (PPTRA). The decrease of \$15.1 million in operating grants and contributions is due to the reduction of funds received from the state for various projects for which we received funds in the prior fiscal year. In the category of Other Taxes, the increase of \$10.4 million was primarily due to additional sales tax revenues of 6.0 million, business license taxes of \$2.3 million, and bank franchise taxes of 0.9 million. Charges for services increased by \$7.6 million due to additional fees collected during the year for Public Safety, Parks & Recreation, and Community Development.

Expenses

For the fiscal year ended June 30, 2011, expenses for governmental activities total \$1.0 billion.

Education continues to be one of the County's highest priorities and commitments. Of the total expenses, \$523.8 million represents education expenses and the transfer of bond proceeds to schools. Education expenses as part of governmental activities in fiscal year 2011 decreased \$34.4 million from the previous fiscal year. This decrease is comprised of the reduction in the transfer to the Component Unit-Schools for operating expenses of \$37.0 million and \$4.9 million for debt service offset by an increase in contributions for capital projects. The decrease of \$19.5 million in public works is due to the completion of capital projects. The decrease in Health and Welfare expenses is attributed to the reduction in grant funding

received during the year, thereby reducing the amount of expenditures in this category. The \$3.6 million decrease in community development expenses is due to additional construction related projects. The remaining expenditure categories reflect modest increases or decreases.

Financial Analysis of the County's Funds

For the fiscal year ended June 30, 2011, the governmental funds reflect a combined fund balance of \$592,067,204 as illustrated below (refer to Exhibit III).

	Fiscal Year 2011				
	General	Capital Projects	Debt Service	Other Governmental	Total
Non-Spendable	\$ 3,485,287	\$ 102,570	\$ 0	\$ 1,352,857	\$ 4,940,714
Restricted	587,920	132,948,414	0	135,263,204	268,799,538
Committed	127,596,371	94,310,092	10,554,714	10,926,649	243,387,826
Assigned	3,089,893	985,609	9,328,582	33,756	13,437,840
Unassigned	61,501,286	0	0	0	61,501,286

The General fund balance increased \$9,173,259 from the prior fiscal year. The fiscal year 2011 adopted fiscal plan included a net increase of fund balance of \$4,113,284. Higher revenue collection in general property tax and other local taxes contributed to the addition to ending fund balance.

The Capital Projects fund balance increased by \$57,819,459 million from the prior fiscal year. This increase is attributable resources transferred into the fund for capital projects not yet completed.

The Debt Service fund balance increased \$3,202,306 from the prior fiscal year. This increase is due the combination of savings realized with the issuance of refunding bonds and premium received in the bond issuances during the fiscal year.

Other Governmental fund balances Increased by \$2,365,266 from the prior fiscal year. This increase is primarily due to the combination of (1) an increase in the Comprehensive Services Act fund balance of \$1,597,447 due to the budgeted transfer of resources from the general fund greater than actual expenditures; (2) an increase in the Capital Asset Replacement fund balance of \$2,962,326 to be used for future capital outlay (3) an increase of \$1,548,144 in the Transportation District fund balance for future transportation projects and (3) a decrease of \$4,421,401 in the Public Facilities fund balance as a result a transfer of funds for construction projects.

General Fund Budgetary Highlights

	Fiscal Year 2011		
	Original Budget	Amended Budget	Actual
<u>Revenues and Transfers In:</u>			
Taxes	\$ 852,631,300	\$ 852,631,300	\$ 916,172,337
Intergovernmental	89,422,644	93,171,830	91,026,449
Other	61,335,851	62,854,609	65,418,493
Total Revenues and Transfers In	\$ 1,003,389,795	\$ 1,008,657,739	\$ 1,072,617,279
<u>Expenditures and Transfers Out</u>			
Expenditures	\$ 838,651,962	\$ 864,718,986	\$ 837,440,582
Transfers	160,624,549	226,765,540	226,003,438
Total Expenditures and Transfers Out	\$ 999,276,511	\$ 1,091,484,526	\$ 1,063,444,020
Changes in Fund Balance	\$ 4,113,284	\$ (82,826,787)	\$ 9,173,259

The final amended budget for revenues and transfers exceeded the original budget by \$5,267,944. This was due to the anticipation of additional grant funding from the federal government and additional revenue from charges for services. The final amended budget appropriations, which include expenditures and transfers out, exceeded the original budget by \$92,208,015. This was due primarily to the reappropriation of 2010 unassigned fund balance and the timing difference between the adoption of the original budget and the encumbrances carried over at the end of the fiscal year as part of the amended budget.

Actual revenues and transfers in exceeded amended budget amounts by \$63,959,540 and actual expenditures and transfers out were \$28,040,506 less than amended amounts. Highlights of the comparison of amended budget to actual figures for the fiscal year ended June 30, 2011, include the following:

- Actual tax revenues exceeded amended budget amounts by \$63,541,037 due to real property of \$28,810,629, personal property of \$20,041,866, and local sales and use taxes of \$6,832,926. All other local taxes such as consumer utility tax, business license tax, taxes on recordation and wills, and hotel and motel room taxes had modest positive or negative variances. The real property increases are due to higher revaluation figures and lower than anticipated appeals and

land use program participation. The increase in personal property is due to the combination of increasing vehicle values in the county and revenue derived from computers in data centers located in the county.

- Actual intergovernmental revenues were less than amended budget amounts by \$2,145,381.
- Actual other revenues were greater than the amended budget amounts by \$2,563,884 primarily due to the combination of an increase in revenue for permits and licenses, interest earnings and recovered costs offset by a decrease in overall charges for services and modest decreases in fines and forfeitures.
- Actual expenditures were \$27,278,404 less than amended budget amounts.
- Actual general government administration expenditures were \$9,087,638 less than budgeted amounts primarily due to the centrally budgeted countywide personnel vacancy savings.
- Expenditures in public safety and health and welfare were \$6,681,318 and \$3,664,086, respectively, less than budgeted amounts primarily due to reductions in grant funding received, thereby reducing the amount of expenditures.
- Actual expenditures in all other functions of the general government were between \$13,200 and \$6,681,318 less than budgeted amounts primarily due to cost reduction / cost saving strategies implemented early in the fiscal year.

Capital Assets

At the end of fiscal year 2011, the County primary government had invested \$894,689,176 in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$48,221,253. More detailed information on capital assets can be found in Note VIII of the notes to the financial statements.

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

	Balance At June 30, 2010	Net Additions/Deletions	Balance At June 30, 2011
<u>Capital Assets:</u>			
Land	\$ 117,299,515	\$ 3,089,250	\$ 120,388,765
Buildings	228,598,250	94,321,062	322,919,312
Improvements Other Than Buildings	15,229,237	16,423,291	31,652,528
Equipment	149,033,221	9,526,681	158,559,902
Infrastructure	425,403,829	12,709,632	438,113,461
Construction in Progress	114,129,823	(63,159,270)	50,970,553
Accumulated Depreciation	(203,225,952)	(24,689,393)	(227,915,345)
Total Capital Assets, Net of Accumulated Depreciation	\$ 846,647,923	\$ 48,221,253	\$ 894,689,176

The Component Unit-Schools capital assets reflected in the following table totaled \$1,290,913,172; which represents a net increase of \$51,031,363.

**Schools
Change in Capital Assets**

	Balance At June 30, 2010	Net Additions/Deletions	Balance At June 30, 2011
<u>Capital Assets:</u>			
Land	\$ 121,920,522	\$ 5,109,653	\$ 127,030,175
Buildings	1,097,690,768	76,160,868	1,173,851,636
Improvements Other Than Buildings	1,173,046	0	1,173,046
Equipment	111,227,148	7,871,573	119,098,721
Construction in Progress	170,823,795	(5,740,464)	165,083,331
Infrastructure	1,121	0	1,121
Accumulated Depreciation	(262,954,591)	(32,370,267)	(295,324,858)
Total Capital Assets, Net of Accumulated Depreciation	\$ 1,239,881,809	\$ 51,031,363	\$ 1,290,913,172

During the fiscal year 2012 budget process, Loudoun County adopted a six-year Capital Improvement Program (CIP) that totaled \$1.2 billion. The fiscal years 2011-2017 plan includes five new elementary schools for \$134.2 million, two new and one expansion of middle schools for \$94.6 million, three new high schools for \$271.6 million, renovation of two existing high schools for \$8.4 million and design of a Technology Academy for 3.9 million. Other capital projects include the Dulles Corridor Rapid Transit System for \$235.0 million, other transportation projects for \$70.9 million, a general government and school land acquisition fund for \$26.2 million, government support facilities for \$4.3 million, storm water management project for \$17.0 million, capital project management support for \$26.6 million, public safety capital improvements of \$157.4 million, health and welfare capital improvements of \$11.9 million, parks, recreation and cultural capital improvements of \$78.7 million and community development projects for \$15.8 million.

Long Term Debt

On February 25, 2011, the County issued \$8.1 million in general obligation refunding bonds. The proceeds of these refunding bonds were used to defease a 2003 Lease Revenue bond providing net present value saving of \$611,900.

On June 8, 2011, the County issued \$36.2 million of lease revenue bonds through the Industrial Development Authority of Loudoun County for the acquisition of fire and rescue apparatus, acquisition and renovation of two buildings for public safety, and road improvements. On June 22, 2011, the County issued \$53.5 million of general obligation bonds for school construction, the design, construction of a new Fire and Rescue station, renovation of existing stations and renovations of five community centers

At the end of fiscal year 2011, the County had \$1,181,561,282 in outstanding general obligation bonds, premiums, loans, and capital leases. This represents a net decrease of \$9,938,288 from last year. More detailed information on long term debt can be found in Note XIII of the notes to the financial statements.

In fiscal year 2011, Moody's Investors Services, Inc. reaffirmed the County's bond rating of Aaa. Both Fitch Credit Rating Services and Standard and Poor's (S&P) maintained the County's bond rating of AAA. These are the highest ratings available from each of these firms.

Economic Factors

Loudoun County's economic and demographic conditions in many ways reflect the prevailing conditions of the Washington, D.C. region. Today, thanks in part to the diversity of Loudoun's business base and the financial strength of the long-term investors in the community; Loudoun County's commercial environment has been able to withstand downturns in the national and international economies and the 2011 assessed value of commercial properties in the county experienced an 8% increase when compared to the prior year. The unemployment rate is consistently one of the lowest in the nation even though the rate has increased in the past year.

While Loudoun remains a beautiful community with a thriving rural economy, growth has brought a six-fold increase in population during the last forty years. During the past decade, Loudoun County experienced success in attracting office, flex-industrial and retail businesses, which sparked commercial construction activity at an unprecedented scale. As a result, Loudoun has transformed from strictly a bedroom community to a highly desirable employment center.

In order to maintain the strength of our economy, the Loudoun County Department of Economic Development developed a strategy to focus direct marketing and assistance to industry clusters where the county has a competitive advantage. This advantage is demonstrated by Loudoun's current and growing business base including access to the right mix of brainpower, supportive institutions, suppliers, and business-related infrastructure. During FY 2011, thirteen business development projects selected Loudoun to locate or expand. Approximately 2.2 million square feet of new and renovated space was added bringing 2580 new jobs.

The department's analysis has shown that Loudoun currently has high concentrations, compared to national levels, in several key industry clusters: information communications technology organizations; federal government and defense contractors; and airport-related and aviation. The county also has two areas of emerging strength, with the potential for future expansion - life sciences, and international companies, particularly European-based businesses and those in the industry clusters listed above.

Also reflecting the county's commitment to business is the development of thriving business partnerships with the support of the Department of Economic Development. The Economic Development Commission, the Rural Economic Development Council, Small Business Development Center, the Loudoun Chamber of Commerce and Design Cabinet partnerships are about serious efforts, joining together some of the smartest and most innovative leaders, harnessing their collective time, energy and brainpower to continue to move the county and its business community forward.

Currently Known Facts Likely to Impact Future Financial Condition

During fiscal year 2010, the Commonwealth of Virginia initiated certain responsive actions to the economic downturn that will continue to affect the County. Through changes in certain actuarial assumptions for VRS sponsored retirement plans, which were affected by legislation passed by the General Assembly, the Commonwealth was able to defer rate increases requested by the VRS Trustees, and an increase in the local employer share of these pension contributions was similarly deferred. The impact of these deferrals reduced pension related costs in fiscal year 2011 and will also decrease pension related costs in fiscal year 2012. The legislation requires that this deferral of costs begin to be replenished starting in fiscal year 2013 and

will continue until fully replenished in fiscal year 2022. In 2011, VRS has recalculated the projected rate of return on investments downward from 7.5% to 7.0% which will increase the employer contribution in future years. Ultimately, it is likely that there will be significant increases in the local employer costs to be funded in order to meet the VRS's ability to meet its future payment obligations.

Impact of New Accounting Pronouncement

The Governmental Accounting Standards Board adopted Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement requires state and local governments to use newly created fund balance classifications that can be more consistently applied to enhance the usefulness of fund balance information. The County implemented this standard in FY 2011. Please refer to Note XX of the notes to the financial statements for detailed information.

The Governmental Accounting Standards Board adopted Statement No. 59, "Financial Instruments Omnibus". This statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. Implementation by the County is required for the fiscal year commencing June 30, 2011 and has no financial impact on the County.

Contacting The County's Financial Management

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

BASIC FINANCIAL STATEMENTS



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COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011

	<u>Primary Government Governmental Activities</u>	<u>Component Unit School Board</u>	<u>Total Reporting Entity</u>
ASSETS			
Cash and Cash Equivalents	\$ 464,190,441	\$ 153,924,106	\$ 618,114,547
Cash and Investments with Fiscal Agents	160,952,969	72,588,282	233,541,251
Receivables, Net:			
Taxes:			
Delinquent	17,476,543	-	17,476,543
Not Yet Due	406,101,877	-	406,101,877
Accounts	1,747,240	440,355	2,187,595
Due from Other Governments	44,340,836	23,348,705	67,689,541
Advances to Employees	83,878	200	84,078
Inventory of Supplies	377,599	1,234,532	1,612,131
Prepaid Items	2,027,517	571,848	2,599,365
Notes and Loans Receivable, Net	2,982,534	-	2,982,534
Capital Assets:			
Non-depreciable	224,478,774	292,113,506	516,592,280
Depreciable, Net	670,210,402	998,799,666	1,669,010,068
Capital Assets, Net	894,689,176	1,290,913,172	2,185,602,348
Total Assets	<u>1,994,970,610</u>	<u>1,543,021,200</u>	<u>3,537,991,810</u>
LIABILITIES			
Accounts Payable	19,500,588	25,726,634	45,227,222
Accrued Interest Payable	11,464,413	441,380	11,905,793
Accrued Liabilities	12,407,827	47,437,220	59,845,047
Prepaid Revenue	4,421,095	-	4,421,095
Unearned Revenue:			
Property Taxes Not Yet Due	406,101,877	-	406,101,877
Other	6,094,648	2,790,610	8,885,258
Other Liabilities	4,498,145	13,152	4,511,297
Long-term Liabilities:			
Due Within One Year:			
Compensated Absences	901,510	1,558,424	2,459,934
Claims Liabilities	5,015,259	7,361,284	12,376,543
Bonds Payable	89,281,468	-	89,281,468
Leases Payable	11,509,451	8,420,767	19,930,218
Due in More Than One Year:			
Compensated Absences	21,086,546	17,050,677	38,137,223
Claims Liabilities	3,049,667	2,205,018	5,254,685
Landfill Closure and Postclosure Care Costs	25,599,945	-	25,599,945
Net OPEB Obligation	25,726,406	90,825,268	116,551,674
Bonds Payable	935,351,586	-	935,351,586
Leases Payable	145,418,777	11,870,504	157,289,281
Total Liabilities	<u>1,727,429,208</u>	<u>215,700,938</u>	<u>1,943,130,146</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	577,369,256	1,270,621,901	983,749,795 A
Restricted for:			
Capital Projects	114,631,765	69,437,927	184,069,692
Permanent Fund-Nonexpendable	-	35,706	35,706
Unrestricted	(424,459,619)	(12,775,272)	427,006,471 A
Total Net Assets	<u>\$ 267,541,402</u>	<u>\$ 1,327,320,262</u>	<u>\$ 1,594,861,664</u>

^A The sum of the columns does not equal the Total Reporting Entity column by a difference of \$864,241,362 because the debt related to the School Board Component Unit is reflected in the primary government's governmental activities column reducing unrestricted net assets. The assets are reflected in the School Board Component Unit column as Invested in Capital Assets, net of related debt. The Total Reporting Entity column matches the asset with the debt and reports the net amount on the Invested in Capital Assets, net of related debt line.

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Functions/Programs Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total Reporting Entity
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component	
					Governmental Activities	Unit School Board	
Primary Government:							
General Government Administration	\$ 62,046,397	\$ 1,604,464	\$ 720,427	\$ -	\$ (59,721,506)		\$ (59,721,506)
Judicial Administration	12,713,817	1,525,826	3,066,958	-	(8,121,033)		(8,121,033)
Public Safety	139,449,347	11,954,370	15,012,223	2,279,100	(110,203,654)		(110,203,654)
Public Works	53,898,740	3,392,704	4,392,360	14,339,416	(31,774,260)		(31,774,260)
Health and Welfare	81,624,733	8,675,500	29,267,364	81,447	(43,600,422)		(43,600,422)
Parks, Recreation and Culture	44,867,154	16,066,824	2,507,479	535,247	(25,757,604)		(25,757,604)
Community Development	38,362,638	15,020,443	8,674,170	1,430,268	(13,237,757)		(13,237,757)
Education	523,831,880	1,744	494,557	-	(523,335,579)		(523,335,579)
Interest and Other Debt Service Charges	46,222,850	-	-	-	(46,222,850)		(46,222,850)
Total Primary Government	\$ 1,003,017,556	\$ 58,241,875	\$ 64,135,538	\$ 18,665,478	\$ (861,974,665)		\$ (861,974,665)
Component Unit:							
School Board	\$ 779,639,015	\$ 22,379,632	\$ 237,354,447	\$ 2,575,982		\$ (517,328,954)	\$ (517,328,954)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					809,717,753	-	809,717,753
Local Sales and Use Taxes					63,589,457	-	63,589,457
Consumer Utility Taxes					20,236,914	-	20,236,914
Business License Taxes					25,355,444	-	25,355,444
Franchise License Taxes					586,485	-	586,485
Motor Vehicle Licenses					5,663,926	-	5,663,926
Bank Franchise Taxes					2,015,493	-	2,015,493
Taxes on Recordation and Wills					7,936,513	-	7,936,513
Hotel and Motel Room Taxes					5,044,602	-	5,044,602
Payment from County					-	521,184,392	521,184,392
Interest and Investment Earnings					2,625,335	63,101	2,688,436
Grants and Contributions Not Restricted to Specific Programs					55,383,277	-	55,383,277
Miscellaneous					3,968,318	140,853	4,109,171
Total General Revenues					1,002,123,517	521,388,346	1,523,511,863
Change in Net Assets					140,148,852	4,059,392	144,208,244
Net Assets at Beginning of Year					127,392,550	1,323,260,870	1,450,653,420
Net Assets at End of Year					\$ 267,541,402	\$ 1,327,320,262	\$ 1,594,861,664

See accompanying notes to the financial statements.

**COUNTY OF LOUDOUN, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 164,566,365	\$ 122,424,954	\$ -	\$ 131,462,468	\$ 418,453,787
Cash and Investments with Fiscal Agents	88,821	109,504,411	31,022,009	19,224,728	159,839,969
Receivables, Net:					
Taxes:					
Delinquent	16,409,929	-	-	1,066,614	17,476,543
Not Yet Due	406,101,877	-	-	-	406,101,877
Accounts	1,327,515	255,997	-	92,194	1,675,706
Due from Other Governments	37,864,098	1,561,086	-	4,915,652	44,340,836
Due from Other Funds	11,142,747	-	-	-	11,142,747
Advances to Employees	78,878	-	-	5,000	83,878
Property Held For Resale	-	-	-	306,125	306,125
Prepaid Items	1,187,188	102,570	-	668,422	1,958,180
Notes and Loans Receivable, Net	2,298,099	-	-	684,435	2,982,534
Total Assets	\$ 641,065,517	\$ 233,849,018	\$ 31,022,009	\$ 158,425,638	\$ 1,064,362,182
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 6,293,373	\$ 5,169,786	\$ -	\$ 7,517,096	\$ 18,980,255
Accrued Liabilities	12,290,862	3,037	-	71,273	12,365,172
Prepaid Revenue	4,397,107	-	-	23,988	4,421,095
Deferred Revenue:					
Property Taxes Not Yet Due	406,101,877	-	-	-	406,101,877
Property Taxes	7,381,932	-	-	184,228	7,566,160
Other	3,984,207	-	-	2,905,810	6,890,017
Due to Other Funds	-	-	11,128,780	13,967	11,142,747
Other Liabilities	4,355,402	329,510	9,933	132,810	4,827,655
Total Liabilities	444,804,760	5,502,333	11,138,713	10,849,172	472,294,978
Fund Balances:					
Non-spendable	3,485,287	102,570	-	1,352,857	4,940,714
Restricted	587,920	132,948,414	-	135,263,204	268,799,538
Committed	127,596,371	94,310,092	10,554,714	10,926,649	243,387,826
Assigned	3,089,893	985,609	9,328,582	33,756	13,437,840
Unassigned	61,501,286	-	-	-	61,501,286
Total Fund Balances	196,260,757	228,346,685	19,883,296	147,576,466	592,067,204
Total Liabilities and Fund Balances	\$ 641,065,517	\$ 233,849,018	\$ 31,022,009	\$ 158,425,638	\$ 1,064,362,182

See accompanying notes to the financial statements.

COUNTY OF LOUDOUN, VIRGINIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS FUND BALANCE
TO THE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES NET ASSETS
AS OF JUNE 30, 2011

Fund balances - total governmental funds		\$ 592,067,204
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Amounts reported for governmental activities in the Statement of Net Assets (Exhibit I) are different because:

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

Governmental capital assets	1,064,377,314	
Less accumulated depreciation	<u>(195,510,800)</u>	868,866,514

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

8,691,039

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated absences	(21,988,056)	
Landfill closure and postclosure care costs	(25,599,945)	
Net OPEB Obligation	(25,726,406)	
Governmental bonds payable	(974,845,000)	
Governmental leases payable	(156,928,228)	
Unamortized bond premium	<u>(49,788,054)</u>	(1,254,875,689)

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

(11,464,413)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Assets.

64,256,747

Net Assets of Governmental Activities

		<u><u>\$ 267,541,402</u></u>
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COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES					
General Property Taxes	\$ 799,217,535	\$ -	\$ -	\$ 12,450,962	\$ 811,668,497
Other Local Taxes	116,954,802	586,485	-	12,887,547	130,428,834
Permits and Licenses	14,444,622	-	-	-	14,444,622
Fines and Forfeitures	2,705,771	-	-	-	2,705,771
Use of Money and Property	4,030,921	2,797	758,339	288,608	5,080,665
Charges for Services	27,441,570	1,878,484	-	56,162	29,376,216
Gifts and Donations	149,585	24,150	-	15,172,877	15,346,612
Miscellaneous	453,245	125,000	1,132,478	369,978	2,080,701
Recovered Costs	8,637,503	19,339	-	2,490,711	11,147,553
Intergovernmental - Commonwealth of Virginia	79,646,874	2,223,537	-	3,956,944	85,827,355
Intergovernmental - Federal Government	11,379,575	242,398	-	11,939,644	23,561,617
Total Revenues	1,065,062,003	5,102,190	1,890,817	59,613,433	1,131,668,443
EXPENDITURES					
Current Operating:					
General Government Administration	57,425,608	-	-	-	57,425,608
Judicial Administration	11,696,133	-	-	210,058	11,906,191
Public Safety	136,650,892	-	-	3,115,934	139,766,826
Public Works	20,265,220	13,960,098	-	13,185,274	47,410,592
Health and Welfare	63,532,700	-	-	17,684,671	81,217,371
Parks, Recreation and Culture	40,421,620	-	-	2,443,921	42,865,541
Community Development	32,514,583	-	-	5,046,855	37,561,438
Education	474,933,826	(166,268)	1,430,000	47,634,322	523,831,880
Capital Outlay	-	49,877,679	-	1,070,294	50,947,973
Debt Service:					
Principal Payments	-	-	101,275,616	-	101,275,616
Interest and Service Charges	-	-	53,154,667	-	53,154,667
Total Expenditures	837,440,582	63,671,509	155,860,283	90,391,329	1,147,363,703
Excess (Deficiency) of Revenues Over (Under) Expenditures	227,621,421	(58,569,319)	(153,969,466)	(30,777,896)	(15,695,260)
OTHER FINANCING SOURCES (USES)					
Transfers In	7,554,976	124,457,719	153,053,461	10,911,438	295,977,594
Transfers Out	(226,003,438)	(8,068,941)	(3,708,868)	(67,520,760)	(305,302,007)
Issuance Premium	-	-	7,827,179	-	7,827,179
Issuance of Bonds and Leases	-	-	-	89,750,000	89,750,000
Sales of Capital Assets	300	-	-	2,484	2,784
Total Other Financing Sources (Uses)	(218,448,162)	116,388,778	157,171,772	33,143,162	88,255,550
Net Change in Fund Balances	9,173,259	57,819,459	3,202,306	2,365,266	72,560,290
Fund Balances at Beginning of Year	187,087,498	170,527,226	16,680,990	145,211,200	519,506,914
Fund Balances at End of Year	\$ 196,260,757	\$ 228,346,685	\$ 19,883,296	\$ 147,576,466	\$ 592,067,204

See accompanying notes to the financial statements.

COUNTY OF LOUDOUN, VIRGINIA
RECONCILIATION OF CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Net change in fund balances - total governmental funds **\$ 72,560,290**

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Expenditures for capital assets	55,271,711	
Less current year depreciation	<u>(21,614,588)</u>	33,657,123

In the Statement of Activities, only the gain (loss) on capital assets is reported while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital asset.

(3,193)

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

13,448,709

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

Change in deferred revenue related to taxes		(1,950,744)
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal payments	101,275,616	
Net debt proceeds and issuance premium	(97,577,179)	
Current year amortization of bond premium	<u>6,239,852</u>	9,938,289

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	(637,121)	
Change in landfill closure/post-closure liability	(453,080)	
Change in Net OPEB Obligation	(1,966,550)	
Change in accrued interest liability	<u>691,965</u>	(2,364,786)

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

14,863,164

Change in Net Assets of Governmental Activities

\$ 140,148,852

**COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF NET ASSETS
PROPRIETARY - INTERNAL SERVICE FUNDS
AS OF JUNE 30, 2011**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 45,736,654
Cash and Investments with Fiscal Agents	1,113,000
Receivables, Net	71,534
Inventory of Supplies	71,474
Prepaid Items	69,337
Total Current Assets	<u>47,061,999</u>

Noncurrent Assets:

Capital Assets:

Non-depreciable	254,034
Depreciable, Net	25,568,628
Total Noncurrent Assets	<u>25,822,662</u>
Total Assets	<u><u>72,884,661</u></u>

LIABILITIES

Current Liabilities:

Accounts Payable	520,333
Claims Liabilities	5,015,259
Accrued Liabilities	42,655
Total Current Liabilities	<u>5,578,247</u>

Noncurrent Liabilities:

Claims Liabilities	<u>3,049,667</u>
Total Noncurrent Liabilities	<u>3,049,667</u>
Total Liabilities	<u><u>8,627,914</u></u>

NET ASSETS

Net Assets Invested in Capital Assets	25,822,662
Unrestricted	38,434,085
Total Net Assets	<u><u>\$ 64,256,747</u></u>

See accompanying notes to the financial statements.

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

Operating Revenues:	
Charges for Services	\$ 44,752,417
Charges for Services - Component Unit	5,587,652
Use of Property	81,442
Miscellaneous	1,775,503
Total Operating Revenues	<u>52,197,014</u>
Operating Expenses:	
Personnel Services	879,285
Other Services and Charges	5,866,128
Materials and Supplies	504,530
Depreciation	5,140,188
Claims	34,567,545
Total Operating Expenses	<u>46,957,676</u>
Operating Income	5,239,338
Non-Operating Revenues:	
Gain on Sale of Capital Assets	<u>299,413</u>
Net Income Before Operating Transfers	5,538,751
Transfers In	<u>9,324,413</u>
Change in Net Assets	14,863,164
Net Assets at Beginning of Year	49,393,583
Net Assets at End of Year	<u><u>\$ 64,256,747</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, 2011**

Cash Flows from Operating Activities	
Receipts from Customers	\$ 52,184,164
Payments to Suppliers for Goods and Services	(7,736,129)
Claims Paid	(33,421,783)
Payments to Employees	(875,553)
Net Cash Provided by Operating Activities	<u>10,150,699</u>
Cash Flows from Non-capital Financing Activities:	
Transfers In	9,324,413
Net Cash Provided by Non-capital Financing Activities	<u>9,324,413</u>
Cash Flows from Capital and Related Financing Activities:	
Additions to Capital Assets	(6,105,107)
Proceeds from Sale of Capital Assets	314,119
Net Cash Used in Capital and Related Financing Activities	<u>(5,790,988)</u>
Net Increase in Cash and Cash Equivalents	13,684,124
Cash and Cash Equivalents (including those held with Fiscal Agents) at Beginning of Year	33,165,530
Cash and Cash Equivalents (including those held with Fiscal Agents) at End of Year	<u>\$ 46,849,654</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	<u>\$ 5,239,338</u>
Adjustment Not Affecting Cash:	
Depreciation	5,140,188
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:	
Receivables, Net	(12,850)
Inventory of Supplies	3,304
Prepaid Items	(69,337)
Accounts Payable	(1,299,438)
Claims Liabilities	1,145,762
Accrued Liabilities	3,732
Total Adjustments	<u>4,911,361</u>
Net Cash Provided by Operating Activities	<u>\$ 10,150,699</u>

See accompanying notes to the financial statements.

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AS OF JUNE 30, 2011

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 13,250,214	\$ 8,255	\$ 15,571,182
Cash and Investments with Fiscal Agents	-	-	60,000
Accounts Receivable	6,012	-	-
Investments, at Fair Value:			
Investments in Pooled Funds	15,055,489	-	-
Total Assets	<u>28,311,715</u>	<u>8,255</u>	<u>15,631,182</u>
LIABILITIES			
Accounts Payable and Funds Held in Trust for Others	-	-	15,631,182
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 15,631,182</u>
NET ASSETS			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 28,311,715</u>	<u>\$ 8,255</u>	

See accompanying notes to the financial statements.

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Pension Trust Fund	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	\$ 8,945,144	\$ -
Other	105,898	-
Total Contributions	<u>9,051,042</u>	<u>-</u>
Investment Earnings:		
Net Appreciation in Fair Value of Investments	1,263,650	-
Interest	1,219,416	17
Total Investment Earnings	<u>2,483,066</u>	<u>17</u>
Less Investment Expense:		
Investment Management Fees	(11,421)	-
Net Investment Income	<u>2,471,645</u>	<u>17</u>
Total Additions	<u>11,522,687</u>	<u>17</u>
DEDUCTIONS		
Benefits	2,028,814	470
Administrative Expense	872,999	-
Total Deductions	<u>2,901,813</u>	<u>470</u>
Change in Net Assets	8,620,874	(453)
Net Assets at Beginning of Year	19,690,841	8,708
Net Assets at End of Year	<u>\$ 28,311,715</u>	<u>\$ 8,255</u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF LOUDOUN, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

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 System (the Schools). The County of Loudoun, Virginia, reporting entity is determined upon the evaluation of certain criteria established by GASB.

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

The Loudoun County School Board - The Schools are responsible for elementary and secondary education within the County's jurisdiction. Members of the Schools' governing board (the School Board) are elected. They were most recently elected in November 2007 and assumed their responsibilities on January 1, 2008. 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/page/1071>.

(B) **BASIS OF PRESENTATION**

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

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

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

Statement of Net Assets – The Statement of Net Assets displays the financial position of the primary government and its discretely presented component units. Governments report all capital assets in the government-wide Statement of Net Assets and report depreciation expense – the cost of “using up” capital assets – in the Statement of Activities. The net assets of a government are broken down into three categories: (1) invested in capital assets, net of related debt; (2) restricted; and (3) unrestricted.

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

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

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

The County reports the following major governmental funds:

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

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

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

Additionally, the government reports the following Fiduciary funds:

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

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

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

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

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

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

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

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

(C) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

Governmental fund financial statements are accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become both measurable and available. Accordingly, real and personal property taxes are recorded as deferred revenues and property taxes receivable when billed, net of allowances for uncollectible amounts of \$3,206,987 as of June 30, 2011. Real and personal property taxes recorded at June 30, and received within the first 60 days after year-end are included in tax revenues, with the related amount reduced from deferred revenues. Sales and utility taxes, which are collected by the Commonwealth of Virginia or utility companies and subsequently remitted to the County, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally one to two months preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting of Federal, State and other grants for the purpose of specific programs are recognized when earned or at the time of the specific reimbursable expenditure. Revenues from general purpose grants are recognized during the period to which the grants apply. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt, which is recognized when due.

The property tax calendar is as follows:

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

(D) CASH AND TEMPORARY INVESTMENTS

The Governments 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.

County investments, Pension Fund investments, and OPEB Trust Fund investment are stated at fair value.

The County invests in an externally managed investment pool, the State Treasurer's Local Government Investment Pool (LGIP), which is not SEC-registered. The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. It is managed in accordance with the "2a-7 like pool" risk limiting requirements of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". The portfolio securities are valued by the amortized cost method with maturities of thirteen months or less. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

For the Capital Projects and Debt Service Funds, interest income on cash held with fiscal agents and trustees is recorded within these respective funds.

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

All interest is credited to the General Fund, unless law or Board of Supervisors Action requires allocation. Allocation, when required, is based on the monthly interest rate earned on funds invested with the Local Government Investment Pool (LGIP).

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

(E) RECEIVABLES AND PAYABLES

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

(F) INVENTORIES OF SUPPLIES

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

(G) PREPAID ITEMS

Prepaid items are payments made to vendors for services that will benefit periods after June 30, 2011.

(H) NONCURRENT NOTES AND LOANS RECEIVABLE

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

(I) CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as land, buildings, intangibles (software licenses, easements), road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the School Board, is depreciated using the straight-line method over the following estimated useful lives:

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

(J) COMPENSATED ABSENCES

1. Primary Government Employees - In 1994, the Primary Government adopted a policy under which employees can accumulate and be paid-out upon employment separation, a maximum of 364 hours of earned but unused annual (vacation) leave. Employees with accrued balances in excess of 364 hours may utilize their accumulated balances in excess of 364 hours prior to December 31. Annual leave hours accrued in excess of 364 hours by each employee during each year are calculated at December 31, with the Primary Government converting those excess hours into additional sick leave hours. As of June 30, 2011, \$17,090,489 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 carryover to the following year. Non-exempt employees will receive payment of all exchange time leave balances upon separation from County employment. As of June 30, 2011, \$148,689 of unused exchange time was accrued as compensated absences.

Effective July 1, 2001, employees with 10 years of service are compensated for unused sick leave when they leave County employment. Employees meeting this criteria will be compensated for 25% of unused sick leave to a maximum amount of \$10,000 per individual. As of June 30, 2011, \$4,748,878 of unused sick leave was accrued as compensated absences.

2. School System Employees - School employees, other than teachers, are allowed to accumulate a maximum of 480 hours of vacation leave, which will be paid-out upon employment separation. Teachers do not accumulate annual leave. As of June 30, 2011, \$10,317,123 of accumulated vacation leave was accrued as compensated absences.

Additionally, all School employees with ten or more years of service are compensated for a portion of earned, but unused sick leave upon employment separation to a maximum amount of \$10,125 per individual. As of June 30, 2011, \$8,291,978 of unused sick leave was accrued as compensated absences.

(K) LONG-TERM OBLIGATIONS

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

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

(L) FUND EQUITY

In the fund financial statements, governmental funds report fund balance for amounts that are not available for appropriation or are subject to externally enforceable legal restrictions as either nonspendable or restricted. Committed fund balance are for amounts to be used for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors, while assigned fund balance represent tentative management plans that are subject to change. Unassigned fund balance represents the residual fund balance remaining after nonspendable, restricted, committed, and assigned fund balance is deducted.

(M) ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board adopted Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement requires state and local governments to use newly created fund balance classifications that can be more consistently applied to enhance the usefulness of fund balance information. This Statement became effective and was implemented by the County for the fiscal year ended June 30, 2011. Refer to Note XX, Fund Balance Classification, for the impact of this Statement.

The Governmental Accounting Standards Board adopted Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans". This Statement addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers participating in agent multiple-employer other postemployment benefit (OPEB) plans. This Statement became effective for the fiscal year ended June 30, 2011, and implementation of this Statement had no financial impact on the County.

The Governmental Accounting Standards Board adopted Statement No. 59, "Financial Instruments Omnibus". This Statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. This Statement became effective for the fiscal year ended June 30, 2011, and implementation of this Statement had no financial impact on the County.

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 following Primary Government's Special Revenue Funds also have legally adopted budgets: Route 28 Special Improvements, Aldie Sewer Service District, Comprehensive Services Act, Legal Resources Center, Hotel and Motel Room Tax, Hamilton Sewer Service District, Rental Assistance Program, Dulles Industrial Park Water and Sewer, Public Facilities, Transportation District, and Greenlea District. The proposed budget also includes a recommended program of capital expenditures to be financed from current operations and a separate six year capital improvement plan. All annual appropriations lapse at fiscal year-end with the exception of the Capital Project Funds, for which project length budgets are adopted.

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

As of June 30, 2011, the following funds had deficit fund balances:

- Route 28 Special Improvements Fund – Deficit fund balance of \$22,465 is due to prepaid revenue (2nd half 2011 taxes) that was collected and remitted to the Commonwealth of Virginia.
- Dulles Industrial Park Water and Sewer – Deficit fund balance of \$2,119 will be eliminated through the scheduled special assessment property tax collections in the Dulles Industrial Park Water and Sewer Taxing District.

NOTE III - BANK DEPOSITS AND INVESTMENTS

Investment Policy

In accordance with the Code of Virginia, the County's Investment Policy (Policy), as approved by the Finance Board on March 16, 2010, permits investments in U.S. Government obligations, obligations of the Commonwealth of Virginia or political subdivisions thereof, prime quality commercial paper, bankers' acceptances, repurchase agreements, certificates of deposit (non negotiable only), mutual funds, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP).

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

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

Investment Type	Maximum Diversification	Limits Within Investment Type
State of Virginia LGIP	75% of Portfolio	
U.S. Treasury Obligations	100% of Portfolio	
U.S. Government Agencies	50% of Portfolio	
Repurchase Agreements	60% of Portfolio	Maximum of 60% of total portfolio with one institution.
Bankers' Acceptances (BA's)	40% of Portfolio	Highline rating of 30 or better or one of the following: Fitch Individual Bank Rating of B or better, S&P Short Term Local Issuer A-1 or better, or Moody's Short Term P-1 or better.
Commercial Paper (CP)	35% of Portfolio, maximum 5% any one issuer within total portfolio at time of purchase	Rating of A-1, P-1, or better. Fitch and Duff and Phelps rating not considered.
Certificates of Deposit - Commercial Banks	90% of Portfolio	Highline rating of 30 or better or one of the following: Fitch Individual Bank Rating of B or better, S&P Short Term Local Issuer A-1 or better, or Moody's Short Term P-1 or better. All banks must comply with the Virginia Public Deposit Act. Maximum 50% of the total portfolio in any one institution.
Certificates of Deposit - Savings and Loans Associations	10% of Portfolio	No more than \$100,000 in any one institution.
Money Market funds (Open Ended Investments funds)	50% of Portfolio	

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

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

Credit Risk:

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

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

As of June 30, 2011, the Portfolio was invested as follows:

- 7.1% of the portfolio was invested in "Aaa" or better rated obligations
- 18.6% was invested in "A-1", "P-1", or better short term commercial paper/bankers' acceptances
- 42.0% was invested in "AAAm" rated state run pooled money market fund
- 32.3% was invested in fully collateralized bank certificates of deposit and 100% FDIC insured bank accounts.

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

Concentration of Credit Risk

As of June 30, 2011, the portion of the County's portfolio, excluding the Virginia LGIP and U.S. Government guaranteed obligations, that exceed 5% of the total portfolio are as follows:

Issuer	% of Portfolio
Capital One Bank (fully collateralized money market funds and business checking account paper)	7.06%

Interest Rate Risk

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

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

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

As of June 30, 2011 the following securities were held that had call features.

Fund	Maturity Date	Issue	Fair Value	Par/Cost	Yield	Step Features
General Fund	06/28/13	FHLB	\$4,994,150	\$5,000,000	0.70%	2 year, no call 1 month, monthly thereafter, fixed rate, called 8/28/11.
	10/21/13	FHLMC	\$5,000,835	\$5,000,000	1.286%	3 year step increase, no call 6 months, quarterly thereafter, called 7/21/11.
	11/26/13	FNMA	\$3,002,853	\$3,000,000	1.00%	2 year, no call 6 months, quarterly thereafter, fixed rate, called 8/26/11.
	07/14/14	FHLB	\$3,000,333	\$3,000,000	1.00%	3.5 year step increase, no call 6 months, quarterly thereafter, called 7/14/11.
	08/26/15	FHLB	\$5,008,215	\$5,000,000	1.00%	5 year step increase, no call 3 months, quarterly thereafter, called 8/26/11.
	08/26/15	FHLB	\$3,006,099	\$3,000,000	2.298%	5 year step increase, no call 1 year, quarterly thereafter, called 8/26/11.
	04/14/16	FHLB	\$3,017,214	\$3,000,000	2.00%	4 year step increase, no call 6 months, quarterly thereafter, called 10/14/11.
	05/25/16	FNMA	\$3,026,376	\$3,000,000	2.56%	5 year step increase, no call 1 year, quarterly thereafter.
Proffer Fund	06/28/13	FHLB	\$4,994,150	\$5,000,000	0.70%	2 year, no call 6 months, quarterly thereafter, fixed rate, called 8/28/11.
	06/28/13	FHLB	\$4,991,205	\$5,000,000	0.65%	2 year, no call 6 months, quarterly thereafter, fixed rate.
	11/26/13	FNMA	\$5,004,755	\$5,000,000	1.00%	2 year, no call 6 months, quarterly thereafter, fixed rate, called 8/26/11.

On June 30, 2011, the County had the following investments and maturities (refer to Cash and Cash Equivalents in Exhibit I, Exhibit X, and Schedule 40):

Investment Type	Carrying Value	Maturity			
		Less Than 6 Months	Between 6 - 13 Months	Between 13 - 24 Months	Between 24 - 60 Months
Bank Deposits	\$ (2,363,732)	\$ (2,363,732)	\$ -	\$ -	\$ -
Money Market Funds (LGIP)	273,961,017	273,961,017	-	-	-
Certificates of Deposit - Commercial Banks	213,454,852	170,038,882	37,615,970	5,800,000	-
U.S. Government Agencies	45,000,000	-	5,000,000	18,000,000	22,000,000
Bankers Acceptances (BA's)	14,342,187	14,342,187	-	-	-
Commercial Paper (CP's)	106,817,733	62,927,919	43,889,814	-	-
Municipal Bonds	1,787,488	-	-	-	1,787,488
Total Deposits and Investments	\$ 652,999,545	\$ 518,906,273	\$ 86,505,784	\$ 23,800,000	\$ 23,787,488

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, 2011, all of the County's securities, other than bank certificates of deposit, were held in a highly rated bank's safekeeping department in the County's name.

The County invests in an externally managed investment pool, the State Treasurer's Local Government Investment Pool (LGIP), which is not SEC-registered. The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. It is managed in accordance with the "2a-7 like pool" risk limiting requirements of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". The portfolio securities are valued by the amortized cost method with maturities of thirteen months or less. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

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

NOTE IV – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**(A) RECEIVABLES**

Receivables at June 30, 2011 are as follows:

	Taxes	Accounts	Due from Other Governments	Total Receivables
<u>Governmental Activities:</u>				
General Fund	\$ 422,511,806	\$ 1,327,515	\$ 37,864,098	\$ 461,703,419
Capital Projects Fund	-	255,997	1,561,086	1,817,083
Other Governmental Funds	1,066,614	92,194	4,915,652	6,074,460
Internal Service Funds	-	71,534	-	71,534
Total Governmental Activities	\$ 423,578,420	\$ 1,747,240	\$ 44,340,836	\$ 469,666,496
<u>Component Unit - Schools:</u>				
General Fund	\$ -	\$ 380,558	\$ 22,991,469	\$ 23,372,027
Special Revenue Fund	-	21,674	333,939	355,613
Internal Service Funds	-	61,420	-	61,420
Total Component Unit - Schools	\$ -	\$ 463,652	\$ 23,325,408	\$ 23,789,060

(B) PAYABLES

Payables at June 30, 2011 are as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Total Payables
<u>Governmental Activities:</u>				
General Fund	\$ 6,293,373	\$ 12,290,862	\$ -	\$ 18,584,235
Capital Projects Fund	5,169,786	3,037	-	5,172,823
Debt Service Fund	-	-	11,464,413	11,464,413
Other Governmental Funds	7,517,096	71,273	-	7,588,369
Internal Service Funds	520,333	42,655	-	562,988
Total Governmental Activities	\$ 19,500,588	\$ 12,407,827	\$ 11,464,413	\$ 43,372,828
<u>Component Unit - Schools:</u>				
General Fund	\$ 7,120,021	\$ 46,305,464	\$ -	\$ 53,425,485
Capital Projects Fund	15,900,474	14,070	-	15,914,544
Special Revenue Fund	105,457	1,117,686	-	1,223,143
Debt Service Funds	-	-	441,380	441,380
Internal Service Funds	2,600,682	-	-	2,600,682
Total Component Unit - Schools	\$ 25,726,634	\$ 47,437,220	\$ 441,380	\$ 73,605,234

NOTE V – INTERFUND BALANCES

Due to/from balances represent amounts paid by one entity on behalf of the other entity. Individual interfund balances at June 30, 2011 consist of the following:

	DUE TO
DUE FROM	General Fund
County-Wide Sewer Service District Fund	\$ 13,967
Debt Service Fund	11,128,780
Total Primary Government	\$ 11,142,747

NOTE VI – INTERFUND TRANSFERS

The primary purpose of interfund transfers is to provide funding for operations and capital projects. Interfund transfers for the year ended June 30, 2011 consist of the following:

	Transfers In	Transfers Out
<u>Primary Government</u>		
General Fund	\$ 7,554,976	\$ 226,003,438
Capital Projects Fund	124,457,719	8,068,941
Debt Service Fund	153,053,461	3,708,868
Non-major Funds	10,911,438	67,520,760
Internal Service Funds	9,324,413	-
Total Primary Government	\$ 305,302,007	\$ 305,302,007
<u>Component Unit - Schools</u>		
General Fund	\$ -	\$ 1,700,000
Internal Service Funds	1,700,000	-
Total Component Unit - Schools	\$ 1,700,000	\$ 1,700,000

NOTE VII - NONCURRENT NOTES AND LOANS RECEIVABLE - PRIMARY GOVERNMENT

Noncurrent notes and loans receivable consisted of the following at June 30, 2011.

Notes and Loans Receivable	\$ 4,335,480
Allowance for Uncollectibles	(1,352,946)
Net Notes and Loans Receivable	<u>\$ 2,982,534</u>

Of the gross amount of notes and loans receivable, \$849,294 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. \$665,359 represents loans to towns in the County or Loudoun Water, formerly known as the Loudoun County Sanitation Authority (LCSA), for the expansion of sewage services. Sewage connection fees are used to repay these loans. The remaining \$2,820,827 represents loans to individuals/families under the Affordable Housing Project.

NOTE VIII – CAPITAL ASSETS

Capital assets activity for the primary government for the year ended June 30, 2011 is as follows:

	Primary Government				
	Balance July 1, 2010	Additions/ Increases	Retirements/ Decreases	Transfers	Balance June 30, 2011
<u>Capital Assets Not Being Depreciated:</u>					
Land	\$ 117,299,515	\$ 3,089,250	\$ -	\$ -	\$ 120,388,765
Infrastructure - Ponds	51,821,859	1,297,597	-	-	53,119,456
Construction in Progress	114,129,823	23,895,089	-	(87,054,359)	50,970,553
Total Capital Assets Not Being Depreciated	\$ 283,251,197	\$ 28,281,936	\$ -	\$ (87,054,359)	\$ 224,478,774
<u>Other Capital Assets:</u>					
Buildings	\$ 228,598,250	\$ 23,752,905	\$ -	\$ 70,568,157	\$ 322,919,312
Improvements Other Than Buildings	15,229,237	-	-	16,423,291	31,652,528
Equipment	149,033,221	11,547,053	(2,083,283)	62,911	158,559,902
Infrastructure	373,581,970	11,412,035	-	-	384,994,005
Total Other Capital Assets	\$ 766,442,678	\$ 46,711,993	\$ (2,083,283)	\$ 87,054,359	\$ 898,125,747
<u>Less Accumulated Depreciation for:</u>					
Buildings	\$ (38,559,099)	\$ (5,920,035)	\$ -	\$ -	\$ (44,479,134)
Improvements Other Than Buildings	(12,119,946)	(560,804)	-	-	(12,680,750)
Equipment	(85,037,216)	(13,615,353)	2,065,383	-	(96,587,186)
Infrastructure	(67,509,691)	(6,658,584)	-	-	(74,168,275)
Total Accumulated Depreciation	\$ (203,225,952)	\$ (26,754,776)	\$ 2,065,383	\$ -	\$ (227,915,345)
Other Capital Assets, Net	\$ 563,216,726	\$ 19,957,217	\$ (17,900)	\$ 87,054,359	\$ 670,210,402
Total Capital Assets	\$ 846,467,923	\$ 48,239,153	\$ (17,900)	\$ -	\$ 894,689,176

Primary government capital assets, net of accumulated depreciation, at June 30, 2011 are comprised of the following:

General Capital Assets, Net	\$ 868,866,514
Internal Service Fund Capital Assets, Net	25,822,662
Total Capital Assets, Net	\$ 894,689,176

Depreciation was charged to governmental functions as follows:

General government administration	\$ 10,714,889
Judicial administration	817,547
Public safety	3,907,502
Public works	279,067
Health and welfare	852,912
Parks, recreation and culture	2,577,670
Community development	7,605,189
Total Depreciation	\$ 26,754,776

Capital asset activity for the Schools for the year ended June 30, 2011 is as follows:

	Component Unit - School				
	Balance July 1, 2010	Additions/ Increases	Retirements/ Decreases	Transfers	Balance June 30, 2011
<u>Capital Assets Not Being Depreciated:</u>					
Land	\$ 121,920,522	\$ 5,109,653	\$ -	\$ -	\$ 127,030,175
Construction in Progress	170,823,795	67,140,981	-	(72,881,445)	165,083,331
Total Capital Assets Not Being Depreciated	\$ 292,744,317	\$ 72,250,634	\$ -	\$ (72,881,445)	\$ 292,113,506
<u>Other Capital Assets:</u>					
Buildings	\$ 1,097,690,768	\$ 3,279,423	\$ -	\$ 72,881,445	\$ 1,173,851,636
Improvements Other Than Buildings	1,173,046	-	-	-	1,173,046
Equipment	111,227,148	10,491,347	(2,619,774)	-	119,098,721
Infrastructure	1,121	-	-	-	1,121
Total Other Capital Assets	\$ 1,210,092,083	\$ 13,770,770	\$ (2,619,774)	\$ 72,881,445	\$ 1,294,124,524
<u>Less Accumulated Depreciation for:</u>					
Buildings	\$ (177,106,351)	\$ (25,895,344)	\$ -	\$ -	\$ (203,001,695)
Improvements Other Than Buildings	(791,258)	(42,552)	-	-	(833,810)
Equipment	(85,056,954)	(9,049,730)	2,617,415	-	(91,489,269)
Infrastructure	(28)	(56)	-	-	(84)
Total Accumulated Depreciation	\$ (262,954,591)	\$ (34,987,682)	\$ 2,617,415	\$ -	\$ (295,324,858)
Other Capital Assets, Net	\$ 947,137,492	\$ (21,216,912)	\$ (2,359)	\$ 72,881,445	\$ 998,799,666
Total Capital Assets	\$ 1,239,881,809	\$ 51,033,722	\$ (2,359)	\$ -	\$ 1,290,913,172

All depreciation was charged to the education governmental function.

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

	Program Authorization	Transferred to Fixed Assets by June 30, 2011	Construction In Progress At June 30, 2011	Construction Commitments At June 30, 2011	Remaining to Be Committed At June 30, 2011
General Government Administration	\$ 201,703,395	\$ 55,861,680	\$ 7,845,195	\$ 2,171,457	\$ 135,825,063
Judicial Administration	31,196,881	30,731,130	-	302,346	163,405
Public Safety	199,120,434	99,979,702	19,432,401	23,493,455	56,214,876
Public Works	270,237,645	81,946,922	7,047,118	7,027,131	174,216,474
Health and Welfare	8,044,189	3,300,014	2,406,232	1,039,092	1,298,851
Parks, Recreation and Culture	111,628,729	66,455,730	14,239,607	5,404,009	25,529,383
Total Primary Government	\$ 821,931,273	\$ 338,275,178	\$ 50,970,553	\$ 39,437,490	\$ 393,248,052
Education	\$ 1,041,740,388	\$ 716,872,403	\$ 165,083,331	\$ 78,741,504	\$ 81,043,150
Total Component Unit-Schools	\$ 1,041,740,388	\$ 716,872,403	\$ 165,083,331	\$ 78,741,504	\$ 81,043,150

NOTE IX - RISK MANAGEMENT

The County General Government's property and liability including automobile and public officials' liability are administered through the Virginia Association of Counties (VACo). These coverages have variable per occurrence limits in place by coverage type ranging from \$1 million to \$50 million. The general liability and automobile coverage each have a \$100,000 deductible, \$2 million per occurrence limit along with a \$10 million aggregate limit. The County is also insured for constitutional officers and law-enforcement liability risk through the State Division of Risk Management. These programs have a \$1 million per occurrence limit and insure the County Sheriff's Department, other County enforcement agencies, and all elected constitutional officers and their employees against certain types of claims. Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the County's previous commercial insurance programs.

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

In 1989, the County received a Certificate as a Qualified Self-Insurer from the Virginia Workers Compensation Commission. At that time, the County began to self-insure general government workers' compensation. The County has excess coverage limiting claims against the self-insurance fund to \$600,000. A reserve for pending claims and incurred but not reported claims has been accrued as a liability within the self-insurance fund as an estimate based on information received from the County's outside actuary, AON Hewitt Consulting.

In 1990, the School Board received a Certificate as a Qualified Self-Insurer from the Virginia Workers' Compensation Commission. At that time, the Schools began to self-insure statutory workers' compensation and employer's liability coverages. At the same time, the Schools purchased excess workers' compensation and employer's liability insurance from a commercial carrier. The excess insurance is currently provided through Virginia School Boards Association. It provides statutory coverage and limits individual claims against the self-insurance program with a specific retention level of \$400,000 per occurrence. A reserve for pending claims and incurred but not reported claims has been accrued as a liability within the self-insurance funds as an estimate based on information received from AON Hewitt Consulting. Workers' Compensation claims that arose from incidents occurring prior to the self-insured program are covered under the Schools' previous commercial insurance carrier.

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

	WORKERS' COMPENSATION		
	Primary Government	Component Unit - Schools	Total
Fiscal Year 2011			
Unpaid Claims Beginning of Fiscal Year	\$ 5,167,135	\$ 2,957,073	\$ 8,124,208
Incurred Claims (Including IBNR)	2,869,336	2,555,552	5,424,888
Claim Payments	(2,129,315)	(2,117,206)	(4,246,521)
Unpaid Claims End of Fiscal Year	\$ 5,907,156	\$ 3,395,419	\$ 9,302,575
Fiscal Year 2010			
Unpaid Claims Beginning of Fiscal Year	\$ 5,490,176	\$ 2,724,324	\$ 8,214,500
Incurred Claims (Including IBNR)	1,299,923	2,014,431	3,314,354
Claim Payments	(1,622,964)	(1,781,682)	(3,404,646)
Unpaid Claims End of Fiscal Year	\$ 5,167,135	\$ 2,957,073	\$ 8,124,208

On October 1, 1994, the County General Government and Component Unit - Schools began to self-insure health care for all eligible employees and retirees by contracting with providers for administrative services only. Services under these contracts include claims adjudication, disease management and lifestyle programs, and wellness initiatives. The Board of Supervisors and School Board have the authority to modify the provisions of the County and School's active and post-employment benefits program. Eligibility requirements were modified in September 2009 for both active employees and retirees. Eligible employees for the County General Government include regular full-time and part-time staff working twenty (20) or more hours per week, and long-term full-time temporary employees. Eligible employees for the Component Unit - Schools are regular staff working seventeen and one-half (17.5) or more hours per week. Group coverage for Medicare eligible retirees transitioned to a fully-insured Medicare Advantage program, through a CIGNA partnership with Humana, as of September 1, 2009 in an effort to mitigate costs for this group. Non-Medicare eligible retiree health care continues to be self-insured by the County. Eligible retirees include retirees who have ten (10) years of County employment and who immediately begin drawing a retirement annuity from the Virginia Retirement System. Employer contribution rates for County employees vary depending on budgeted hours. Employer contribution rates for retirees vary based on the type of retirement, years of service, plan type, and coverage level.

CIGNA Healthcare is contracted as the third-party administrator for the medical plans. The County and Schools offer two (2) medical plan options, a Point of Service (POS) Plan and an Open Access Plus (OAP) Plan. Additionally, the County offers a Consumer Driven Health Plan (CDHP) with Health Savings Account (HAS) or Health Reimbursement Arrangement (HRA). In-network services for the POS are covered at 100% with a \$15 office visit co-pay for Primary Care Physicians, and a \$30 office visit co-pay for Specialists. Participants may

choose to receive services out-of-network, subject to a \$500 deductible and 20% co-insurance. Services for the OAP are covered at 90% in-network co-insurance with a \$200 deductible, 70% out-of-network with a \$500 deductible. The CDHP option also provides both in and out-of-network benefits. The CDHP includes a \$1,500 deductible, 10% in-network coinsurance, and 30% out-of-network co-insurance along with an Employer HAS/HRA contribution. Medco Health Solutions is the third-party administrator for prescription drug benefits. Prescription drug coverage is included with all medical plans utilizing a three tier co-pay structure and mail-order option. Delta Dental of VA is the third-party administrator for dental benefits providing coverage for preventative, restorative, major services and orthodontia benefit utilizing a co-insurance structure. Restorative and major services are subject to a \$50 deductible. Davis Vision is the third-party administrator for routine vision care benefits utilizing a co-pay structure for exams and materials. The County and Schools have purchased specific stop loss insurance from Connecticut General Life Insurance Company (CIGNA) limiting claims against the self-insurance program to \$300,000 per occurrence for individual claims. The following table shows the amounts that have been accrued as a liability within the self-insurance fund based upon an estimate from the County's outside actuary, AON Hewitt Consulting.

	HEALTH INSURANCE		
	Primary Government	Component Unit - Schools	Total
Fiscal Year 2011			
Unpaid Claims Beginning of Fiscal Year	\$ 1,752,029	\$ 5,397,116	\$ 7,149,145
Incurred Claims (Including IBNR)	31,698,209	92,781,569	124,479,778
Claim Payments	(31,292,468)	(92,007,802)	(123,300,270)
Unpaid Claims End of Fiscal Year	\$ 2,157,770	\$ 6,170,883	\$ 8,328,653
Fiscal Year 2010			
Unpaid Claims Beginning of Fiscal Year	\$ 1,814,497	\$ 5,912,066	\$ 7,726,563
Incurred Claims (Including IBNR)	29,144,475	83,632,457	112,776,932
Claim Payments	(29,206,943)	(84,147,407)	(113,354,350)
Unpaid Claims End of Fiscal Year	\$ 1,752,029	\$ 5,397,116	\$ 7,149,145

The Board of Supervisors has the authority to modify the provisions of the County's active and post-employment benefits program. As of June 30, 2011, 340 retirees or individuals who qualify for disability retirement, met the eligibility requirements and are enrolled in the program. During fiscal year 2011, expenditures of \$2,823,081 were recorded for retirement health care benefits. These amounts are not accrued over the employees' time of service, but are expensed as incurred.

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

1. Plan Description

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

2. Funding Policy

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

The County participates in the Virginia Pooled OPEB Trust Fund, which was established as an investment vehicle for participating employers to accumulate assets to fund OPEB. Plan assets for purposes of GASB Statement No. 45 are usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, in which (a) contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer or plan administrator, for the payment of benefits in accordance with the terms of the plan. The Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League and the Virginia Association of Counties Finance Program, 1108 East Main Street, Richmond, Virginia 23219.

3. Annual OPEB Cost and Net OPEB Obligation

The County is required to contribute the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current employer contribution rates for the County and the Schools are 80.62 percent and 64.55 percent, respectively.

The Primary Government and the Component Unit – Schools' annual OPEB cost and the net OPEB obligation based on an estimated rate of 5.9% including an inflation component of 2.5%, and amortizing the initial unfunded actuarial liability over 30 years based on a level percent of payroll method on a closed basis for 2011 is as follows:

	Primary Government	Component Unit - Schools
Discount Rate	5.90%	5.90%
Annual Required Contribution (ARC)	\$ 9,858,000	\$ 29,468,000
Interest on Net OPEB Obligation	1,401,832	4,721,956
Adjustment to Annual Required Contribution	(1,113,500)	(3,750,734)
Annual OPEB Cost (expense)	\$ 10,146,332	\$ 30,439,222
Actual Contributions	(8,179,782)	(19,647,113)
Increase in net OPEB Obligation	1,966,550	10,792,109
Net OPEB Obligation, Beginning of Year	23,759,856	80,033,159
Net OPEB Obligation, End of Year	\$ 25,726,406	\$ 90,825,268
Actual Contribution Rate	80.62%	64.55%

The Primary Government and the Component Unit – School's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, the net OPEB Obligation for FY 2011 and the preceding fiscal year were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Contributed	Net OPEB Obligation
Primary Government			
7/1/2010	\$ 10,146,332	80.62%	\$ 25,726,406
7/1/2009	\$ 10,451,743	67.60%	\$ 23,759,856
7/1/2008	\$ 12,217,502	42.26%	\$ 20,373,495
Component Unit - Schools			
7/1/2010	\$ 30,439,222	64.55%	\$ 90,825,268
7/1/2009	\$ 31,542,472	47.54%	\$ 80,033,159
7/1/2008	\$ 34,628,926	32.56%	\$ 63,485,655

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

For the year ended June 30, 2011, the Primary Government and the Component Unit – Schools' OPEB funding progress are as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
Primary Government						
7/1/2009	\$ 3,061,877	\$ 125,234,991	\$ 122,173,114	2.44%	\$ 169,779,501	71.96%
7/1/2007	-	138,900,336	138,900,336	0.00%	149,394,123	92.98%
Component Unit - Schools						
7/1/2009	\$ 7,183,273	\$ 341,943,541	\$ 334,760,268	2.10%	\$ 433,438,915	77.23%
7/1/2007	-	348,055,997	348,055,997	0.00%	363,466,341	95.76%

The County implemented GASB 45 in FY 2008; therefore, six years of data is not available but will be accumulated over time. The most recent actuarial valuation was completed on July 1, 2009 and for the financial reporting purposes, the actuarial valuation will be performed at least biennially.

4. Actuarial Methods and Assumptions

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

The ARC for FY 2011 was determined as part of July 1, 2009 actuarial valuation using the Projected Unit Credit actuarial cost method. Under this method, benefits are projected for life and their present value is determined. The present value is divided into equal parts, which are earned over the period from date of hire to the full eligibility date.

Trend rate for medical benefits (including prescription drugs) for Pre-Medicare rates of 9 percent initially, reduced by decrements to an ultimate rate of 5 percent after eight years (9%, 8%, 7%, 6.5%, 6%, 5.5%, 5%) and Post Medicare rates of 7 percent initially, reduced by decrements to an ultimate rate of 5 percent after eight years (7%, 6.75%, 6.5%, 6.25%, 6%, 5.75%, 5.5%, 5.25%, 5%) including an inflation component of 2.5 percent.

NOTE XI - OPERATING LEASES

The County has various long-term non-cancelable operating lease agreements for property and equipment, which expire through fiscal year 2016. Total costs for such leases were \$9,519,069 for fiscal year 2011. 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, 2011. Non-cancelable operating leases include the following minimum annual rental payments as of June 30, 2011:

Fiscal Year	Primary Government
2012	\$ 7,509,708
2013	4,840,896
2014	1,903,118
2015	657,710
2016	98,425
Total	\$ 15,009,857

NOTE XII - CAPITAL LEASES

Capital leases for property and equipment include the following minimum annual lease payments as of June 30, 2011.

Fiscal Year	Primary Government	Component Unit-Schools
2012	\$ 18,364,541	\$ 8,927,277
2013	16,631,062	6,411,176
2014	16,626,901	3,795,008
2015	16,813,698	2,068,169
2016	15,671,491	-
2017-2021	70,671,492	-
2022-2026	38,113,025	-
2027-2031	24,942,398	-
Subtotal	\$ 217,834,608	\$ 21,201,630
Less: Amounts representing interest	(60,906,380)	(910,359)
Capital Lease Obligations	\$ 156,928,228	\$ 20,291,271

Capital leases payable as of June 30, 2011, are composed of the following individual items:

Date Issued	Final Maturity	Interest Rate	Issued Amount	Balance at June 30, 2011	Type of Project Financed (the assets acquired secured the related capital lease)
Primary Government					
06/17/03	Mar 2019	3.76%	\$ 21,530,000	\$ 9,005,000	Government Complex
12/16/03	Dec 2012	3.54%	3,726,000	823,228	Commuter Bus Lease
12/13/03	Dec 2023	4.20%	35,000,000	21,900,000	Public Safety Facilities
12/10/08	Oct 2028	4.69%	46,240,000	41,840,000	Public Safety Facilities
06/17/09	Oct 2019	2.97%	36,000,000	32,400,000	Capital Vehicles / Computer Equipment
11/19/09	Oct 2016	2.55%	7,745,000	6,635,000	Capital Vehicles / Computer Equipment
03/15/10	Feb 2030	3.43%	985,000	945,000	Public Safety Facilities
06/16/10	Oct 2030	3.84%	7,140,000	7,140,000	Landfill Facilities
06/28/11	May 2031	3.89%	36,240,000	36,240,000	Government Office Facilities
Total Primary Government			\$ 194,606,000	\$ 156,928,228	
Component Unit - Schools					
07/13/07	Jul 2011	3.92%	\$ 9,959,818	\$ 2,314,776	School Equipment
07/23/08	Jul 2012	3.36%	10,000,000	5,000,000	School Equipment
08/26/09	Aug 2013	2.58%	6,363,000	4,832,495	School Equipment
09/29/10	Sep 2014	1.59%	8,144,000	8,144,000	School Equipment
Total Component Unit - Schools			\$ 34,466,818	\$ 20,291,271	

Assets acquired under capital leases by major asset class for the Primary Government at June 30, 2011, are as follows:

Primary Government		
Major Asset Class	Issued Amount	Balance at June 30, 2011
Buildings	\$ 147,135,000	\$ 117,070,000
Computer Equipment	32,216,400	28,753,200
Vehicles	15,254,600	11,105,028
Total Primary Government	\$ 194,606,000	\$ 156,928,228

NOTE XIII – LONG TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Primary Government and Schools for the year ended June 30, 2011:

	Balance at June 30, 2010	Additions	Reductions	Balance at June 30, 2011	Amounts Due Within One Year
Primary Government					
Compensated Absences	\$ 21,350,935	\$ 1,840,979	\$ 1,203,858	\$ 21,988,056	\$ 901,510
Claims Payable	\$ 6,919,164	\$ 33,421,783	\$ 32,276,021	\$ 8,064,926	\$ 5,015,259
Landfill Closure and Postclosure Care	25,146,865	453,080	-	25,599,945	-
Other Post-Employment Benefits	23,759,856	1,966,550	-	25,726,406	-
General Obligation Bonds and Loans	1,004,330,000	53,510,000	82,995,000	974,845,000	82,835,000
Unamortized Bond Premium	48,200,727	7,827,179	6,239,852	49,788,054	6,446,468
Capital Leases	138,968,843	36,240,000	18,280,615	156,928,228	11,509,451
Total Primary Government	\$ 1,268,676,390	\$ 135,259,571	\$ 140,995,346	\$ 1,262,940,615	\$ 106,707,688
Component Unit - Schools					
Compensated Absences	\$ 16,959,005	\$ 2,848,884	\$ 1,198,788	\$ 18,609,101	\$ 1,558,424
Claims Payable	8,354,189	94,125,008	92,912,895	9,566,302	7,361,284
Other Post-Employment Benefits	80,033,159	10,792,109	-	90,825,268	-
Capital Leases	20,911,909	8,144,000	8,764,638	20,291,271	8,420,767
Total Component Unit-Schools	\$ 126,258,262	\$ 115,910,001	\$ 102,876,321	\$ 139,291,942	\$ 17,340,475

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

Bonds and loans payable as of June 30, 2011, are as follows:

General Obligation Bonds:

Balance at June 30, 2011

\$16,665,000 School Construction Bonds, Series 1994B, due in annual installments from \$710,000 to \$865,000 through 2013, interest from 6.10% to 6.30%. The proceeds of these bonds were used for new school construction as well as improvements in existing schools.	\$2,570,000
\$18,115,000 School Construction Bonds, Refunding Series 1994A, due in annual installments of \$225,000 to \$1,195,000 through 2011, interest from 5.5% to 8.6%. The proceeds of these bonds were used to refinance four bond issues from 1987, 1989, 1990, and 1991.	225,000
\$10,000,000 School Construction Bonds, Series 1997A, due in annual installments of \$500,000 through 2017, interest from 5.10% to 6.10%. The proceeds of these bonds were used for new school and technology construction.	3,500,000
\$39,770,000 Public Improvement Bonds, Series 1998A, due in annual installments of \$1,460,000 to \$2,965,000 through 2019, interest from 4.00% to 5.00%. The proceeds of these bonds were used to finance the acquisition, construction, renovation, and equipping of public schools in the County.	300,000
\$10,105,000 Public Improvement Bonds, Series 1998B, due in annual installments of \$30,000 to \$1,910,000 through 2016, interest from 4.00% to 5.25%. The proceeds of these bonds were used for the refunding of outstanding bonds originally issued in 1989, 1993, and 1996.	5,200,000
\$20,235,000 School Construction Bonds, Series 1999A, due in annual installments of \$1,010,000 to \$1,015,000 through 2020, interest from 4.10% to 5.23%. The proceeds of these bonds were used for new school and technology construction.	9,090,000
\$3,020,000 School Construction Bonds, Series 2000A, due in annual installments of \$150,000 to \$155,000 through 2021, interest from 5.10% to 6.35%. The proceeds of these bonds were used to finance the design, construction, and equipping of a gymnasium and addition to an existing elementary school in the County.	1,500,000

\$12,060,000 School Construction Bonds, Series 2001A, due in annual installments of \$600,000 to \$605,000 through 2021, interest from 4.10% to 5.60%. The proceeds of these bonds were used to finance the design, construction, and equipping of an elementary school in the County.	6,615,000
\$70,000,000 Public Improvement Bonds, Series 2001C, due in annual installments of \$3,010,000 to \$4,410,000 through 2021, interest from 3.25% to 5.25%. The proceeds of these bonds were used to finance the acquisition, construction, renovation, and equipping of public schools in the County, the County's fire and rescue training center, including the replacement of the burn building, two of the County's public safety centers and a County library.	3,010,000
\$90,625,000 Public Improvement Bonds, Series 2002A, due in annual installments of \$3,125,000 to \$5,925,000 through 2022, interest from 2.00% to 5.25%. \$74,000,000 of the proceeds of these bonds were used to finance the acquisition, construction, renovation, and equipping of public schools in the County and a public safety center in the County. \$16,625,000 of the proceeds of these bonds was used for the refunding of bonds originally issued in 1993, 1996 and 1999.	12,040,000
\$110,715,000 Public Improvement Bonds, Series 2003A, due in annual installments of \$4,985,000 to \$6,720,000 through 2022, interest from 3.00% to 5.00%. The proceeds of these bonds were used to finance the acquisition, construction, renovation, and equipping of public schools in the County, a fire/sheriff station, public libraries, and park and recreation facilities in the County.	19,590,000
\$14,075,000 Refunding Bonds, Series 2003B, due in annual installments of \$1,400,000 to \$2,535,000 through 2013, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1993.	1,630,000
\$111,000,000 Public Improvement Bonds, Series 2004A, due in annual installments of \$4,705,000 to \$7,120,000 through 2024, interest from 3.25% to 5.25%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, and equipping of public schools, a fire/sheriff station, public libraries, and park and recreation facilities in the County.	14,115,000
\$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.	46,550,000
\$158,085,000 Refunding Bonds, Series 2005A, due in annual installments of \$670,000 to \$21,610,000 through 2021, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1994, 1996, 1997, 1998, 1999, 2000, 2001, 2002, and 2003.	140,140,000
\$122,365,000 Public Improvement Bonds, Series 2005B, due in annual installments of \$4,935,000 to \$8,315,000 through 2025, interest from 2.627% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, and equipping of public schools, a fire/sheriff station, public libraries, and park and recreation facilities in the County.	47,805,000
\$60,000,000 Public Improvement Bonds, Series 2005C, due in annual installments of \$1,750,000 to \$3,700,000 through 2025, interest from 3.50% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, and equipping of public schools, fire/sheriff stations, a public library, and park and recreation facilities in the County.	28,665,000
\$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.	12,165,000
\$85,000,000 Public Improvement Bonds, Series 2006B, due in annual installments of \$3,805,000 to \$5,075,000 through 2025, interest from 4.25% to 5.00%. The proceeds of these bonds were used to finance the acquisition, construction, renovation, and equipping of public schools, fire/sheriff stations, and park and recreation facilities in the County.	36,795,000
\$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.	4,080,000
\$184,000,000 Public Improvement Bonds, Series 2007B, due in annual installments of \$8,675,000 to \$10,175,000 through 2026, interest from 4.50% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, and equipping of public schools, fire/sheriff stations, public facilities, and transportation projects in the County.	73,890,000
\$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.	11,060,000

\$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.	155,955,000
\$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.	129,040,000
\$89,120,000 Refunding Bonds, Series 2010A, due in annual installments of \$95,000 to \$20,075,000 through 2026, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1998, 2001, 2004, 2005, 2006, and 2007.	89,120,000
\$70,630,000 Public Improvement Bonds, Series 2010B, due in annual installments of \$3,310,000 to \$3,945,000 through 2029, interest from 3.00% to 5.25%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools and fire/sheriff stations in the County.	66,685,000
\$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.	<u>53,510,000</u>
Total General Obligation Bonds	<u>\$974,845,000</u>

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

Primary Government Debt Service		
Year Ending June 30	Principal	Interest
2012	\$ 82,835,000	\$ 44,529,879
2013	78,185,000	40,711,847
2014	78,400,000	37,082,363
2015	73,620,000	33,374,584
2016	72,505,000	29,807,751
2017-2021	320,030,000	100,238,636
2022-2026	210,125,000	36,501,354
2027-2031	59,145,000	4,588,550
Total General Obligations and Loans Payable	\$ 974,845,000	\$ 326,834,964

Debt Defeasance

The County defeases certain general obligation and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2011, \$392,195,000 of bonds outstanding are considered defeased. This amount includes \$7,495,000 of Lease Revenue Refunding Bonds which the County advanced defeased on February 25, 2011, for a net present value savings of \$611,900. There were no refundings completed in the year ended June 30, 2011.

NOTE XIV - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the County to place a final cover on its Woods Road landfill site, as well as other sites opened in the future when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care cost will be paid only near or after the date that the landfill stops accepting waste, GAAP requires that the County record a portion of these closure and postclosure care costs as a long-term liability in each period based on landfill capacity used as of each fiscal year end. The \$25,599,945 liability for landfill closure and postclosure care cost at June 30, 2011 represents the estimated liability based on the usage of 83.9% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care in the amount of \$4,720,609 as the remaining estimated capacity is used. The estimated remaining life of the Loudoun County Landfill Disposal Unit is 2.1 years. Construction was recently completed on the Woods Road Disposal Unit and it is anticipated that filling will occur in the spring of 2012. The liability accrued at June 30, 2011 is based on what it would cost to perform all closure and postclosure care in 2011. Actual cost may differ from this estimate due to inflation, changes in technology or changes in regulation.

NOTE XV – CONTINGENT LIABILITIES

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

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

NOTE XVI- DEFERRED COMPENSATION PLAN

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

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

NOTE XVII - RETIREMENT PLANS

(A) DEFINED BENEFIT PENSION PLAN

1. Plan Description

Name of Plan:	Virginia Retirement System (VRS)
Identification of Plan:	Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Administering Entity:	Virginia Retirement System (VRS)

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

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

2. Funding Policy and Status

Employees are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution has been assumed both by the County and the School Board for their respective employees. If an employee leaves covered employment, the accumulated contributions plus interest earned may be refunded to the employee. Each participating employer is required by State statute to contribute the remaining amounts necessary to fund the System using the actuarial basis specified by the Code of Virginia (1950), as amended, and approved by the VRS Board of Trustees. State statute may be amended only by the Commonwealth of Virginia Legislature. Contributions made by the Primary Government and the Component Unit – Schools for their employees other than professional employees of the Schools represent 8.61% and 7.22%, respectively, of covered payroll for the fiscal year, while employee contributions represent 5%. Total contributions made by the Schools to the VRS Statewide teacher cost-sharing pool for professional employees of the Schools for the three fiscal years 2009, 2010, and 2011 were \$56,885,307, \$46,418,753, and \$37,095,872 respectively, and represented 14.99%, 12.01%, and 9.56% of the covered payroll, respectively.

For the year ended June 2011, the Primary Government and the Component Unit – Schools funding progress are as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
Primary Government						
6/30/2010	\$ 341,931,123	\$ 428,606,129	\$ 86,675,006	79.78%	\$ 158,703,678	54.61%
Component Unit - Schools						
6/30/2010	\$ 74,726,828	\$ 94,531,489	\$ 19,804,661	79.05%	\$ 48,480,310	40.85%

3. Annual Pension Cost

For 2011, the Primary Government and Component Unit-Schools' annual pension cost of \$21,613,590 and \$5,936,049 respectively, was equal to the Primary Government and Component Unit-Schools' required and actual contributions. The required contribution was determined as part of the June 30, 2010 actuarial valuation using the entry age normal actuarial cost method. The amortization method used is a level percent, open method with an amortization period of 20 years. The actuarial assumptions included (a) 7.00% investment rate of return, (b) projected salary increases of 3.50% to 5.60% per year, and (c) 2.50% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.50%. The actuarial value of the Primary Government and Component Unit-Schools' assets is equal to the modified market value of assets. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period.

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

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

(B) VOLUNTEER FIRE AND RESCUE RETIREMENT SYSTEM

1. Plan Description

The Primary Government is the administrator of a noncontributory, single employer, defined benefit Length of Service Retirement Plan (the Plan). The Plan covers voluntary fire and rescue service members, who are not Primary Government employees, but who serve voluntarily with one of the Primary Government's volunteer fire and rescue companies. The Plan provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of credited service. Members who retire at or after age 55 with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to \$12 per month for each year of credited service earned after November 1, 2003 with a maximum benefit of \$300 per month, \$10 per month for each year of credited service earned prior to November 1, 2003, with a maximum benefit of \$250 per month. The Plan has a total of 1,678 members; no member is in retirement status, 470 are former members with vested benefits, resulting in 1,208 active Plan participants for the year. The Loudoun County Board of Supervisors maintains the authority to establish and amend the benefit provisions of the Plan. On June 30, 2011, the plan's assets were invested in certificates of deposit earning .35% interest and in the Local Government Investment Pool paying .11%. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan does not issue a stand alone financial report. All required statements and disclosures are contained in these financial statements, (see also Required Supplemental Information and Other Supplemental Information / Fiduciary Funds).

2. Funding Status and Progress

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

For the year ended June 30, 2011, the funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2011	\$ 12,672,374	\$ 14,459,192	\$ 1,786,818	87.64%	N/A	N/A

3. Annual Pension Cost

The Primary Governments' contributions to the Plan of \$787,679 were equal to the annual required contribution and annual pension cost for each year. The annual and required contribution was determined through a June 30, 2011 actuarial valuation using the Attained Age Normal Frozen Initial Liability cost method. The amortization method used is a fifteen year, level dollar method. The actuarial assumptions included 5.5% investment rate of return. The actuarial value of assets is equal to the fair market value of the assets.

Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2011	\$ 787,679	100%	\$ -
June 30, 2010	\$ 765,362	100%	\$ -
June 30, 2009	\$ 682,708	100%	\$ -

4. Financial Statements

Statement of Net Assets		Statement of Changes in Pension Trust Net Assets	
Assets		Contributions - Employer	\$ 765,362
Cash and Cash Equivalents	\$ 13,250,214	Interest	1,218,254
Accounts Receivable	6,012	Less: Benefits	(608,133)
Total Assets	13,256,226	Administration Expense	(8,000)
		Change in Net Assets	1,367,483
		Net Assets at Beginning of Year	11,888,743
Net Assets Held in Trust	\$ 13,256,226	Net Assets at End of Year	\$ 13,256,226

NOTE XVIII - DEFERRED REVENUE

Deferred revenue, representing taxes not yet due of \$406,101,877, uncollected delinquent tax billings of \$7,566,160, business license tax billings of \$1,124,879, grants of \$6,278,807 not available for funding of current expenditures, and miscellaneous revenue of \$1,809,153 totaled \$422,880,876 for both Primary Government and Schools as of June 30, 2011. Certain uncollected business license tax billings, that are reflected as delinquent tax receivables, are being disputed and may not be collected. The miscellaneous revenue amount includes other local taxes, charges for services, donations, and miscellaneous recoveries.

Property taxes deferred as a result of land use assessments and tax relief for the elderly and handicapped are not reflected in the financial statements since collection is contingent upon occurrence of certain events prescribed by statute. These contingent amounts represent approximately \$52.1 million at June 30, 2011.

NOTE XIX - EXCESS EXPENDITURES OVER APPROPRIATIONS

Route 28 Special Improvements Fund expenditures for fiscal year 2011 were \$9,310,474 which exceeded its legal budget of \$8,670,172 by \$640,302. The taxes collected or revenue in this fund also exceeded its legal budget. The taxes collected in this fund are remitted to the Commonwealth of Virginia and, therefore, additional collections result in additional remittances or expenses.

Hamilton Sewer Service District Fund expenditures for fiscal year 2011 were \$197,981 which exceeded its legal budget of \$196,000 by \$1,981. Revenues collected in excess of the budget were \$1,999 and, therefore, the expenditures were increased.

Dulles Industrial Park Water and Sewer Fund expenditures for fiscal year 2011 were \$223,625 which exceeded its legal budget of \$217,000 by \$6,625. Construction for the project accelerated and the additional expenditures will be offset by fiscal year 2011 revenue.

Public Facilities Fund expenditures for fiscal year 2011 were \$18,539,578 which exceeded its legal budget of \$17,383,543 by \$1,156,035. The additional expenditures were covered by the use of fund balance.

Transportation District Fund expenditures for fiscal year 2011 were \$8,318,037 which exceeded its legal budget of \$6,041,761 by \$2,276,276. Local gasoline taxes collected are remitted to the Northern Virginia Transportation Commission where they are held in escrow and transferred to the County as revenue upon request to be allocated toward specific transportation projects. Construction on transportation projects accelerated and the additional expenditures were covered by the use of fund balance.

NOTE XX – FUND BALANCE CLASSIFICATION

In accordance with the Board of Supervisors' adopted Fiscal Policy, committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors, and encumbrances for contractual obligations for which existing resources have been committed for use in satisfying those contractual requirements. Assigned fund balance includes amounts that reflect an intended or planned use of fund balance for a specific purpose as identified by the County Administrator or his designee, and encumbered amounts for specific purposes which have not been restricted or committed.

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

The committed portion of Unrestricted Fund Balance at the close of each fiscal year shall be equal to no less than 10% of operating revenues of the General Fund. This portion of Unrestricted Fund Balance is not maintained for funding recurring expenditures during the normal business cycle.

Specific purpose details for fund balance classifications displayed in the aggregate for governmental funds are as follows:

<u>FY 2011</u>	General	Capital Projects	Debt Service	Other Governmental	Total Governmental Funds
Nonspendable:					
Notes and Loans	\$ 2,298,099	\$ -	\$ -	\$ 684,435	\$ 2,982,534
Prepays	1,187,188	102,570	-	668,422	1,958,180
Subtotal Nonspendable	\$ 3,485,287	\$ 102,570	\$ -	\$ 1,352,857	\$ 4,940,714
Restricted for:					
Alterations to General Government Buildings	\$ -	\$ 4,967,020	\$ -	\$ 857,633	\$ 5,824,653
Fire / Sheriff Stations Construction	-	41,539,164	-	6,852,764	48,391,928
Radio Communications System	-	-	-	4,999,721	4,999,721
Road, Transportation, Pedestrian	-	32,779,415	-	45,942,304	78,721,719
Health and Welfare Programs	587,920	875,676	-	1,003,912	2,467,508
Housing Assistance Programs	-	-	-	10,990,265	10,990,265
Library Improvements, Materials, Equipment	-	-	-	4,600,569	4,600,569
Park, Recreation Center, and Library Construction	-	26,164,092	-	27,118,659	53,282,751
Community Development / Transit	-	3,118,847	-	31,617,692	34,736,539
School Land Acquisition	-	23,504,200	-	1,279,685	24,783,885
Subtotal Restricted	\$ 587,920	\$ 132,948,414	\$ -	\$ 135,263,204	\$ 268,799,538
Committed to:					
Fiscal Reserve	\$ 106,506,231	\$ -	\$ -	\$ 302,676	\$ 106,808,907
Fire / Rescue Revolving Loans	3,171,280	-	-	-	3,171,280
Use of Fund Balance - FY12	13,500,000	-	10,554,714	-	24,054,714
Computer System Replacements / Upgrades	1,068,190	-	-	2,968,724	4,036,914
ERP Project / Initiatives	-	28,846,837	-	-	28,846,837
Courts Complex Improvements	175,039	465,751	-	178,240	819,030
Fire & Rescue Apparatus / Stations	683,599	7,961,232	-	-	8,644,831
County Facilities Repairs / Improvements	1,107,912	-	-	1,805,475	2,913,387
Road and Landfill Construction	-	14,785,611	-	-	14,785,611
Health and Welfare Programs	660,678	1,546,426	-	26,912	2,234,016
CSA At Risk Youth	-	-	-	4,779,706	4,779,706
Park and Library Improvement	422,063	2,685,014	-	259,112	3,366,189
Community Development / Transit	301,379	1,636,243	-	605,804	2,543,426
County / School Land Acquisitions	-	36,382,978	-	-	36,382,978
Subtotal Committed	\$ 127,596,371	\$ 94,310,092	\$ 10,554,714	\$ 10,926,649	\$ 243,387,826
Assigned to:					
Debt Service	\$ -	\$ -	\$ 9,328,582	\$ -	\$ 9,328,582
Other Purposes	3,089,893	985,609	-	33,756	4,109,258
Subtotal Assigned	\$ 3,089,893	\$ 985,609	\$ 9,328,582	\$ 33,756	\$ 13,437,840
Unassigned	\$ 61,501,286	\$ -	\$ -	\$ -	\$ 61,501,286
Subtotal Unassigned	\$ 61,501,286	\$ -	\$ -	\$ -	\$ 61,501,286
Total Fund Balance	\$ 196,260,757	\$ 228,346,685	\$ 19,883,296	\$ 147,576,466	\$ 592,067,204

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 \$183,795,000 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, 2011, the outstanding principal balance on the bonds is \$179,345,000. The Board of Supervisors of Loudoun and Fairfax Counties have agreed to equally support any shortfalls in annual debt service payments arising from a shortage of District tax revenues.

NOTE XXII – SUBSEQUENT EVENTS

On October 11, 2011, the Board of Supervisors authorized the issuance of qualified school construction bonds through the Virginia Public School Authority in an amount not to exceed \$5,000,000. The bond sale is scheduled for November 30, 2011 with closing to follow on December 15th.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED June 30, 2011

	Budgeted Amounts		Actual Amount	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Resources (Inflows)				
General Property Taxes	\$ 746,514,800	\$ 746,514,800	\$ 799,217,535	\$ 52,702,735
Other Local Taxes	106,116,500	106,116,500	116,954,802	10,838,302
Permits and Licenses	13,415,532	13,480,712	14,444,622	963,910
Fines and Forfeitures	2,898,946	3,241,946	2,705,771	(536,175)
Use of Money and Property	3,090,202	3,092,013	4,030,921	938,908
Charges for Services	26,138,682	28,309,246	27,441,570	(867,676)
Gifts and Donations and Miscellaneous	369,694	465,422	602,830	137,408
Sales of Capital Assets	-	-	300	300
Recovered Costs	7,385,446	6,667,447	8,637,503	1,970,056
Intergovernmental - Commonwealth	80,709,202	80,510,541	79,646,874	(863,667)
Intergovernmental - Federal	8,713,442	12,661,289	11,379,575	(1,281,714)
Transfers from Other Funds	8,037,349	7,597,823	7,554,976	(42,847)
Amounts Available for Appropriation	1,003,389,795	1,008,657,739	1,072,617,279	63,959,540
Charges to Appropriations (Outflows)				
General Government Administration	54,035,641	66,513,246	57,425,608	9,087,638
Judicial Administration	12,231,383	12,344,437	11,696,133	648,304
Public Safety	138,932,322	143,332,210	136,650,892	6,681,318
Public Works	19,250,732	22,652,479	20,265,220	2,387,259
Health and Welfare	66,789,454	67,196,786	63,532,700	3,664,086
Parks, Recreation and Culture	44,185,585	43,665,255	40,421,620	3,243,635
Community Development	33,209,819	34,067,547	32,514,583	1,552,964
Education	470,017,026	474,947,026	474,933,826	13,200
Transfers to Other Funds	160,624,549	226,765,540	226,003,438	762,102
Total Charges to Appropriations	999,276,511	1,091,484,526	1,063,444,020	28,040,506
Excess (Deficiency) of Resources Over				
Charges to Appropriations	4,113,284	(82,826,787)	9,173,259	92,000,046
Fund Balance at Beginning of Year	187,087,498	187,087,498	187,087,498	-
Fund Balance at End of Year	\$ 191,200,782	\$ 104,260,711	\$ 196,260,757	\$ 92,000,046

**COUNTY OF LOUDOUN, VIRGINIA
NOTES TO BUDGETARY COMPARISON SCHEDULE
June 30, 2011**

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

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

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

SCHEDULE OF FUNDING PROGRESS (Unaudited)

		(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) / (2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((2)-(1)) / (5)
Volunteer Fire and Rescue Retirement System	6/30/2011	\$ 13,250,214	\$ 15,037,032	\$ 1,786,818	88.12%	N/A	N/A
	6/30/2010	11,888,743	13,377,690	1,488,947	88.87%	N/A	N/A
	6/30/2009	11,777,673	13,294,146	1,516,473	88.59%	N/A	N/A
	6/30/2008	11,144,542	12,672,783	1,528,241	87.94%	N/A	N/A
	6/30/2007	10,656,000	12,194,000	1,538,000	87.39%	N/A	N/A
	6/30/2006	9,989,000	11,564,000	1,575,000	86.38%	N/A	N/A
Virginia Retirement System	6/30/2010	\$ 341,931,123	\$ 428,606,129	\$ 86,675,006	79.78%	\$ 158,703,678	54.61%
	6/30/2009	322,065,671	373,413,874	51,348,203	86.25%	161,618,250	31.77%
	6/30/2008	295,576,688	337,607,414	42,030,726	87.55%	156,489,621	26.86%
	6/30/2007	253,575,699	294,255,264	40,679,565	86.18%	146,302,017	27.81%
	6/30/2006	213,516,765	259,948,057	46,431,292	82.14%	129,870,022	35.75%
	6/30/2005	189,121,817	230,592,017	41,470,200	82.02%	112,873,446	36.74%

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

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

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

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited):

Virginia Retirement System General Employees			Volunteer Fire and Rescue Retirement System Volunteer Firefighters		
Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
6/30/2011	\$ 21,613,590	100%	6/30/2011	\$ 787,679	100%
6/30/2010	20,996,618	100%	6/30/2010	765,362	100%
6/30/2009	21,253,078	100%	6/30/2009	682,708	100%
6/30/2008	20,550,113	100%	6/30/2008	701,629	100%
6/30/2007	18,827,144	100%	6/30/2007	719,556	100%
6/30/2006	15,721,494	100%	6/30/2006	664,950	100%

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

SCHEDULE OF FUNDING PROGRESS (Unaudited)

		(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL (2) - (1))	Funded Ratio (1) / (2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((2)-(1)) / (5)
School Board:	6/30/2010	\$ 74,726,828	\$ 94,531,489	\$ 19,804,661	79.05%	\$ 48,480,310	40.85%
Virginia Retirement	6/30/2009	68,868,858	81,632,764	12,763,906	84.36%	48,957,722	26.07%
System	6/30/2008	61,201,052	74,069,781	12,868,729	82.63%	46,124,197	27.90%
	6/30/2007	51,844,053	63,623,595	11,779,542	81.49%	40,851,082	28.84%
	6/30/2006	43,303,297	53,516,255	10,212,958	80.92%	36,143,816	28.26%
	6/30/2005	37,762,238	46,094,763	8,332,525	81.92%	30,433,893	27.38%

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

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

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

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS (Unaudited)

Virginia Retirement System School Board		
Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
6/30/2011	\$ 5,936,049	100%
6/30/2010	6,324,055	100%
6/30/2009	6,378,248	100%
6/30/2008	5,516,232	100%
6/30/2007	4,929,999	100%
6/30/2006	4,321,644	100%

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

		(1)	(2)	(3)	(4)	(5)	(6)
	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) / (2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((2)-(1)) / (5)
Primary Government	07/01/2009	\$ 3,061,877	\$ 125,234,991	\$ 122,173,114	2.44%	\$ 169,779,501	71.96%
	07/01/2007	-	138,900,336	138,900,336	0.00%	149,394,123	92.98%
Component Unit	07/01/2009	\$ 7,183,273	\$ 341,943,541	\$ 334,760,268	2.10%	\$ 433,438,915	77.23%
	07/01/2007	-	348,055,997	348,055,997	0.00%	363,466,341	95.76%

The County began implementing GASB 45 in Fiscal Year 2008; therefore, six years of data is not yet available, but will be accumulated over time. This valuation has been calculated using the Projected Unit Credit Actuarial Cost Method, discount rates of 4.0%, and the initial unfunded actuarial liability is amortized over 30 years based on a level percent of payroll method. Under this method, benefits are projected for life and their present value is determined. The present value is divided into equal parts, which are earned over the period from date of hire to the full eligibility date. Please refer to Note X in the Notes to the Financial Statements section for more information.



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OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

General Fund

General Fund (100)- This fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Amounts for 2010)

	2011		2010	
	Final Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
From local sources:				
<u>General property taxes:</u>				
Real property taxes	\$ 634,416,000	\$ 663,226,629	\$ 28,810,629	\$ 651,760,593
Real and personal public service corporation property taxes	19,118,000	22,269,350	3,151,350	18,898,112
Personal property taxes	87,067,800	107,109,666	20,041,866	91,382,900
Machinery and tools taxes	1,125,000	1,099,851	(25,149)	1,095,497
Penalties and interest	4,788,000	5,512,039	724,039	4,893,389
Total general property taxes	746,514,800	799,217,535	52,702,735	768,030,491
<u>Other local taxes:</u>				
Local sales and use taxes	47,000,000	53,832,926	6,832,926	49,729,614
Consumer utility taxes	20,352,000	20,236,914	(115,086)	20,087,509
Business license taxes	23,795,500	25,355,444	1,559,944	23,076,923
Motor vehicle licenses	5,300,000	5,663,926	363,926	5,486,343
Bank franchise taxes	450,000	2,015,493	1,565,493	1,098,270
Taxes on recordation and wills	7,183,000	7,832,258	649,258	7,320,637
Hotel and motel room taxes	2,036,000	2,017,841	(18,159)	1,899,553
Total other local taxes	106,116,500	116,954,802	10,838,302	108,698,849
<u>Permits, privilege fees and regulatory licenses:</u>				
Animal licenses	205,863	382,385	176,522	300,752
Permits and other licenses	13,274,849	14,062,237	787,388	10,490,903
Total permits, privilege fees and regulatory licenses	13,480,712	14,444,622	963,910	10,791,655
<u>Fines and forfeitures:</u>				
Fines and forfeitures	3,241,946	2,705,771	(536,175)	2,539,918
Total fines and forfeitures	3,241,946	2,705,771	(536,175)	2,539,918
<u>Revenue from use of money and property:</u>				
Revenue from use of money	1,602,546	1,833,866	231,320	2,356,009
Revenue from use of property	1,489,467	2,197,055	707,588	1,210,332
Total revenue from use of money and property	3,092,013	4,030,921	938,908	3,566,341
<u>Charges for services:</u>				
Boards, Commissions and Committees	-	899	899	1,102
County Administrator	-	138	138	4
Public Information	-	-	-	48
County Attorney	600	875	275	600
County Assessor	3,100	4,264	1,164	3,471
Treasurer	225,000	449,600	224,600	249,166
Commissioner of the Revenue	45,000	68,668	23,668	66,423
Clerk of the Circuit Court	845,000	814,076	(30,924)	895,483
Commonwealth's Attorney	-	6,026	6,026	3,511
Sheriff's Office	549,050	678,591	129,541	682,077
Management and Financial Services	-	(15)	(15)	253
General Services	2,790	(832)	(3,622)	3,533
Building and Development	60,659	68,406	7,747	46,724
Fire, Rescue and Emergency Management	-	1,247	1,247	1,017
Planning	2,500	230	(2,270)	1,607
Construction and Waste Management	2,645,819	2,785,794	139,975	2,658,550
Mapping and Geographic Information	25,600	24,283	(1,317)	25,499
Animal Services	104,900	68,740	(36,160)	64,699
Health Services	7,300	4,061	(3,239)	3,756
Transportation Services	6,893,452	6,893,452	-	5,644,432
Library	4,658	5,508	850	5,614
Community Court Services	73,350	19,500	(53,850)	-
Mental Health, Substance Abuse and Development Svcs	769,243	680,924	(88,319)	652,083
Parks, Recreation and Community Services	16,051,225	14,867,135	(1,184,090)	13,729,589
Total charges for services	28,309,246	27,441,570	(867,676)	24,739,241

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Amounts for 2010)

	2011		2010	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<u>Miscellaneous revenue:</u>				
Gifts and donations	124,394	149,585	25,191	237,778
Miscellaneous revenue	341,028	453,245	112,217	368,628
Sales of capital assets	-	300	300	4,014
Total miscellaneous revenue	465,422	603,130	137,708	610,420
<u>Recovered costs:</u>				
Recovered costs	6,667,447	8,637,503	1,970,056	8,528,735
Total recovered costs	6,667,447	8,637,503	1,970,056	8,528,735
Total from local sources	907,888,086	974,035,854	66,147,768	927,505,650
From the Commonwealth:				
<u>Non-categorical aid:</u>				
Motor vehicle carrier's taxes	4,000	5,865	1,865	2,785
Mobile home titling taxes	-	2,555	2,555	4,938
Taxes on deeds	2,230,000	1,962,608	(267,392)	1,969,328
Motor vehicle sales and use taxes	6,000,000	6,473,006	473,006	5,670,326
Reimbursement of personal property tax	48,071,000	48,070,701	(299)	48,070,701
State revenue reductions	(1,134,433)	(1,134,433)	-	(988,740)
Total non-categorical aid	55,170,567	55,380,302	209,735	54,729,338
<u>Shared expenses:</u>				
Commonwealth's Attorney	733,000	786,470	53,470	771,848
Sheriff's Office	10,851,984	10,188,194	(663,790)	1,386,299
Commissioner of Revenue	313,693	320,314	6,621	339,830
Treasurer	305,449	313,568	8,119	344,805
General Registrar	82,987	73,297	(9,690)	82,186
Electoral boards	15,972	13,229	(2,743)	15,222
Clerk of the Circuit Court	954,847	984,107	29,260	995,296
Technology Trust Fund	-	190,500	190,500	-
Total shared expenses	13,257,932	12,869,679	(388,253)	3,935,486
<u>Categorical aid:</u>				
Welfare/Family Services:				
Parks, Recreation and Community Services:				
Local services to elderly	18,663	18,163	(500)	19,663
Community based services	32,103	30,923	(1,180)	32,103
Nutritional services	37,724	37,724	-	37,835
Fan care	220	750	530	369
Total Parks, Recreation and Community Services	88,710	87,560	(1,150)	89,970
Family Services:				
State and local hospital	-	(1,272)	(1,272)	26,408
General relief assistance	88,302	169,869	81,567	81,146
Foster care assistance	132,551	125,258	(7,293)	106,712
Supplemental to the aged, blind and disabled	20,365	13,142	(7,223)	14,837
General administration	-	9,400	9,400	15,100
Fuel assistance	10,183	3,341	(6,842)	5,455
Child health insurance program	926	926	-	168
Juvenile accountability incentive	287,350	228,772	(58,578)	261,000
Food stamp program	308,890	193,598	(115,292)	183,863
Temporary assistance to needy families	277,695	194,788	(82,907)	216,692
Foster care assistance	93,880	204,279	110,399	332,100
Discretionary grants	987,792	780,823	(206,969)	961,159
Child care and development	83,570	96,000	12,430	77,718
Family prevention and support services	186,595	183,768	(2,827)	108,989
Adoption assistance	2,522	2,635	113	2,081
Independent living	236,437	142,700	(93,737)	142,783
Medicaid assistance	-	1,148	1,148	4,549
Detention study	2,447	1,783	(664)	1,954
Chafee education and training	-	350	350	-
Child welfare services	-	350	350	-

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Amounts for 2010)

	2011		2010	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Respite care for foster families	2,202	3,240	1,038	7,167
Total Family Services	2,721,707	2,354,548	(367,159)	2,549,881
Total Welfare/Family Services	2,810,417	2,442,108	(368,309)	2,639,851
Parks, Recreation and Community Services:				
Regional Organizations				
Outdoor recreation	5,000	5,000	-	5,000
Total Regional Organization	5,000	5,000	-	5,000
Total Parks, Recreation and Community Services	5,000	5,000	-	5,000
Education:				
Non-departmental:				
Lottery proceeds for education	-	-	-	2,231,471
Total Education	-	-	-	2,231,471
Total categorical aid	2,815,417	2,447,108	(368,309)	4,876,322
<u>Other categorical aid:</u>				
Boards, Commissions and Committees				
Civil war calvary battles	-	-	-	21,920
Total Boards, Commissions and Committees	-	-	-	21,920
Clerk of Circuit Court:				
Item conservation	10,983	10,983	-	11,712
Total Clerk of Circuit Court	10,983	10,983	-	11,712
Commonwealth's Attorney:				
Virginia domestic violence victim fund	77,134	37,134	(40,000)	40,000
Total Commonwealth's Attorney	77,134	37,134	(40,000)	40,000
Sheriff's Office:				
Triad crime prevention for seniors	-	-	-	1,920
Public emergency assistance	-	-	-	3,501
Total Sheriff's Office	-	-	-	5,421
Fire and Rescue:				
EMS motor vehicle registration	245,707	241,907	(3,800)	-
Fire programs	232,963	-	(232,963)	634,425
Virginia fire program mini grant	10,000	10,000	-	-
Public emergency assistance	-	-	-	42,437
OEMS consolidated grants	135,050	133,019	(2,031)	63,782
Total Fire and Rescue	623,720	384,926	(238,794)	740,644
Construction and Waste Management				
Litter control	46,962	46,962	-	48,807
Total Office of Solid Waste Management	46,962	46,962	-	48,807
Transportation Services:				
Highway safety	296,136	276,136	(20,000)	270,981
Park and ride assistance	71,015	-	(71,015)	68,985
State formula assistance	1,127,106	1,127,106	-	1,030,926
State capital assistance	184,694	414,507	229,813	206,530
Public transportation and ridesharing	796,158	796,157	(1)	188,954
State capital lease assistance	229,813	-	(229,813)	303,527
Total Transportation Services	2,704,922	2,613,906	(91,016)	2,069,903
Library:				
Public libraries	189,710	189,710	-	213,123
Total library	189,710	189,710	-	213,123
Community Corrections:				
Administration of justice services	650,568	622,437	(28,131)	626,345
Total Community Corrections	650,568	622,437	(28,131)	626,345

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Amounts for 2010)

	2011		2010	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Mental Health, Substance Abuse and Development Svcs:				
Community residential services	30,000	49,491	19,491	59,969
MH Pharmacy	48,112	48,112	-	21,781
RDAP medication management	3,579	3,579	-	-
DBH reimbursement	-	-	-	973
Mental health law reform	187,325	419,365	232,040	321,927
Wounded warrior	309,687	309,687	-	304,747
Alcohol abuse services	516,151	516,151	-	565,210
Mental health services	900,764	900,764	-	900,764
Mental retardation services	216,467	216,467	-	244,014
Mental health transformation	306,366	74,326	(232,040)	210,675
MR family support	39,890	39,890	-	49,362
NGRI	5,000	5,000	-	-
MH juvenile detention	64,667	64,667	-	-
DVS children's family support	14,923	14,923	-	-
SA SARPOS	49,059	49,059	-	-
Children's mental health	75,000	75,000	-	-
Discharge assistance project	253,039	253,039	-	253,039
Early intervention	80,202	80,202	-	86,889
Children and adolescents with SED	195,470	195,470	-	275,256
Virginia tobacco settlement foundation	37,252	25,323	(11,929)	22,839
Mental health state children services	25,000	25,000	-	25,000
Mental health aftercare	115,500	115,500	-	115,500
Regional discharge assistance project	242,146	310,146	68,000	355,883
Governors youth community service	-	-	-	4,275
Regional community recovery funding	211,256	142,504	(68,752)	-
Total Mental Health, Substance Abuse and Developn	3,926,855	3,933,665	6,810	3,818,103
Parks, Recreation and Community Services:				
Care coordination program	42,750	42,750	-	47,500
Total Parks, Recreation and Community Services	42,750	42,750	-	47,500
Family Services:				
JDC block grant	595,564	642,114	46,550	642,510
Juvenile confinement	144,797	144,797	-	188,607
VITA-Earned income tax credit	-	-	-	7,602
Homeless intervention programs	229,631	229,613	(18)	199,460
Share shelter support	23,029	50,788	27,759	221,566
Total Family Services	993,021	1,067,312	74,291	1,259,745
Total other categorical aid	9,266,625	8,949,785	(316,840)	8,903,223
Total from the Commonwealth	80,510,541	79,646,874	(863,667)	72,444,369
From the Federal government:				
Payments in lieu of taxes:				
Non-departmental:				
Federally owned entitlement lands	1,800	2,975	1,175	2,909
Total payments in lieu of taxes	1,800	2,975	1,175	2,909
Categorical aid:				
Welfare/Family Services:				
Parks, Recreation and Community Services:				
Programs for the aging-Title III-F	5,413	6,851	1,438	6,851
Programs for the aging-Title III-C	97,098	97,098	-	103,486
Programs for the aging-Title III-B	75,828	78,197	2,369	77,133
Demonstrations VICAP	32,890	31,933	(957)	22,451
Retired seniors' volunteer program	30,410	30,410	-	29,524
Programs for the aging-Title IV	915	896	(19)	915
Total Parks, Recreation and Community Services	242,554	245,385	2,831	240,360
Family Services:				
Temporary assistance to needy families	525,397	724,239	198,842	923,861
Child health insurance program	31,352	19,108	(12,244)	26,569

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Amounts for 2010)

	2011		2010	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Juvenile accountability incentive	19,647	19,647	-	28,803
Child care for homeless children	2,570	-	(2,570)	-
Food stamp program	785,565	972,615	187,050	1,023,907
Refugee assistance	46,426	30,939	(15,487)	37,341
Foster care assistance	799,401	780,432	(18,969)	802,406
Child care assistance	1,295,393	1,145,748	(149,645)	1,077,885
Discretionary grants	126,732	339,429	212,697	272,430
Child care and development	1,260,079	960,775	(299,304)	1,093,993
Child welfare services	139,880	43,515	(96,365)	46,083
Adoption assistance	327,961	253,390	(74,571)	179,884
Independent living	10,084	13,412	3,328	11,676
Medicaid assistance	677,862	593,529	(84,333)	641,164
Family services block grant	16,162	6,807	(9,355)	5,112
Low-income home energy assistance	140	27,324	27,184	25,553
Chafee education and training	9,787	7,131	(2,656)	7,815
Child welfare services	-	2,761	2,761	-
Respite care for foster families	1,240	82	(1,158)	-
Total Family Services	6,075,678	5,940,883	(134,795)	6,204,482
Parks, Recreation & Community Services - Stimulus:				
ARRA aging home delivery meal nutrition service	-	-	-	5,705
ARRA aging congregation meal nutrition services	-	-	-	11,589
Total Parks, Recreation and Community Services	-	-	-	17,294
Family Services - Stimulus:				
ARRA child care and development block grant	70,975	118,670	47,695	182,813
ARRA foster care Title IV-E	-	9,386	9,386	16,737
ARRA adoption assistance	-	11,164	11,164	13,150
ARRA homeless prevention and rapid rehousing	147,471	147,471	-	165,152
ARRA SNAP	-	49,185	49,185	33,305
Total Family Services - Stimulus	218,446	335,876	117,430	411,157
Total Welfare/Family Services	6,536,678	6,522,144	(14,534)	6,873,293
Total categorical aid	6,536,678	6,522,144	(14,534)	6,873,293
<u>Other categorical aid:</u>				
Commonwealth's Attorney:				
V-stop	26,224	26,224	-	24,846
Total Commonwealth's Attorney	26,224	26,224	-	24,846
Sheriff's Office:				
Enhancing response to crime victims	26,904	34,778	7,874	67,597
HIDTA	-	7,500	7,500	6,875
Byrne discretionary grants	569,399	180,443	(388,956)	881,613
Drug Court Expansion	82,205	-	(82,205)	-
SHSP bomb squad program	223,116	223,116	-	-
Internet crimes against children task force program	3,964	3,964	-	6,036
SHSP license plate reader program	15,000	15,000	-	-
State criminal alien assistance	108,489	108,489	-	64,111
Public emergency assistance	-	-	-	23,874
Gang-free schools and community	-	-	-	(113)
Alcohol traffic safety	12,941	8,215	(4,726)	40,789
Targeting violent crime	-	-	-	368,144
Domestic violence grant	20,508	33,133	12,625	56,249
Edward Byrne memorial JAG	-	-	-	31,601
Supreme Court of Virginia drug treatment	-	-	-	580
Homeland security equipment	-	-	-	123,120
NCR Urban area security initiative	-	-	-	20,200
Total Sheriff's Office	1,062,526	614,638	(447,888)	1,690,676
Information Technology:				
PSCI grant	-	-	-	921,969
Total Information Technology	-	-	-	921,969

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Amounts for 2010)

	2011		2010	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Courts:				
HIDTA	30,439	30,439	-	91,520
Drug court discretionary grant	57,062	3,427	(53,635)	20,958
Drug court expansion	54,253	27,151	(27,102)	43,519
Total Courts	141,754	61,017	(80,737)	155,997
Building and Development:				
Chesapeake bay program	4,834	4,834	-	-
Water resources program	-	-	-	155,026
Total Building and Development	4,834	4,834	-	155,026
Fire and Rescue:				
FEMA - Emergency management preparedness	241	241	-	247
SHSP bomb squad program	861,707	602,199	(259,508)	276,113
Public emergency assistance	-	-	-	289,346
Homeland security grant program	235,436	155,746	(79,690)	1,717,248
Homeland security equipment	509,472	599,472	90,000	315,457
NCR urban area security initiative	48,843	-	(48,843)	48,843
Total Fire and Rescue	1,655,699	1,357,658	(298,041)	2,647,254
Animal Services:				
Homeland security equipment	-	-	-	51,396
Total Animal Services	-	-	-	51,396
Health Services:				
State homeland security program	1,668	1,374	(294)	10,959
Medical reserve corps	-	-	-	5,000
Total Health Services	1,668	1,374	(294)	15,959
Transportation Services:				
Highway planning and construction	140,254	35,253	(105,001)	34,586
Total Transportation Services	140,254	35,253	(105,001)	34,586
Library Services				
Promotion of the humanities	94	94	-	-
Total Library Services	94	94	-	-
Community Corrections:				
Drug court expansion	76,942	-	(76,942)	1,755
Domestic violence grant	151,322	51,696	(99,626)	76,034
Total Community Corrections	228,264	51,696	(176,568)	77,789
Mental Health, Substance Abuse and Development Svcs:				
Community development block grant	69,588	69,587	(1)	40,021
Public health and family services emergency fund	-	-	-	875
Prevention and treatment of drug abuse	455,662	393,343	(62,319)	400,542
HIDTA	56,348	56,191	(157)	222,733
Drug Court Expansion	88,561	-	(88,561)	-
Early intervention-substance abuse	-	-	-	268,784
Path	37,965	52,538	14,573	47,303
Community mental health services	12,358	12,358	-	13,506
FBG/POMS	23,176	23,176	-	24,601
Supreme Court of Virginia drug treatment	-	-	-	4,937
Total Mental Health, Substance Abuse and Dev. Svcs:	743,658	607,193	(136,465)	1,023,302
Parks, Recreation and Community Services:				
National family caregiver support	24,995	22,617	(2,378)	25,531
Highway planning and construction (SAFETEA-LU)	38,296	38,296	-	27,168
Nutrition program for the elderly	82,193	82,193	-	80,768
Aging services network community based	2,790	2,790	-	7,850
Total Parks, Recreation and Community Services	148,274	145,896	(2,378)	141,317

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Amounts for 2010)

	2011		2010	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Juvenile Court Services:				
Domestic violence grant	33,174	25,600	(7,574)	27,335
JJDP-Detention alternatives	-	-	-	4,362
Total Juvenile Court Services	33,174	25,600	(7,574)	31,697
Family Services:				
Food distribution services	25,000	26,577	1,577	23,968
Community development block grant	711,358	711,358	-	609,172
Housing-homeless	170,815	170,631	(184)	168,339
Neighborhood stabilization program	162,803	162,803	-	1,875,758
Share shelter support	51,522	40,000	(11,522)	17,833
Community services block grant	3,280	-	(3,280)	173,636
Housing counseling assistance	20,284	20,284	-	683
Total Family Services	1,145,062	1,131,653	(13,409)	2,869,389
<u>Other categorical aid: Stimulus</u>				
Commonwealth's Attorney:				
ARRA violence against women	31,625	31,625	-	34,039
Total Commonwealth's Attorney	31,625	31,625	-	34,039
Sheriff's Office:				
ARRA JAG grant	13,100	13,100	-	26,064
ARRA State Fiscal Stabilization	-	-	-	8,005,221
ARRA JAG State	-	-	-	641,485
Total Sheriff's Office	13,100	13,100	-	8,672,770
Construction & Waste Management:				
ARRA EECBG	711,410	711,410	-	314,035
Total Construction & Waste Management	711,410	711,410	-	314,035
MH, Substance Abuse and Development Services				
ARRA Early intervention-substance abuse	35,191	35,191	-	72,080
Total MH, Substance Abuse and Development Svcs	35,191	35,191	-	72,080
Family Services:				
ARRA CDBG	-	-	-	244,615
ARRA CSBG	-	-	-	181,994
Total Family Services	-	-	-	426,609
Total other categorical aid	6,122,811	4,854,456	(1,268,355)	19,360,736
Total from the Federal government	12,661,289	11,379,575	(1,281,714)	26,236,938
Total Revenues	1,001,059,916	1,065,062,303	64,002,387	1,026,186,957
EXPENDITURES				
<u>General government administration:</u>				
Legislative:				
Boards, Commissions and Committees	2,968,238	2,676,718	291,520	2,662,992
County Administrator	721,333	621,375	99,958	617,528
Total legislative	3,689,571	3,298,093	391,478	3,280,520
General and financial administration:				
County Administrator	1,625,933	1,662,068	(36,135)	1,656,209
County Attorney	2,686,481	2,572,973	113,508	2,413,234
County Assessor	3,271,282	3,160,282	111,000	3,170,597
Treasurer	3,785,607	3,653,833	131,774	3,551,617
Commissioner of Revenue	2,621,455	2,475,054	146,401	2,606,822
Management and Financial Services	10,744,507	9,132,376	1,612,131	9,249,596
Information Technology	17,791,984	16,549,450	1,242,534	15,228,063
General Services	4,151,036	2,986,572	1,164,464	2,982,999
Nondepartmental	14,213,400	10,726,346	3,487,054	13,647,129
Total general and financial administration	60,891,685	52,918,954	7,972,731	54,506,266

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Amounts for 2010)

	2011		2010	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Elections administration:				
Boards, Commissions and Committees	750,958	348,177	402,781	292,657
General Registrar	874,477	550,496	323,981	622,382
General Services	306,555	309,888	(3,333)	269,778
Total elections administration	1,931,990	1,208,561	723,429	1,184,817
Total general government administration	66,513,246	57,425,608	9,087,638	58,971,603
Judicial administration:				
Courts:				
Clerk of the Circuit Court	3,486,404	3,276,241	210,163	3,194,632
Sheriff's Office	3,864,648	3,814,508	50,140	3,925,119
General Services	757,913	586,343	171,570	605,445
Courts (Circuit and District)	1,144,956	974,535	170,421	1,118,815
Total courts	9,253,921	8,651,627	602,294	8,844,011
Commonwealth's Attorney:				
Commonwealth's Attorney	3,069,856	3,027,833	42,023	3,038,597
General Services	20,660	16,673	3,987	17,483
Total Commonwealth's Attorney	3,090,516	3,044,506	46,010	3,056,080
Total judicial administration	12,344,437	11,696,133	648,304	11,900,091
Public safety:				
Law enforcement and traffic control:				
Regional Organizations	296,640	296,640	-	247,200
Sheriff's Office	49,245,543	46,439,108	2,806,435	46,609,290
General Services	2,371,673	2,268,187	103,486	2,215,982
Total law enforcement and traffic control	51,913,856	49,003,935	2,909,921	49,072,472
Fire, rescue and emergency management:				
Information technology	-	-	-	921,969
General Services	1,871,678	1,710,684	160,994	1,872,284
Fire, Rescue and Emergency Services	49,269,610	48,196,325	1,073,285	45,653,402
Total Fire, rescue and emergency management	51,141,288	49,907,009	1,234,279	48,447,655
Corrections and detention:				
Sheriff's Office	18,368,116	17,455,445	912,671	15,518,782
General Services	1,148,340	981,342	166,998	971,181
Regional Organizations	522,192	522,192	-	524,567
Community Corrections	1,895,123	1,558,637	336,486	1,607,068
Juvenile Court Service Unit	1,815,705	1,681,149	134,556	1,747,902
Family Services	2,715,610	2,507,662	207,948	2,418,267
Total corrections and detention	26,465,086	24,706,427	1,758,659	22,787,767
Inspections:				
General Services	306,161	260,030	46,131	70,856
Building and Development	6,435,186	6,379,815	55,371	6,734,834
Total inspections	6,741,347	6,639,845	101,502	6,805,690
Other protection:				
General Services	115,942	102,998	12,944	98,564
Fire, Rescue and Emergency Management	4,440,672	3,938,363	502,309	4,947,544
Animal Control	2,514,019	2,352,315	161,704	2,430,885
Total Other protection	7,070,633	6,393,676	676,957	7,476,993
Total public safety	143,332,210	136,650,892	6,681,318	134,590,577
Public works:				
Maintenance of highways, bridges and sidewalks:				
General Services	1,690,265	1,541,601	148,664	1,248,972
Total maint. of highways, streets, bridges & sidewalks	1,690,265	1,541,601	148,664	1,248,972

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Amounts for 2010)

	2011		2010	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Sanitation and waste removal:				
General Services	63,297	55,551	7,746	49,017
Construction and Waste Management	10,223,539	9,084,550	1,138,989	8,398,145
Total sanitation and waste removal	10,286,836	9,140,101	1,146,735	8,447,162
Maintenance of general buildings and grounds:				
General Services	10,675,378	9,583,518	1,091,860	8,139,892
Total maintenance of general buildings and grounds	10,675,378	9,583,518	1,091,860	8,139,892
Total public works	22,652,479	20,265,220	2,387,259	17,836,026
<u>Health and welfare:</u>				
Health:				
Regional Organizations	341,756	341,756	-	341,756
Health Services	4,203,453	3,998,000	205,453	4,278,458
Total health	4,545,209	4,339,756	205,453	4,620,214
Mental Health, Substance Abuse and Development Svcs:				
Regional Organizations	15,000	15,000	-	-
General Services	2,150,057	2,089,986	60,071	2,036,399
Mental Health, Substance Abuse and Development Svcs	29,857,174	28,921,562	935,612	29,541,519
Total Mental Health, Substance Abuse and Dev. Svcs	32,022,231	31,026,548	995,683	31,577,918
Welfare/Family Services:				
Regional Organizations	984,177	984,177	-	998,747
General Services	1,252,186	1,246,469	5,717	1,287,174
Parks, Recreation and Community Services	5,333,160	4,854,451	478,709	4,826,696
Family Services	23,059,823	21,081,299	1,978,524	23,447,397
Total welfare/family services	30,629,346	28,166,396	2,462,950	30,560,014
Total health and welfare	67,196,786	63,532,700	3,664,086	66,758,146
<u>Parks, recreation and culture:</u>				
Parks, Recreation and Community Services:				
Regional Organizations	908,063	908,063	-	575,047
General Services	1,771,528	1,642,088	129,440	1,556,160
Parks, Recreation and Community Services	28,940,451	26,466,526	2,473,925	25,735,122
Total Parks, Recreation and Community Services	31,620,042	29,016,677	2,603,365	27,866,329
Cultural enrichment:				
Regional Organizations	252,178	252,178	-	145,000
Total cultural enrichment	252,178	252,178	-	145,000
Library:				
General Services	554,373	445,589	108,784	366,036
Library Services	11,238,662	10,707,176	531,486	10,903,630
Total library	11,793,035	11,152,765	640,270	11,269,666
Total parks, recreation and culture	43,665,255	40,421,620	3,243,635	39,280,995
<u>Community development:</u>				
Planning and Community Development:				
County Administrator	30,210	31,939	(1,729)	13,892
Public Information	819,329	659,484	159,845	680,790
Regional Organizations	628,764	570,764	58,000	482,707
General Services	110,569	104,964	5,605	146,255
Building and Development	12,810,399	12,310,399	500,000	13,124,103
Planning	3,021,798	2,882,619	139,179	2,904,860
Economic Development	1,908,486	1,698,027	210,459	1,979,551
Construction and Waste Management	1,000	1,000	-	2,250
Office of Mapping and Geographic Information	2,123,871	2,075,172	48,699	2,073,604
Transportation Services	1,466,882	1,299,293	167,589	1,233,673

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Amounts for 2010)

	2011		2010	
	Final Budget	Actual	Variance Positive (Negative)	Actual
Parks Recreation & Community Services	41,150	41,150	-	34,351
Total planning and community development	22,962,458	21,674,811	1,287,647	22,676,036
Environmental management:				
General Services	38,341	39,096	(755)	-
Total environmental management	38,341	39,096	(755)	-
Cooperative extension program:				
General Services	82,201	80,645	1,556	77,561
Extension Services	521,389	485,177	36,212	522,815
Total cooperative extension program	603,590	565,822	37,768	600,376
Transit:				
Transportation Services	10,463,158	10,234,854	228,304	8,387,297
Total transit	10,463,158	10,234,854	228,304	8,387,297
Total community development	34,067,547	32,514,583	1,552,964	31,663,709
<u>Education:</u>				
Operation and maintenance services:				
General Services	9,650	(3,550)	13,200	154,585
Total operation and maintenance services	9,650	(3,550)	13,200	154,585
Community colleges:				
Regional Organizations	385,112	385,112	-	300,395
Total community colleges	385,112	385,112	-	300,395
Total education	394,762	381,562	13,200	454,980
Total Expenditures	390,166,722	362,888,318	27,278,404	361,456,127
Excess of revenues over expenditures	610,893,194	702,173,985	91,280,791	664,730,830
Other financing sources (uses):				
Transfers-in	7,597,823	7,554,976	(42,847)	12,703,812
Transfers-out	(226,765,540)	(226,003,438)	762,102	(135,521,684)
Transfers from School Board	-	-	-	10,440,778
Transfers to School Board	(474,552,264)	(474,552,264)	-	(526,159,249)
Total other financing sources (uses)	(693,719,981)	(693,000,726)	719,255	(638,536,343)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(82,826,787)	9,173,259	92,000,046	26,194,487
Fund balances at beginning of year	187,087,498	187,087,498	-	160,893,011
Fund balances at end of year	\$ 104,260,711	\$ 196,260,757	\$ 92,000,046	\$ 187,087,498



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Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

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

Route 28 Special Improvements Fund (200) - This fund is used to account for the proceeds from the Route 28 Transportation Taxing District that are legally restricted to expenditures for transportation in that district.

Aldie Sewer Service District Fund (202) - This fund is used to account for the proceeds from the Aldie Sewer Service Taxing District that are legally restricted to expenditures for sewers in that district.

Comprehensive Services Act Fund (203) - This fund is used to account for the general operations of the County's Comprehensive Services for At-Risk Youth and Families. Financing is provided primarily by transfers from General Fund and from State grants.

Community Development Fund (204) - This fund is used to account for the operations of the Community Development Block Grant program. Financing is provided by the Federal grant to be used only for community development purposes.

Legal Resource Center Fund (205) - This fund is used to account for the operations of the Law Library. Financing is provided through court order assessments and other contributions.

Federally Forfeited Property Fund (206) - This fund is used to account for the proceeds from confiscated property that are restricted to use for law enforcement purposes.

Hotel and Motel Room Tax Fund (207) - This fund is used to account for 3% of the 5% Transient Occupancy Tax collected from lodging facilities in the County. These funds are used to promote tourism in the County (2% of Transient Occupancy Tax collected is unrestricted and is used as part of the General Fund).

County-Wide Sewer Service District Fund (208) - This fund is used to account for the proceeds from the Virginia Resources Authority that are legally restricted to expenditures for small water facility projects in the County.

Hamilton Sewer Service District Fund (209) - This fund is used to account for the proceeds from the Hamilton Sewer Service Taxing District that are legally restricted to expenditures for sewers in that district.

Community Development Authority Fund (210) - This fund is designed to collect a special assessment on real property for the purpose of paying debt service to finance and construct public infrastructure at the Dulles Town Center development.

Purchase of Development Rights Fund (211) - This fund is used to account for the County-managed Purchase of Development Rights program. These funds are used to enter agreements with landowners to purchase development rights of their property.

Rental Assistance Fund (213) - This fund is used to account for proceeds received from the U.S. Department of Housing and Urban Development (HUD) so the County can act as direct administrator for the Section 8 Rental Assistance Program.

Dulles Industrial Park Water and Sewer (214) - This fund is used to account for the proceeds from the Dulles Industrial Park Water & Sewer Taxing District that are legally restricted to expenditures for the construction of water and sewer lines in that district. The district consists of 24 properties located north of U.S. Route 50, near the Loudoun County-Fairfax County boundary. The special assessment was negotiated on a per property basis and is intended to generate \$1,650,000 in revenue over 10 years.

Greenlea Tax District Fund (215) - This fund is used to account for the proceeds from the Greenlea Tax District within the Blue Ridge magisterial that are legally restricted to expenditures for the replacement of the damaged bridge on Crooked Bridge Road. The district consists of 19 properties and the assessment is allocated equally among 19 properties in the community and is intended to generate \$660,575.18 in revenue over 15 years at six percent (6%) interest per year.

State/Federal Grant Fund (216) - This fund is used to account for all competitive State and Federal grants received by the County and the fund is restricted accordingly.

Loudoun Legacy Fund (224) - This fund is designed to provide citizens the opportunity to voluntarily contribute funds above and beyond the taxes levied on real estate. Donors have the ability to designate any contributions for the departments and agencies of their choice and the fund is restricted accordingly.

Public Facilities Fund (700) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for any public facility or service purposes.

Sheriff's Fund (701) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for law enforcement purposes.

Animal Shelter Fund (706) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the animal shelter.

Housing Fund (707) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for affordable housing in the County.

Transportation District Fund (709) - This fund is used to account for monies collected as local gas sales tax, restricted to use for transportation purposes. For Fiscal Year 2011, the Public Transportation Fund (220), which is used to account for the County's share of construction costs associated with Phases II and III of the Dulles Transit Project, is combined with this fund.

Uran Holocaust Fund (716) - This fund is used to account for monies provided by a private donor, restricted to use for the purchase of educational holocaust materials in the libraries.

Rt 15 Bypass Beautification Fund (717) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the planting of trees on the Route 15 bypass.

Horton Program For The Arts Fund (719) - This fund is used to account for monies provided by private donors, restricted to use for the funding of cultured and arts programs at the Eastern Loudoun Regional Library.

Symington Fund (720) - This fund is used to account for monies provided by private donor, restricted to use only for public purposes, including purchase or construction of improvements, purchase of books, services, and equipment in the Rust Library.

Capital Funds

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

Capital Asset Replacement Fund (301) - This fund is used to account for the repair and/or replacement of major capital facilities, including buildings, major equipment, and other long-lived improvements for the general government. Financing is provided primarily by transfers from the General Fund.

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

Debt Service Funds

Debt Service Fund (400) - This fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs. Financing is provided primarily by transfers from the General Fund.



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**COUNTY OF LOUDOUN, VIRGINIA
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
AS OF June 30, 2011**

	Special Revenue Funds						
	Route 28 Special Improv.	Aldie Sewer Service District	Comprehensive Services Act	Community Development	Legal Resource Center	Federally Forfeited Property	Hotel and Motel Room Tax
ASSETS							
Cash and Cash Equivalents	\$ 3,286,759	\$ 107,170	\$ 4,166,015	\$ -	\$ 97,502	\$ 236,896	\$ 1,333,027
Cash and Investments with Fiscal Agents	-	-	-	-	-	-	-
Receivables, Net:							
Taxes	178,301	-	-	-	-	-	882,386
Accounts	-	-	-	-	-	-	-
Due from Other Governments	-	-	1,372,856	-	-	-	-
Advances to employees	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Notes and Loans Receivable, Net	-	-	-	-	-	-	-
Total Assets	\$ 3,465,060	\$ 107,170	\$ 5,538,871	\$ -	\$ 97,502	\$ 236,896	\$ 2,215,413
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 3,286,759	\$ -	\$ 759,165	\$ -	\$ 9,005	\$ 6,775	\$ -
Accrued Liabilities	-	-	-	-	3,393	-	-
Prepaid Revenue	22,465	-	-	-	-	-	-
Deferred Revenue:							
Property Taxes	178,301	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	13,420	-
Total Liabilities	3,487,525	-	759,165	-	12,398	20,195	-
Fund Balances:							
Non-spendable	-	-	-	-	-	-	-
Restricted	(22,465)	107,170	-	-	85,104	216,701	1,912,737
Committed	-	-	4,779,706	-	-	-	302,676
Assigned	-	-	-	-	-	-	-
Total Fund Balances	(22,465)	107,170	4,779,706	-	85,104	216,701	2,215,413
Total Liabilities and Fund Balances	\$ 3,465,060	\$ 107,170	\$ 5,538,871	\$ -	\$ 97,502	\$ 236,896	\$ 2,215,413

County-Wide Sewer Service District	Hamilton Sewer Service District	Community Devel. Authority	Purchase of Devel. Rights	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District	State Federal Grant
\$ -	\$ 325,924	\$ 1,589,360	\$ -	\$ 1,757,455	\$ 116,275	\$ -	\$ 25,166
-	-	-	-	-	-	-	-
-	4,768	-	-	-	-	1,159	-
-	-	-	-	41,904	-	-	-
-	-	-	-	8,820	-	-	1,502,087
-	-	-	-	-	-	-	5,000
-	-	-	-	-	-	-	-
-	-	-	-	658,561	-	-	7,501
27,012	117	-	-	-	-	-	-
\$ 27,012	\$ 330,809	\$ 1,589,360	\$ -	\$ 2,466,740	\$ 116,275	\$ 1,159	\$ 1,539,754
\$ -	\$ 52,573	\$ 1,589,360	\$ -	\$ 2,579	\$ 116,871	\$ -	\$ 910,835
-	-	-	-	35,495	-	-	32,385
-	-	-	-	-	1,523	-	-
-	4,768	-	-	-	-	1,159	-
-	-	-	-	2,309,276	-	-	596,534
13,967	-	-	-	-	-	-	-
-	-	-	-	119,390	-	-	-
13,967	57,341	1,589,360	-	2,466,740	118,394	1,159	1,539,754
27,012	117	-	-	658,561	-	-	7,501
(13,967)	-	-	-	(658,561)	(2,119)	-	(7,501)
-	273,351	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,045	273,468	-	-	-	(2,119)	-	-
\$ 27,012	\$ 330,809	\$ 1,589,360	\$ -	\$ 2,466,740	\$ 116,275	\$ 1,159	\$ 1,539,754

**COUNTY OF LOUDOUN, VIRGINIA
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
AS OF June 30, 2011**

Special Revenue Funds							
	Loudoun Legacy	Public Facilities	Sheriff's	Animal Shelter	Housing	Transportation District	
ASSETS							
Cash and Cash Equivalents	\$ -	\$ 93,940,319	\$ 29,829	\$ 68,490	\$ 11,358,135	\$ 1,551,949	
Cash and Investments with Fiscal Agents	-	-	-	-	-	14,097,374	
Receivables, Net:							
Taxes	-	-	-	-	-	-	
Accounts	-	-	-	-	-	-	
Due from Other Governments	-	-	-	-	-	2,031,889	
Advances to employees	-	-	-	-	-	-	
Advances to Employees	-	-	-	-	306,125	-	
Prepaid Items	-	-	-	-	66	-	
Notes and Loans Receivable, Net	-	-	-	-	657,306	-	
Total Assets	\$ -	\$ 93,940,319	\$ 29,829	\$ 68,490	\$ 12,321,632	\$ 17,681,212	
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ -	\$ 78,885	\$ 296	\$ -	\$ 216	\$ 12,073	
Accrued Liabilities	-	-	-	-	-	-	
Prepaid Revenue	-	-	-	-	-	-	
Deferred Revenue:							
Property Taxes	-	-	-	-	-	-	
Other	-	-	-	-	-	-	
Due to Other Funds	-	-	-	-	-	-	
Other Liabilities	-	-	-	-	-	-	
Total Liabilities	-	78,885	296	-	216	12,073	
Fund Balances:							
Non-spendable	-	-	-	-	657,372	-	
Restricted	-	93,861,434	29,533	68,490	11,664,044	17,336,686	
Committed	-	-	-	-	-	332,453	
Assigned	-	-	-	-	-	-	
Total Fund Balances	-	93,861,434	29,533	68,490	12,321,416	17,669,139	
Total Liabilities and Fund Balances	\$ -	\$ 93,940,319	\$ 29,829	\$ 68,490	\$ 12,321,632	\$ 17,681,212	

				Capital Funds		Total
Uran	Rt 15 Bypass	Horton		Capital	Capital	Other
Holocaust	Beautification	Program	Symington	Asset	Project	Governmental
		For the Arts		Replacement	Financing	Funds
\$ 341,767	\$ 7,428	\$ 17,706	\$ 4,171,605	\$ 6,933,691	\$ -	\$ 131,462,468
-	-	-	-	5,127,354	-	19,224,728
-	-	-	-	-	-	1,066,614
-	-	-	50,290	-	-	92,194
-	-	-	-	-	-	4,915,652
-	-	-	-	-	-	5,000
-	-	-	-	-	-	306,125
-	-	-	2,294	-	-	668,422
-	-	-	-	-	-	684,435
<u>\$ 341,767</u>	<u>\$ 7,428</u>	<u>\$ 17,706</u>	<u>\$ 4,224,189</u>	<u>\$ 12,061,045</u>	<u>\$ -</u>	<u>\$ 158,425,638</u>
\$ 22,156	\$ -	\$ -	\$ 215	\$ 669,333	\$ -	\$ 7,517,096
-	-	-	-	-	-	71,273
-	-	-	-	-	-	23,988
-	-	-	-	-	-	184,228
-	-	-	-	-	-	2,905,810
-	-	-	-	-	-	13,967
-	-	-	-	-	-	132,810
<u>22,156</u>	<u>-</u>	<u>-</u>	<u>215</u>	<u>669,333</u>	<u>-</u>	<u>10,849,172</u>
-	-	-	2,294	-	-	1,352,857
319,611	7,428	17,706	4,221,680	6,119,493	-	135,263,204
-	-	-	-	5,238,463	-	10,926,649
-	-	-	-	33,756	-	33,756
<u>319,611</u>	<u>7,428</u>	<u>17,706</u>	<u>4,223,974</u>	<u>11,391,712</u>	<u>-</u>	<u>147,576,466</u>
<u>\$ 341,767</u>	<u>\$ 7,428</u>	<u>\$ 17,706</u>	<u>\$ 4,224,189</u>	<u>\$ 12,061,045</u>	<u>\$ -</u>	<u>\$ 158,425,638</u>

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED June 30, 2011

	Special Revenue Funds						
	Route 28 Special Improvements	Aldie Sewer Service District	Comprehensive Services Act	Community Development	Legal Resource Center	Federally Forfeited Property	Hotel and Motel Room Tax
REVENUES							
General Property Taxes	\$ 8,938,198	\$ 31,005	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-	-	3,026,761
Use of Money and Property	-	-	-	-	-	507	-
Charges for Services	-	-	-	-	56,162	-	-
Gifts and Donations	-	-	-	-	-	-	-
Miscellaneous	-	-	-	17,964	-	-	-
Recovered Costs	-	-	604,899	-	-	105,620	-
Intergovernmental - Commonwealth	-	-	3,458,497	-	-	-	-
Intergovernmental - Federal	-	-	-	-	-	-	-
Total Revenues	8,938,198	31,005	4,063,396	17,964	56,162	106,127	3,026,761
EXPENDITURES							
Current Operating:							
Judicial Administration	-	-	-	-	93,784	16,468	-
Public Safety	-	-	-	-	-	100,667	-
Public Works	9,310,474	27,476	-	-	-	-	-
Health and Welfare	-	-	7,054,491	-	-	-	4,438
Parks, Recreation and Culture	-	-	-	-	-	-	2,291,000
Community Development	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	9,310,474	27,476	7,054,491	-	93,784	117,135	2,295,438
Excess (Deficiency) of Revenues Over (Under) Expenditures	(372,276)	3,529	(2,991,095)	17,964	(37,622)	(11,008)	731,323
OTHER FINANCING SOURCES (USES)							
Transfers In	368,368	-	4,771,542	5,578	-	-	-
Transfers Out	-	-	(183,000)	(12,153)	-	-	(626,561)
Bond and Loan Proceeds	-	-	-	-	-	-	-
Sales of Capital Assets	-	-	-	-	-	2,484	-
Total Other Financing Sources (Uses)	368,368	-	4,588,542	(6,575)	-	2,484	(626,561)
Net Change in Fund Balances	(3,908)	3,529	1,597,447	11,389	(37,622)	(8,524)	104,762
Fund Balances at Beginning of Year	(18,557)	103,641	3,182,259	(11,389)	122,726	225,225	2,110,651
Fund Balances at End of Year	\$ (22,465)	\$ 107,170	\$ 4,779,706	\$ -	\$ 85,104	\$ 216,701	\$ 2,215,413

County-Wide Sewer Service District	Hamilton Sewer Service District	Community Development Authority	Purchase of Development Rights	Rental Assistance Program	Dulles Industrial Park W&S	Greenlea Tax District	State Federal Grant
\$ -	\$ 109,980	\$ 3,106,839	\$ -	\$ -	\$ 221,506	\$ 43,434	\$ -
-	-	-	-	-	-	-	-
461	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	25,814	-	-	-
69	19	-	-	418,786	-	-	-
-	-	-	-	-	-	-	486,771
-	-	-	-	8,762,366	-	-	3,177,278
530	109,999	3,106,839	-	9,206,966	221,506	43,434	3,664,049
-	-	-	-	-	-	-	99,806
-	-	-	-	-	-	-	2,791,792
-	-	-	-	-	223,625	-	-
242	-	-	-	9,206,966	-	-	680,275
-	-	-	-	-	-	-	-
-	197,981	3,106,839	-	-	-	43,434	92,176
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
242	197,981	3,106,839	-	9,206,966	223,625	43,434	3,664,049
288	(87,982)	-	-	-	(2,119)	-	-
-	88,000	-	-	-	-	-	-
-	-	-	(81,250)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	88,000	-	(81,250)	-	-	-	-
288	18	-	(81,250)	-	(2,119)	-	-
12,757	273,450	-	81,250	-	-	-	-
\$ 13,045	\$ 273,468	\$ -	\$ -	\$ -	\$ (2,119)	\$ -	\$ -

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED June 30, 2011

Special Revenue Funds						
	Loudoun Legacy	Public Facilities	Sheriff's	Animal Shelter	Housing	Transportation District
REVENUES						
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-	9,756,531
Use of Money and Property	-	176,631	-	127	20,921	35,754
Charges for Services	-	-	-	-	-	-
Gifts and Donations	-	13,941,546	7,325	22,581	1,128,975	-
Miscellaneous	-	-	-	-	326,200	-
Recovered Costs	-	-	-	-	90	-
Intergovernmental - Commonwealth	-	-	-	11,676	-	-
Intergovernmental - Federal	-	-	-	-	-	-
Total Revenues	-	14,118,177	7,325	34,384	1,476,186	9,792,285
EXPENDITURES						
Current Operating:						
Judicial Administration	-	-	-	-	-	-
Public Safety	-	201,882	14,048	7,545	-	-
Public Works	25,000	754,972	-	-	-	-
Health and Welfare	-	-	-	-	738,259	-
Parks, Recreation and Culture	-	-	-	-	-	98,428
Community Development	-	-	-	-	-	1,606,425
Education	-	629,322	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	25,000	1,586,176	14,048	7,545	738,259	1,704,853
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,000)	12,532,001	(6,723)	26,839	737,927	8,087,432
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	73,896
Transfers Out	25,000	(16,953,402)	-	(138,020)	-	(6,613,184)
Bond and Loan Proceeds	-	-	-	-	-	-
Sales of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (uses)	25,000	(16,953,402)	-	(138,020)	-	(6,539,288)
Net Change in Fund Balances	-	(4,421,401)	(6,723)	(111,181)	737,927	1,548,144
Fund Balances at Beginning of Year	-	98,282,835	36,256	179,671	11,583,489	16,120,995
Fund Balances at End of Year	\$ -	\$ 93,861,434	\$ 29,533	\$ 68,490	\$ 12,321,416	\$ 17,669,139

				Capital Funds		Total
Uran	Rt 15 Bypass	Horton		Capital	Capital	Other
Holocaust	Beautification	Program	Symington	Asset	Project	Governmental
		For the Arts		Replacement	Financing	Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,450,962
-	-	-	-	104,255	-	12,887,547
712	15	36	53,444	-	-	288,608
-	-	-	-	-	-	56,162
-	-	1,200	71,250	-	-	15,172,877
-	-	-	-	-	-	369,978
-	-	-	-	1,361,228	-	2,490,711
-	-	-	-	-	-	3,956,944
-	-	-	-	-	-	11,939,644
712	15	1,236	124,694	1,465,483	-	59,613,433
-	-	-	-	-	-	210,058
-	-	-	-	-	-	3,115,934
-	-	-	-	2,843,727	-	13,185,274
-	-	-	-	-	-	17,684,671
26,698	-	1,050	26,745	-	-	2,443,921
-	-	-	-	-	-	5,046,855
-	-	-	-	-	47,005,000	47,634,322
-	-	-	-	1,070,294	-	1,070,294
26,698	-	1,050	26,745	3,914,021	47,005,000	90,391,329
(25,986)	15	186	97,949	(2,448,538)	(47,005,000)	(30,777,896)
-	-	-	-	5,604,054	-	10,911,438
-	-	-	-	(193,190)	(42,745,000)	(67,520,760)
-	-	-	-	-	89,750,000	89,750,000
-	-	-	-	-	-	2,484
-	-	-	-	5,410,864	47,005,000	33,143,162
(25,986)	15	186	97,949	2,962,326	-	2,365,266
345,597	7,413	17,520	4,126,025	8,429,386	-	145,211,200
\$ 319,611	\$ 7,428	\$ 17,706	\$ 4,223,974	\$ 11,391,712	\$ -	\$ 147,576,466

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
ROUTE 28 SPECIAL IMPROVEMENTS FUND
FOR THE YEAR ENDED June 30, 2011

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 8,501,000	\$ 8,938,198	\$ 437,198
Transfers from Other Funds	169,172	368,368	199,196
Amounts Available for Appropriation	<u>8,670,172</u>	<u>9,306,566</u>	<u>636,394</u>
Charges to Appropriations (Outflows)			
Public Works	8,670,172	9,310,474	(640,302)
Total Charges to Appropriations	<u>8,670,172</u>	<u>9,310,474</u>	<u>(640,302)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	(3,908)	(3,908)
Fund Balance at Beginning of Year	(18,557)	(18,557)	-
Fund Balance at End of Year	<u>\$ (18,557)</u>	<u>\$ (22,465)</u>	<u>\$ (3,908)</u>

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
ALDIE SEWER SERVICE DISTRICT FUND
FOR THE YEAR ENDED June 30, 2011

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 23,000	\$ 31,005	\$ 8,005
Amounts Available for Appropriation	<u>23,000</u>	<u>31,005</u>	<u>8,005</u>
Charges to Appropriations (Outflows)			
Public Works	27,476	27,476	-
Total Charges to Appropriations	<u>27,476</u>	<u>27,476</u>	<u>-</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(4,476)	3,529	8,005
Fund Balance at Beginning of Year	103,641	103,641	-
Fund Balance at End of Year	<u>\$ 99,165</u>	<u>\$ 107,170</u>	<u>\$ 8,005</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
COMPREHENSIVE SERVICES ACT FUND
FOR THE YEAR ENDED June 30, 2011**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Recovered Costs	\$ 1,140,000	\$ 604,899	\$ (535,101)
Intergovernmental - Commonwealth	4,680,796	3,458,497	(1,222,299)
Transfers from Other Funds	4,771,542	4,771,542	-
Amounts Available for Appropriation	10,592,338	8,834,938	(1,757,400)
Charges to Appropriations (Outflows)			
Health and Welfare	10,409,338	7,054,491	3,354,847
Transfers to Other Funds	183,000	183,000	-
Total Charges to Appropriations	10,592,338	7,237,491	3,354,847
Excess (Deficiency) of Resources Over Charges to Appropriations	-	1,597,447	1,597,447
Fund Balance at Beginning of Year	3,182,259	3,182,259	-
Fund Balance at End of Year	\$ 3,182,259	\$ 4,779,706	\$ 1,597,447

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
LEGAL RESOURCES CENTER FUND
FOR THE YEAR ENDED June 30, 2011

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Charges for Services	\$ 37,566	\$ 56,162	\$ 18,596
Intergovernmental - Commonwealth	48,270	-	(48,270)
Amounts Available for Appropriation	<u>85,836</u>	<u>56,162</u>	<u>(29,674)</u>
Charges to Appropriations (Outflows)			
Judicial Administration	114,794	93,784	21,010
Total Charges to Appropriations	<u>114,794</u>	<u>93,784</u>	<u>21,010</u>
Excess (Deficiency) of Resources Over			
Charges to Appropriations	(28,958)	(37,622)	(8,664)
Fund Balance at Beginning of Year	122,726	122,726	-
Fund Balance at End of Year	<u>\$ 93,768</u>	<u>\$ 85,104</u>	<u>\$ (8,664)</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
HOTEL AND MOTEL ROOM TAX FUND
FOR THE YEAR ENDED June 30, 2011**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Other Local Taxes	\$ 3,055,000	\$ 3,026,761	\$ (28,239)
Amounts Available for Appropriation	<u>3,055,000</u>	<u>3,026,761</u>	<u>(28,239)</u>
 Charges to Appropriations (Outflows)			
Health and Welfare	4,438	4,438	-
Parks, Recreation and Culture	2,291,000	2,291,000	-
Transfers to Other Funds	626,561	626,561	-
Total Charges to Appropriations	<u>2,921,999</u>	<u>2,921,999</u>	<u>-</u>
Excess (Deficiency) of Resources Over			
Charges to Appropriations	133,001	104,762	(28,239)
Fund Balance at Beginning of Year	<u>2,110,651</u>	<u>2,110,651</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 2,243,652</u></u>	<u><u>\$ 2,215,413</u></u>	<u><u>\$ (28,239)</u></u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
HAMILTON SEWER SERVICE DISTRICT FUND
FOR THE YEAR ENDED June 30, 2011**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 108,000	\$ 109,980	\$ 1,980
Recovered Costs	-	19	19
Transfers from Other Funds	88,000	88,000	-
Amounts Available for Appropriation	<u>196,000</u>	<u>197,999</u>	<u>1,999</u>
Charges to Appropriations (Outflows)			
Community Development	196,000	197,981	(1,981)
Total Charges to Appropriations	<u>196,000</u>	<u>197,981</u>	<u>(1,981)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	18	18
Fund Balance at Beginning of Year	<u>273,450</u>	<u>273,450</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 273,450</u>	<u>\$ 273,468</u>	<u>\$ 18</u>

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
RENTAL ASSISTANCE PROGRAM FUND
FOR THE YEAR ENDED June 30, 2011

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Miscellaneous	\$ -	\$ 25,814	\$ 25,814
Recovered Costs	525,000	418,786	(106,214)
Intergovernmental - Federal	8,896,572	8,762,366	(134,206)
Amounts Available for Appropriation	<u>9,421,572</u>	<u>9,206,966</u>	<u>(214,606)</u>
Charges to Appropriations (Outflows)			
Health and Welfare	9,421,572	9,206,966	214,606
Total Charges to Appropriations	<u>9,421,572</u>	<u>9,206,966</u>	<u>214,606</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<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, 2011

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 217,000	\$ 221,506	\$ 4,506
Amounts Available for Appropriation	<u>217,000</u>	<u>221,506</u>	<u>4,506</u>
Charges to Appropriations (Outflows)			
Public Works	217,000	223,625	(6,625)
Total Charges to Appropriations	<u>217,000</u>	<u>223,625</u>	<u>(6,625)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	(2,119)	(2,119)
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (2,119)</u>	<u>\$ (2,119)</u>

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
GREENLEA TAX DISTRICT FUND
FOR THE YEAR ENDED June 30, 2011

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
General Property Taxes	\$ 44,038	\$ 43,434	\$ (604)
Amounts Available for Appropriation	<u>44,038</u>	<u>43,434</u>	<u>(604)</u>
Charges to Appropriations (Outflows)			
Community Development	44,038	43,434	604
Total Charges to Appropriations	<u>44,038</u>	<u>43,434</u>	<u>604</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
PUBLIC FACILITIES FUND
FOR THE YEAR ENDED June 30, 2011**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Use of Money and Property	\$ 1,967,217	\$ 176,631	\$ (1,790,586)
Gifts and Donations	15,416,326	13,941,546	(1,474,780)
Amounts Available for Appropriation	<u>17,383,543</u>	<u>14,118,177</u>	<u>(3,265,366)</u>
Charges to Appropriations (Outflows)			
Public Safety	-	201,882	(201,882)
Public Works	18	754,972	(754,954)
Education and Transfers to School Board	629,322	629,322	-
Transfers to Other Funds	16,754,203	16,953,402	(199,199)
Total Charges to Appropriations	<u>17,383,543</u>	<u>18,539,578</u>	<u>(1,156,035)</u>
Excess (Deficiency) of Resources Over			
Charges to Appropriations	-	(4,421,401)	(4,421,401)
Fund Balance at Beginning of Year	98,282,835	98,282,835	-
Fund Balance at End of Year	<u>\$ 98,282,835</u>	<u>\$ 93,861,434</u>	<u>\$ (4,421,401)</u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION DISTRICT FUND
FOR THE YEAR ENDED June 30, 2011**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Other Local Taxes	\$ 2,479,068	\$ 9,756,531	\$ 7,277,463
Use of Money and Property	5,670,589	35,754	(5,634,835)
Recovered Costs	344	-	(344)
Transfers from Other Funds	73,896	73,896	-
Amounts Available for Appropriation	8,223,897	9,866,181	1,642,284
Charges to Appropriations (Outflows)			
Parks, Recreation and Culture	140,000	98,428	41,572
Community Development	(274,341)	1,606,425	(1,880,766)
Transfers to Other Funds	6,176,102	6,613,184	(437,082)
Total Charges to Appropriations	6,041,761	8,318,037	(2,276,276)
Excess (Deficiency) of Resources Over Charges to Appropriations	2,182,136	1,548,144	(633,992)
Fund Balance at Beginning of Year	16,120,995	16,120,995	-
Fund Balance at End of Year	\$ 18,303,131	\$ 17,669,139	\$ (633,992)

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED June 30, 2011**

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Other Local Taxes	\$ 1,050,184	\$ 586,485	\$ 1,636,669	\$ 1,606,165
Use of Money and Property	120,214	2,797	123,011	122,591
Charges for Services	13,256,354	1,878,484	15,134,838	14,022,207
Gifts and Donations	907,511	24,150	931,661	931,661
Miscellaneous	46,719	125,000	171,719	167,619
Recovered Costs	703,347	19,339	722,686	719,788
Intergovernmental - Commonwealth	5,662,466	2,223,537	7,886,003	18,072,446
Intergovernmental - Federal	5,465,001	242,398	5,707,399	9,979,050
Total Revenues	27,211,796	5,102,190	32,313,986	45,621,527
EXPENDITURES				
Public Works	70,648,512	13,960,098	84,608,610	390,372,997
Education	3,500,472	(166,268)	3,334,204	3,334,204
Capital Outlay	214,409,167	49,877,679	264,286,846	391,271,496
Total Expenditures	288,558,151	63,671,509	352,229,660	784,978,697
Deficiency of Revenues Under Expenditures	(261,346,355)	(58,569,319)	(319,915,674)	(739,357,170)
OTHER FINANCING SOURCES (USES)				
Transfers In	438,798,803	124,457,719	563,256,522	753,432,231
Transfers Out	(23,931,993)	(8,068,941)	(32,000,934)	(31,746,900)
Lease/Purchase Financing	11,657,596	-	11,657,596	11,657,596
Sales of Capital Assets	5,349,175	-	5,349,175	5,349,175
Total Other Financing Sources (Uses)	431,873,581	116,388,778	548,262,359	738,692,102
Net Change in Fund Balances	\$ 170,527,226	57,819,459	\$ 228,346,685	\$ (665,068)
Fund Balance at Beginning of Year		170,527,226		
Fund Balance at End of Year		\$ 228,346,685		

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL ASSET PRESERVATION PROGRAM FUND
FOR THE YEAR ENDED June 30, 2011**

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Other Local Taxes	\$ 1,181,210	\$ 104,255	\$ 1,285,465	\$ 1,164,425
Permits and Licenses	974	-	974	974
Charges for Services	840	-	840	840
Recovered Costs	563,715	1,361,228	1,924,943	1,924,944
Total Revenues	<u>1,746,739</u>	<u>1,465,483</u>	<u>3,212,222</u>	<u>3,091,183</u>
EXPENDITURES				
Public Works	13,955,005	2,843,727	16,798,732	19,548,632
Capital Outlay	30,502,510	1,070,294	31,572,804	40,093,577
Total Expenditures	<u>44,457,515</u>	<u>3,914,021</u>	<u>48,371,536</u>	<u>59,642,209</u>
Deficiency of Revenues Under Expenditures	<u>(42,710,776)</u>	<u>(2,448,538)</u>	<u>(45,159,314)</u>	<u>(56,551,026)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	51,140,162	5,604,054	56,744,216	56,744,216
Transfers Out	-	(193,190)	(193,190)	(193,190)
Total Other Financing Sources (Uses)	<u>51,140,162</u>	<u>5,410,864</u>	<u>56,551,026</u>	<u>56,551,026</u>
Net Change in Fund Balances	<u>\$ 8,429,386</u>	<u>2,962,326</u>	<u>\$ 11,391,712</u>	<u>\$ -</u>
Fund Balance at Beginning of Year		8,429,386		
Fund Balance at End of Year		<u>\$ 11,391,712</u>		

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FINANCING FUND
FOR THE YEAR ENDED June 30, 2011

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Issuance of Bonds	\$ 108,815,000	\$ 53,510,000	\$ (55,305,000)
Lease Purchase Financing	8,358,882	36,240,000	27,881,118
Amounts Available for Appropriation	<u>117,173,882</u>	<u>89,750,000</u>	<u>(27,423,882)</u>
Charges to Appropriations (Outflows)			
Education and Transfers to School Board	55,925,000	47,005,000	8,920,000
Transfers to Other Funds	61,248,882	42,745,000	18,503,882
Total Charges to Appropriations	<u>117,173,882</u>	<u>89,750,000</u>	<u>27,423,882</u>
Excess (Deficiency) of Resources Over			
Charges to Appropriations	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED June 30, 2011**

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Use of Money and Property	\$ 1,000,000	\$ 758,339	\$ (241,661)
Miscellaneous revenue	-	1,132,478	1,132,478
Transfers from Other Funds	153,053,461	153,053,461	-
Issuance Premium	3,010,436	7,827,179	4,816,743
Amounts Available for Appropriation	<u>157,063,897</u>	<u>162,771,457</u>	<u>5,707,560</u>
Charges to Appropriations (Outflows)			
Debt Service	158,507,942	154,430,283	4,077,659
Transfers to Other Funds	4,223,868	3,708,868	515,000
Payment to Component Units	1,430,000	1,430,000	-
Total Charges to Appropriations	<u>164,161,810</u>	<u>159,569,151</u>	<u>4,592,659</u>
Excess of Resources Over Charges to Appropriations	<u>(7,097,913)</u>	<u>3,202,306</u>	<u>10,300,219</u>
Fund Balance at Beginning of Year	<u>16,680,990</u>	<u>16,680,990</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 9,583,077</u>	<u>\$ 19,883,296</u>	<u>\$ 10,300,219</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 Fund (600) - This fund is used to account for the financing of goods or services provided among County departments on a cost reimbursement basis and includes such activities as central duplicating, telephone, mail, support, and fleet management services.

Self Insurance Fund (601) - This fund is used to account for the accumulation of resources to pay for losses incurred by the partial or total retention of risk of loss arising out of the assumption of risk rather than transferring that risk to a third party through the purchase of insurance and includes such retention as health insurance, workers compensation insurance and automobile physical damage insurance.

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF PROPRIETARY NET ASSETS
AS OF June 30, 2011

	Central Service Funds						
	Duplicating	Telephone	Mail	Support	Vehicle Replacement	Self Insurance	Total
ASSETS							
Current Assets:							
Cash and Cash Equivalents	\$ 95,490	\$ 1,965,919	\$ 68,938	\$ 35,048	\$ 21,723,545	\$ 21,847,714	\$ 45,736,654
Cash with Fiscal Agents	-	-	-	-	-	1,113,000	1,113,000
Receivables, Net	2,049	11,109	2,400	-	-	55,976	71,534
Inventory of Supplies	-	-	61,231	10,243	-	-	71,474
Prepaid Items	-	-	-	-	2,898	66,439	69,337
Total Current Assets	<u>97,539</u>	<u>1,977,028</u>	<u>132,569</u>	<u>45,291</u>	<u>21,726,443</u>	<u>23,083,129</u>	<u>47,061,999</u>
Noncurrent Assets:							
Capital Assets:							
Non-depreciable	-	-	-	-	254,034	-	254,034
Depreciable, Net	-	841,785	-	-	24,726,843	-	25,568,628
Total Noncurrent Assets	-	841,785	-	-	24,980,877	-	25,822,662
Total Assets	<u>\$ 97,539</u>	<u>\$ 2,818,813</u>	<u>\$ 132,569</u>	<u>\$ 45,291</u>	<u>\$ 46,707,320</u>	<u>\$ 23,083,129</u>	<u>\$ 72,884,661</u>
LIABILITIES							
Current Liabilities:							
Accounts Payable	\$ 91,019	\$ 36,514	\$ 1,490	\$ 248	\$ 168,402	\$ 222,660	\$ 520,333
Claims Liabilities	-	-	-	-	-	5,015,259	5,015,259
Accrued Liabilities	6,520	-	12,160	23,975	-	-	42,655
Total Current Liabilities	<u>97,539</u>	<u>36,514</u>	<u>13,650</u>	<u>24,223</u>	<u>168,402</u>	<u>5,237,919</u>	<u>5,578,247</u>
Noncurrent Liabilities:							
Claims Liabilities	-	-	-	-	-	3,049,667	3,049,667
Total Noncurrent Liabilities	-	-	-	-	-	3,049,667	3,049,667
Total Liabilities	<u>\$ 97,539</u>	<u>\$ 36,514</u>	<u>\$ 13,650</u>	<u>\$ 24,223</u>	<u>\$ 168,402</u>	<u>\$ 8,287,586</u>	<u>\$ 8,627,914</u>
NET ASSETS							
Net Assets, Invested in							
Capital Assets	\$ -	\$ 841,785	\$ -	\$ -	\$ 24,980,877	\$ -	\$ 25,822,662
Unrestricted (Deficit)	-	1,940,514	118,919	21,068	21,558,041	14,795,543	38,434,085
Total Net Assets	<u>\$ -</u>	<u>\$ 2,782,299</u>	<u>\$ 118,919</u>	<u>\$ 21,068</u>	<u>\$ 46,538,918</u>	<u>\$ 14,795,543</u>	<u>\$ 64,256,747</u>

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN PROPRIETARY NET ASSETS
FOR THE YEAR ENDED June 30, 2011

	Central Service Funds						
	Duplicating	Telephone	Mail	Support	Vehicle Replacement	Self Insurance	Total
Operating Revenues:							
Charges for services	\$ 1,227,749	\$ 1,273,186	\$ 682,307	\$ 561,989	\$ 6,843,768	\$ 34,163,418	\$ 44,752,417
Charges for services-Component	-	-	-	-	-	5,587,652	5,587,652
Use of property	28,225	50,817	2,400	-	-	-	81,442
Miscellaneous	-	-	-	-	11,170	1,764,333	1,775,503
Total Operating Revenues	<u>1,255,974</u>	<u>1,324,003</u>	<u>684,707</u>	<u>561,989</u>	<u>6,854,938</u>	<u>41,515,403</u>	<u>52,197,014</u>
Operating Expenses:							
Personnel services	136,662	-	207,649	511,099	-	23,875	879,285
Other services and charges	1,064,786	897,863	64,152	18,163	-	3,821,164	5,866,128
Materials and supplies	56,988	11,388	404,094	11,682	20,378	-	504,530
Depreciation	-	380,062	-	-	4,760,126	-	5,140,188
Claims	-	-	-	-	-	34,567,545	34,567,545
Total Operating Expenses	<u>1,258,436</u>	<u>1,289,313</u>	<u>675,895</u>	<u>540,944</u>	<u>4,780,504</u>	<u>38,412,584</u>	<u>46,957,676</u>
Operating Income (Loss)	(2,462)	34,690	8,812	21,045	2,074,434	3,102,819	5,239,338
Non-Operating Revenues:							
Gain on Sale of Capital Assets	-	-	-	-	299,413	-	299,413
Total Non-Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,413</u>	<u>-</u>	<u>299,413</u>
Net Income (Loss) Before Transfers	<u>(2,462)</u>	<u>34,690</u>	<u>8,812</u>	<u>21,045</u>	<u>2,373,847</u>	<u>3,102,819</u>	<u>5,538,751</u>
Transfers In	-	94,308	-	-	2,526,716	6,703,389	9,324,413
Total Transfers	<u>-</u>	<u>94,308</u>	<u>-</u>	<u>-</u>	<u>2,526,716</u>	<u>6,703,389</u>	<u>9,324,413</u>
Change in Net Assets	(2,462)	128,998	8,812	21,045	4,900,563	9,806,208	14,863,164
Net Assets at Beginning of Year	2,462	2,653,301	110,107	23	41,638,355	4,989,335	49,393,583
Net Assets at End of Year	<u>\$ -</u>	<u>\$ 2,782,299</u>	<u>\$ 118,919</u>	<u>\$ 21,068</u>	<u>\$ 46,538,918</u>	<u>\$ 14,795,543</u>	<u>\$ 64,256,747</u>

**COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED June 30, 2011**

	Central Service Funds					Self Insurance	Total
	Duplicating	Telephone	Mail	Support	Vehicle Replacement		
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 1,256,522	\$ 1,320,939	\$ 682,307	\$ 561,989	\$ 6,854,938	\$ 41,507,469	\$ 52,184,164
Payments to Suppliers for Goods and Services	(1,208,966)	(924,197)	(463,695)	(31,496)	(143,314)	(4,964,461)	(7,736,129)
Claims Paid	-	-	-	-	-	(33,421,783)	(33,421,783)
Payments to Employees	(136,193)	-	(198,529)	(516,956)	-	(23,875)	(875,553)
Net Cash Provided by Operating Activities	(88,637)	396,742	20,083	13,537	6,711,624	3,097,350	10,150,699
Cash Flows from Non-capital Financing Activities:							
Transfers In	-	94,308	-	-	2,526,716	6,703,389	9,324,413
Net Cash Flows Used in Non-capital Financing Activities	-	94,308	-	-	2,526,716	6,703,389	9,324,413
Cash Flows from Capital and Related Financing Activities:							
Additions to Capital Assets	-	(262,552)	-	-	(5,842,555)	-	(6,105,107)
Proceeds from Sale of Capital Assets	-	-	-	-	314,119	-	314,119
Net Cash Flows from Capital and Related Financing Activities	-	(262,552)	-	-	(5,528,436)	-	(5,790,988)
Net Increase (Decrease) in Cash and Cash Equivalents	(88,637)	228,498	20,083	13,537	3,709,904	9,800,739	13,684,124
Cash and Cash Equivalents (including those held with Fiscal Agents) at Beginning of Year	184,127	1,737,421	48,855	21,511	18,013,641	13,159,975	33,165,530
Cash and Cash Equivalents (including those held with Fiscal Agents) at End of Year	\$ 95,490	\$ 1,965,919	\$ 68,938	\$ 35,048	\$ 21,723,545	\$ 22,960,714	\$ 46,849,654
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities:							
Operating Income (Loss)	\$ (2,462)	\$ 34,690	\$ 8,812	\$ 21,045	\$ 2,074,434	\$ 3,102,819	\$ 5,239,338
Adjustment Not Affecting Cash:							
Depreciation	-	380,062	-	-	4,760,126	-	5,140,188
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:							
Receivables, Net	548	(3,064)	(2,400)	-	-	(7,934)	(12,850)
Inventory of Supplies	-	-	3,305	(1)	-	-	3,304
Prepaid Items	-	-	-	-	(2,898)	(66,439)	(69,337)
Accounts Payable	(87,192)	(14,946)	1,246	(1,650)	(120,038)	(1,076,858)	(1,299,438)
Claims Liabilities	-	-	-	-	-	1,145,762	1,145,762
Accrued Liabilities	469	-	9,120	(5,857)	-	-	3,732
Total Adjustments	(86,175)	362,052	11,271	(7,508)	4,637,190	(5,469)	4,911,361
Net Cash Provided by Operating Activities	\$ (88,637)	\$ 396,742	\$ 20,083	\$ 13,537	\$ 6,711,624	\$ 3,097,350	\$ 10,150,699

Fiduciary Funds

Fiduciary Funds

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

Pension Trust Funds

Volunteer Fire and Rescue Trust Fund (712) - This fund is used to account for the activities of the Public Safety Retirement System, which accumulates resources for pension benefit payments to qualified public safety personnel.

OPEB Trust Fund (722) - This fund is used to account for the assets held in trust by the county for other post employment benefits.

Private Purpose Trust Funds

Senior Center Trust Fund (705) - This fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the senior center.

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

Agency Funds

Special Welfare Trust Fund (703) - This fund is used to account for monies provided through the State and from private donors for regular assistance payments to recipients in the Aid to Dependent Children Program.

Performance Bond Fund (710) - This fund is used to account for monies received from and returned to individuals and businesses who are required to have a performance bond for development. The County acts as an agent to hold the monies until performance is rendered.

Employee Benefits Distribution Fund (713) - This fund is used to account for employee withholdings, employer contributions, and payments made for employee benefits.

Adult Detention Center (ADC) Inmate Trust Fund (721) - This fund is used to account for monies held by inmates of the County's ADC at the time of incarceration.

COUNTY OF LOUDOUN, VIRGINIA
 COMBINING STATEMENT OF PENSION TRUST NET ASSETS
 AS OF June 30, 2011

	Volunteer Fire and Rescue Fund	OPEB Trust Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 13,250,214	\$ -	\$ 13,250,214
Accounts Receivable	6,012	-	6,012
Investments, at Fair Value:			
Investment in Pooled Funds	-	15,055,489	15,055,489
Total Assets	<u>\$ 13,256,226</u>	<u>\$ 15,055,489</u>	<u>\$ 28,311,715</u>
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS			
Held in Trust for Pension Benefits	<u>\$ 13,256,226</u>	<u>\$ 15,055,489</u>	<u>\$ 28,311,715</u>

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN PENSION TRUST NET ASSETS
FOR THE YEAR ENDED June 30, 2011

	Volunteer Fire and Rescue Fund	OPEB Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 765,362	\$ 8,179,782	\$ 8,945,144
Other	-	105,898	105,898
Total Contributions	<u>765,362</u>	<u>8,285,680</u>	<u>9,051,042</u>
Investment Earnings:			
Net Appreciation in Fair Value of Investments	-	1,263,650	1,263,650
Interest	1,218,254	1,162	1,219,416
Total Investment Earnings	<u>1,218,254</u>	<u>1,264,812</u>	<u>2,483,066</u>
Less Investment Expense:			
Investment Management Fees	-	(11,421)	(11,421)
Net Investment Income	<u>1,218,254</u>	<u>1,253,391</u>	<u>2,471,645</u>
Total Additions	<u>1,983,616</u>	<u>9,539,071</u>	<u>11,522,687</u>
DEDUCTIONS			
Benefits	608,133	1,420,681	2,028,814
Administrative Expense	8,000	864,999	872,999
Total Deductions	<u>616,133</u>	<u>2,285,680</u>	<u>2,901,813</u>
Change in Net Assets	1,367,483	7,253,391	8,620,874
Net Assets at Beginning of Year	11,888,743	7,802,098	19,690,841
Net Assets at End of Year	<u><u>\$ 13,256,226</u></u>	<u><u>\$ 15,055,489</u></u>	<u><u>\$ 28,311,715</u></u>

COUNTY OF LOUDOUN, VIRGINIA
 COMBINING STATEMENT OF PRIVATE PURPOSE TRUST NET ASSETS
 AS OF June 30, 2011

	Senior Center	War Memorial	Total
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 8,255	\$ 8,255
	<u>-</u>	<u>8,255</u>	<u>8,255</u>
Total Assets	<u>\$ -</u>	<u>\$ 8,255</u>	<u>\$ 8,255</u>
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS			
Held in Trust for Private Purposes	<u>\$ -</u>	<u>\$ 8,255</u>	<u>\$ 8,255</u>

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN PRIVATE PURPOSE TRUST NET ASSETS
 FOR THE YEAR ENDED June 30, 2011

	Senior Center	War Memorial	Total
ADDITIONS			
Investment Earnings:			
Interest	\$ -	\$ 17	\$ 17
Total Investment Earnings	<u>-</u>	<u>17</u>	<u>17</u>
Total Additions	<u>-</u>	<u>17</u>	<u>17</u>
DEDUCTIONS			
Benefits	470	-	470
Total Deductions	<u>470</u>	<u>-</u>	<u>470</u>
Change in Net Assets	(470)	17	(453)
Net Assets at Beginning of Year	470	8,238	8,708
Net Assets at End of Year	<u>\$ -</u>	<u>\$ 8,255</u>	<u>\$ 8,255</u>

COUNTY OF LOUDOUN, VIRGINIA
 COMBINING BALANCE SHEET - AGENCY FUND
 AS OF June 30, 2011

	Special Welfare	Performance Bonds	Employee Benefits Distribution	ADC Inmate	Total
ASSETS					
Cash and Cash Equivalents	\$ 191,389	\$ 14,973,233	\$ 133,298	\$ 273,262	\$ 15,571,182
Cash with Fiscal Agents	-	-	60,000	-	60,000
Total Assets	<u>\$ 191,389</u>	<u>\$ 14,973,233</u>	<u>\$ 193,298</u>	<u>\$ 273,262</u>	<u>\$ 15,631,182</u>
LIABILITIES					
Accounts Payable	\$ 2,626	\$ 316,287	\$ 193,298	\$ -	\$ 512,211
Funds Held in Trust for Others	188,763	14,656,946	-	273,262	15,118,971
Total Liabilities	<u>\$ 191,389</u>	<u>\$ 14,973,233</u>	<u>\$ 193,298</u>	<u>\$ 273,262</u>	<u>\$ 15,631,182</u>

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<u>Special Welfare Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 157,573	\$ 156,116	\$ 122,300	\$ 191,389
Total Assets	<u>\$ 157,573</u>	<u>\$ 156,116</u>	<u>\$ 122,300</u>	<u>\$ 191,389</u>
Liabilities:				
Accounts Payable	\$ 2,181	\$ 60,092	\$ 59,647	\$ 2,626
Funds Held in Trust for Others	155,392	96,024	62,653	188,763
Total Liabilities	<u>\$ 157,573</u>	<u>\$ 156,116</u>	<u>\$ 122,300</u>	<u>\$ 191,389</u>
 <u>Performance Bond Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 11,405,671	\$ 7,399,723	\$ 3,832,161	\$ 14,973,233
Total Assets	<u>\$ 11,405,671</u>	<u>\$ 7,399,723</u>	<u>\$ 3,832,161</u>	<u>\$ 14,973,233</u>
Liabilities:				
Accounts Payable	\$ 14,016	\$ 2,021,864	\$ 1,719,593	\$ 316,287
Funds Held in Trust for Others	11,391,655	5,377,859	2,112,568	14,656,946
Total Liabilities	<u>\$ 11,405,671</u>	<u>\$ 7,399,723</u>	<u>\$ 3,832,161</u>	<u>\$ 14,973,233</u>
 <u>Employee Benefits Distribution Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 435,384	\$ 89,788,714	\$ 90,090,800	\$ 133,298
Cash with Fiscal Agents	60,000	-	-	60,000
Accounts Receivable	671	-	671	-
Total Assets	<u>\$ 496,055</u>	<u>\$ 89,788,714</u>	<u>\$ 90,091,471</u>	<u>\$ 193,298</u>
Liabilities:				
Accounts Payable	\$ 496,055	\$ 89,788,714	\$ 90,091,471	\$ 193,298
Total Liabilities	<u>\$ 496,055</u>	<u>\$ 89,788,714</u>	<u>\$ 90,091,471</u>	<u>\$ 193,298</u>
 <u>Adult Detention Center (ADC) Inmate Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 212,982	\$ 1,067,530	\$ 1,007,250	\$ 273,262
Total Assets	<u>\$ 212,982</u>	<u>\$ 1,067,530</u>	<u>\$ 1,007,250</u>	<u>\$ 273,262</u>
Liabilities:				
Accounts Payable	\$ 1,250	-	\$ 1,250	-
Funds Held in Trust for Others	211,732	1,067,530	1,006,000	273,262
Total Liabilities	<u>\$ 212,982</u>	<u>\$ 1,067,530</u>	<u>\$ 1,007,250</u>	<u>\$ 273,262</u>
 <u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$ 12,211,610	\$ 98,412,083	\$ 95,052,511	\$ 15,571,182
Cash with Fiscal Agents	60,000	-	-	60,000
Accounts Receivable	671	-	671	-
Total Assets	<u>\$ 12,272,281</u>	<u>\$ 98,412,083</u>	<u>\$ 95,053,182</u>	<u>\$ 15,631,182</u>
Liabilities:				
Accounts Payable	\$ 513,502	\$ 91,870,670	\$ 91,871,961	\$ 512,211
Funds Held in Trust for Others	11,758,779	6,541,413	3,181,221	15,118,971
Total Liabilities	<u>\$ 12,272,281</u>	<u>\$ 98,412,083</u>	<u>\$ 95,053,182</u>	<u>\$ 15,631,182</u>



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Component Unit - School Board Funds

Component Unit - School Board Funds

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

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

Capital 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 school system. Financing is provided primarily by bond issues, State and Federal grants, and transfers from the primary government.

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

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

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

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

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

**COUNTY OF LOUDOUN, VIRGINIA
BALANCE SHEET
COMPONENT UNIT - SCHOOL BOARD
June 30, 2011**

	Other Governmental Funds						Total School Board
	General	Capital Projects	Special Revenue	Capital Asset Replacement	Debt Service	Permanent Peabody	
ASSETS							
Cash and Cash Equivalents	\$ 91,713,917	\$ 36,826,730	\$ 4,123,484	\$ 3,715,935	\$ 47,924	\$ 35,706	\$ 136,463,696
Cash and Investments with Fiscal Agents	1,260,355	69,437,927	-	-	-	-	70,698,282
Receivables, Net:							
Accounts	380,558	-	21,674	-	-	-	402,232
Due from Other Governments	22,991,469	-	333,939	-	-	-	23,325,408
Advances to Employees	200	-	-	-	-	-	200
Inventory of Supplies	-	-	622,601	-	-	-	622,601
Prepaid Items	373,807	100,000	3,958	-	-	-	477,765
Total Assets	\$ 116,720,306	\$ 106,364,657	\$ 5,105,656	\$ 3,715,935	\$ 47,924	\$ 35,706	\$ 231,990,184
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 7,120,021	\$ 12,483,537	\$ 105,457	\$ 6,945	\$ -	\$ -	\$ 19,715,960
Retainage Payable	-	3,409,992	-	-	-	-	3,409,992
Accrued Liabilities	46,305,464	14,070	1,117,686	-	-	-	47,437,220
Deferred Revenue - Other	1,648,724	-	674,098	-	-	-	2,322,822
Other Liabilities	13,152	-	-	-	-	-	13,152
Total Liabilities	55,087,361	15,907,599	1,897,241	6,945	-	-	72,899,146
Fund Balances:							
Non-spendable:							
Inventories	-	-	622,601	-	-	-	622,601
Prepaid Items	373,807	100,000	3,958	-	-	-	477,765
Permanent Fund-Nonexpendable	-	-	-	-	-	35,706	35,706
Restricted for:							
Grantors	139,733	-	333,939	-	-	-	473,672
Bond Covenants	-	69,437,927	-	-	-	-	69,437,927
Committed to:							
Fiscal Reserve	24,062,781	-	-	-	-	-	24,062,781
Subsequent year appropriations	10,000,000	-	-	-	47,924	-	10,047,924
Capital Fund	-	9,303,577	-	1,555,653	-	-	10,859,230
Assigned	9,788,628	11,615,554	2,247,917	2,153,337	-	-	25,805,436
Unassigned	17,267,996	-	-	-	-	-	17,267,996
Total Fund Balances	61,632,945	90,457,058	3,208,415	3,708,990	47,924	35,706	159,091,038
Total Liabilities and Fund Balances	\$ 116,720,306	\$ 106,364,657	\$ 5,105,656	\$ 3,715,935	\$ 47,924	\$ 35,706	\$ 231,990,184

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED June 30, 2011

			Other Governmental Funds				Total
	General	Capital Projects	Special Revenue	Capital Asset Replacement	Debt Service	Permanent Peabody	School Board
REVENUES							
Use of Money and Property	\$ 1,731,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,731,045
Charges for Services	2,102,273	-	15,388,401	-	-	-	17,490,674
Gifts and Donations	1,049,544	-	-	-	-	-	1,049,544
Miscellaneous	1,545,274	-	2,330	-	-	-	1,547,604
Recovered Costs	764,719	-	-	-	-	-	764,719
Intergovernmental - Commonwealth	203,018,963	-	297,907	-	-	-	203,316,870
Intergovernmental - Federal	30,304,978	-	6,214,692	-	-	-	36,519,670
Payments from Primary Government	465,621,173	56,193,515	147,000	13,222	6,644,091	-	528,619,001
Total Revenues	706,137,969	56,193,515	22,050,330	13,222	6,644,091	-	791,039,127
EXPENDITURES							
Current Operating:							
Education	710,818,695	710,593	20,205,675	2,187,882	-	1,112	733,923,957
Payments to Primary Government	7,434,609	-	-	-	-	-	7,434,609
Capital Outlay	-	73,222,365	-	84,098	-	-	73,306,463
Debt service:							
Principal Payments	-	-	-	-	8,764,638	-	8,764,638
Interest and Service Charges	-	-	-	-	648,557	-	648,557
Transfer to Other Funds	1,700,000	-	-	-	-	-	1,700,000
Total Expenditures	719,953,304	73,932,958	20,205,675	2,271,980	9,413,195	1,112	825,778,224
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,815,335)	(17,739,443)	1,844,655	(2,258,758)	(2,769,104)	(1,112)	(34,739,097)
OTHER FINANCING SOURCES (USES)							
Lease/Purchase Financing	8,144,000	-	-	-	-	-	8,144,000
Sales of Capital Assets	111,016	-	-	-	-	-	111,016
Total Other Financing Sources (Uses)	8,255,016	-	-	-	-	-	8,255,016
Net Change in Fund Balances	(5,560,319)	(17,739,443)	1,844,655	(2,258,758)	(2,769,104)	(1,112)	(26,484,081)
Fund Balances at Beginning of Year	67,193,264	108,196,501	1,363,760	5,967,748	2,817,028	36,818	185,575,119
Fund Balances at End of Year	\$ 61,632,945	\$ 90,457,058	\$ 3,208,415	\$ 3,708,990	\$ 47,924	\$ 35,706	\$ 159,091,038

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
COMPONENT UNIT - SCHOOL BOARD
SCHOOL GENERAL FUND
FOR THE YEAR ENDED June 30, 2011

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Use of Money and Property	\$ 1,830,100	\$ 1,731,045	\$ (99,055)
Charges for Services	2,164,872	2,102,273	(62,599)
Gifts and Donations	1,039,382	1,049,544	10,162
Miscellaneous	1,271,052	1,545,274	274,222
Recovered Costs	500,000	764,719	264,719
Intergovernmental - Commonwealth	200,057,155	203,018,963	2,961,808
Intergovernmental - Federal	30,209,875	30,304,978	95,103
Sales of Capital Assets	-	111,016	111,016
Payment from Primary Government	465,621,173	465,621,173	-
Lease/Purchase Financing	8,144,000	8,144,000	-
Amounts Available for Appropriation	<u>710,837,609</u>	<u>714,392,985</u>	<u>3,555,376</u>
Charges to Appropriations (Outflows)			
Education	748,839,992	710,818,695	38,021,297
Nondepartmental:			
Transfers to Other Funds	-	1,700,000	(1,700,000)
Payment to Primary Government	7,434,609	7,434,609	-
Total Charges to Appropriations	<u>756,274,601</u>	<u>719,953,304</u>	<u>36,321,297</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	(45,436,992)	(5,560,319)	39,876,673
Fund Balance at Beginning of Year	67,193,264	67,193,264	-
Fund Balance at End of Year	<u>\$ 21,756,272</u>	<u>\$ 61,632,945</u>	<u>\$ 39,876,673</u>

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE
COMPONENT UNIT - SCHOOL BOARD
SCHOOL SPECIAL REVENUE FUND - CAFETERIA
FOR THE YEAR ENDED June 30, 2011

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Charges for Services	\$ 18,995,515	\$ 15,388,401	\$ (3,607,114)
Miscellaneous	6,000	2,330	(3,670)
Intergovernmental - Commonwealth	302,146	297,907	(4,239)
Intergovernmental - Federal	4,583,611	6,214,692	1,631,081
Payment from Primary Government	147,000	147,000	-
Amounts Available for Appropriation	<u>24,034,272</u>	<u>22,050,330</u>	<u>(1,983,942)</u>
Charges to Appropriations (Outflows)			
Education	24,034,272	20,205,675	3,828,597
Total Charges to Appropriations	<u>24,034,272</u>	<u>20,205,675</u>	<u>3,828,597</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	1,844,655	1,844,655
Fund Balance at Beginning of Year	1,363,760	1,363,760	-
Fund Balance at End of Year	<u>\$ 1,363,760</u>	<u>\$ 3,208,415</u>	<u>\$ 1,844,655</u>

COUNTY OF LOUDOUN, VIRGINIA
 BUDGETARY COMPARISON SCHEDULE
 COMPONENT UNIT - SCHOOL BOARD
 SCHOOL CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED June 30, 2011

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Payment from Primary Government	\$ 36,408,515	\$ 56,193,515	\$ 19,785,000
Issuance of Bonds	(1,430,000)	-	1,430,000
Amounts Available for Appropriation	<u>34,978,515</u>	<u>56,193,515</u>	<u>21,215,000</u>
Charges to Appropriations (Outflows)			
Education	-	710,593	(710,593)
Capital Outlay	34,978,515	73,222,365	(38,243,850)
Total Charges to Appropriations	<u>34,978,515</u>	<u>73,932,958</u>	<u>(38,954,443)</u>
Excess (Deficiency) of Resources Over Charges to Appropriations	-	(17,739,443)	(17,739,443)
Fund Balance at Beginning of Year	108,196,501	108,196,501	-
Fund Balance at End of Year	<u>\$ 108,196,501</u>	<u>\$ 90,457,058</u>	<u>\$ (17,739,443)</u>

COUNTY OF LOUDOUN, VIRGINIA
 BUDGETARY COMPARISON SCHEDULE
 COMPONENT UNIT - SCHOOL BOARD
 SCHOOL CAPITAL ASSET REPLACEMENT FUND
 FOR THE YEAR ENDED June 30, 2011

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Payment from Primary Government	\$ 13,222	\$ 13,222	\$ -
Amounts Available for Appropriation	<u>13,222</u>	<u>13,222</u>	<u>-</u>
Charges to Appropriations (Outflows)			
Education	15,496	2,187,882	(2,172,386)
Capital Outlay	(2,274)	84,098	(86,372)
Total Charges to Appropriations	<u>13,222</u>	<u>2,271,980</u>	<u>(2,258,758)</u>
Excess (Deficiency) of Resources Over			
Charges to Appropriations	-	(2,258,758)	(2,258,758)
Fund Balance at Beginning of Year	5,967,748	5,967,748	-
Fund Balance at End of Year	<u>\$ 5,967,748</u>	<u>\$ 3,708,990</u>	<u>\$ (2,258,758)</u>

COUNTY OF LOUDOUN, VIRGINIA
 BUDGETARY COMPARISON SCHEDULE
 COMPONENT UNIT - SCHOOL BOARD
 SCHOOL DEBT SERVICE FUND
 FOR THE YEAR ENDED June 30, 2011

	Final Budgeted Amount	Actual Amount	Variance with Final Budget Positive (Negative)
Resources (Inflows)			
Payment from Primary Government	\$ 6,644,091	\$ 6,644,091	\$ -
Amounts Available for Appropriation	<u>6,644,091</u>	<u>6,644,091</u>	<u>-</u>
Charges to Appropriations (Outflows)			
Nondepartmental:			
Debt Service	9,447,606	9,413,195	34,411
Total Charges to Appropriations	<u>9,447,606</u>	<u>9,413,195</u>	<u>34,411</u>
Excess (Deficiency) of Resources Over			
Charges to Appropriations	(2,803,515)	(2,769,104)	34,411
Fund Balance at Beginning of Year	2,817,028	2,817,028	-
Fund Balance at End of Year	<u><u>\$ 13,513</u></u>	<u><u>\$ 47,924</u></u>	<u><u>\$ 34,411</u></u>

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF PROPRIETARY NET ASSETS
PROPRIETARY - INTERNAL SERVICE FUNDS
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED June 30, 2011

	Central Service Fund	Self Insurance Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,270,742	\$ 16,189,668	\$ 17,460,410
Cash with Fiscal Agents	-	1,890,000	1,890,000
Receivables, Net	1,122	60,298	61,420
Inventory of Supplies	611,931	-	611,931
Total Current Assets	<u>1,883,795</u>	<u>18,234,049</u>	<u>20,117,844</u>
Noncurrent Assets:			
Capital Assets:			
Depreciable, Net	3,296,874	-	3,296,874
Total Noncurrent Assets	<u>3,296,874</u>	<u>-</u>	<u>3,296,874</u>
Total Assets	<u>\$ 5,180,669</u>	<u>\$ 18,234,049</u>	<u>\$ 23,414,718</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 998,024	\$ 1,602,658	\$ 2,600,682
Claims Liabilities	-	7,361,284	7,361,284
Deferred Revenue	-	467,788	467,788
Total Current Liabilities	<u>998,024</u>	<u>9,431,730</u>	<u>10,429,754</u>
Noncurrent Liabilities:			
Claims Liabilities	-	2,205,018	2,205,018
Total Noncurrent Liabilities	<u>-</u>	<u>2,205,018</u>	<u>2,205,018</u>
Total Liabilities	<u>\$ 998,024</u>	<u>\$ 11,636,748</u>	<u>\$ 12,634,772</u>
NET ASSETS			
Net Assets, Invested in			
Capital Assets	\$ 3,296,874	\$ -	\$ 3,296,874
Unrestricted	885,771	6,597,301	7,483,072
Total Net Assets	<u>\$ 4,182,645</u>	<u>\$ 6,597,301</u>	<u>\$ 10,779,946</u>

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN PROPRIETARY NET ASSETS
PROPRIETARY - INTERNAL SERVICE FUNDS
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED June 30, 2011

	Central Service Fund	Self Insurance Fund	Total
Operating Revenues:			
Charges for services	\$ 16,791,735	\$ 94,738,862	\$ 111,530,597
Use of property	32,312	-	32,312
Total Operating Revenues	<u>16,824,047</u>	<u>94,738,862</u>	<u>111,562,909</u>
Operating Expenses:			
Personnel services	4,581,075	600	4,581,675
Other services and charges	1,670,061	6,846,673	8,516,734
Materials and supplies	10,502,360	18,376	10,520,736
Depreciation	37,533	-	37,533
Claims	-	95,337,121	95,337,121
Total Operating Expenses	<u>16,791,029</u>	<u>102,202,770</u>	<u>118,993,799</u>
Operating Income (Loss)	33,018	(7,463,908)	(7,430,890)
Non-Operating Revenues:			
Loss on Sale of Capital Assets	(2,144)	-	(2,144)
Total Non-Operating Revenues	<u>(2,144)</u>	<u>-</u>	<u>(2,144)</u>
Net Income (Loss) Before Transfers	<u>30,874</u>	<u>(7,463,908)</u>	<u>(7,433,034)</u>
Transfers In	-	1,700,000	1,700,000
Total Transfers	<u>-</u>	<u>1,700,000</u>	<u>1,700,000</u>
Change in Net Assets	30,874	(5,763,908)	(5,733,034)
Net Assets at Beginning of Year	4,151,771	12,361,209	16,512,980
Net Assets at End of Year	<u><u>\$ 4,182,645</u></u>	<u><u>\$ 6,597,301</u></u>	<u><u>\$ 10,779,946</u></u>

**COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY - INTERNAL SERVICE FUNDS
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED June 30, 2011**

	Central Service Fund	Self Insurance Fund	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 16,822,925	\$ 94,802,391	\$ 111,625,316
Payments to Suppliers for Goods and Services	(11,614,681)	(7,539,203)	(19,153,884)
Claims Paid	-	(94,125,008)	(94,125,008)
Payments to Employees	(4,581,075)	(600)	(4,581,675)
Net Cash Provided by Operating Activities	<u>627,169</u>	<u>(6,862,420)</u>	<u>(6,235,251)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers In	-	1,700,000	1,700,000
Net Cash Flows Used in Noncapital Financing Activities	<u>-</u>	<u>1,700,000</u>	<u>1,700,000</u>
Cash Flows from Capital and Related Financing Activities:			
Additions to Capital Assets	(3,116,755)	-	(3,116,755)
Proceeds from Sale of Capital Assets	216	-	216
Net Cash Flows from Capital and Related Financing Activities	<u>(3,116,539)</u>	<u>-</u>	<u>(3,116,539)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,489,370)	(5,162,420)	(7,651,790)
Cash and Cash Equivalents (including those held with Fiscal Agents) at Beginning of Year	3,760,112	23,242,088	27,002,200
Cash and Cash Equivalents (including those held with Fiscal Agents) at End of Year	<u>\$ 1,270,742</u>	<u>\$ 18,079,668</u>	<u>\$ 19,350,410</u>
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	<u>\$ 33,018</u>	<u>\$ (7,463,908)</u>	<u>\$ (7,430,890)</u>
Adjustment Not Affecting Cash:			
Depreciation	37,533	-	37,533
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:			
Receivable, Net	(1,122)	13,529	12,407
Due from Other Governments	-	50,000	50,000
Inventory of Supplies	(97,219)	-	(97,219)
Prepaid Items	-	(94,083)	(94,083)
Accounts Payable	654,959	(1,047,859)	(392,900)
Claims Liabilities	-	1,212,113	1,212,113
Deferred Revenue	-	467,788	467,788
Total Adjustments	<u>594,151</u>	<u>601,488</u>	<u>1,195,639</u>
Net Cash Provided by Operating Activities	<u>\$ 627,169</u>	<u>\$ (6,862,420)</u>	<u>\$ (6,235,251)</u>

COUNTY OF LOUDOUN, VIRGINIA
COMBINING STATEMENT OF PENSION TRUST NET ASSETS
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED June 30, 2011

	<u>OPEB Trust Fund</u>
ASSETS	
Investments, at Fair Value:	
Investments in Pooled Funds	\$ 35,158,824
Total Investments	<u>35,158,824</u>
Total Assets	<u>\$ 35,158,824</u>
LIABILITIES	
Accounts Payable	\$ -
Total Liabilities	<u>\$ -</u>
NET ASSETS	
Held in Trust for Pension Benefits	<u>\$ 35,158,824</u>

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN PENSION TRUST NET ASSETS
COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED June 30, 2011

	OPEB Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 19,647,113
Other	895
Total Contributions	<u>19,648,008</u>
Investment Earnings:	
Net Appreciation in Fair Value of Investments	2,952,029
Interest	2,715
Total Investment Earnings	<u>2,954,744</u>
Less Investment Expense:	
Investment Management Fees	<u>(26,677)</u>
Net Investment Income	<u>2,928,067</u>
Total Additions	<u>22,576,075</u>
 DEDUCTIONS	
Benefits	3,797,874
Administrative Expense	1,850,133
Total Deductions	<u>5,648,007</u>
 Change in Net Assets	 16,928,068
 Net Assets at Beginning of Year	 <u>18,230,756</u>
Net Assets at End of Year	<u><u>\$ 35,158,824</u></u>

COUNTY OF LOUDOUN, VIRGINIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
 COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<u>Employee Benefits Distribution Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 9,142,618	\$ 199,041,699	\$ 202,128,970	\$ 6,055,347
Accounts Receivable	20,468	-	2,744	17,724
Total Assets	<u><u>\$ 9,163,086</u></u>	<u><u>\$ 199,041,699</u></u>	<u><u>\$ 202,131,714</u></u>	<u><u>\$ 6,073,071</u></u>
Liabilities:				
Accounts Payable	\$ 9,163,086	\$ 199,041,699	\$ 202,131,714	\$ 6,073,071
Total Liabilities	<u><u>\$ 9,163,086</u></u>	<u><u>\$ 199,041,699</u></u>	<u><u>\$ 202,131,714</u></u>	<u><u>\$ 6,073,071</u></u>
 <u>School Activity Fund</u>				
Assets:				
Cash and Temporary Investments	\$ 5,093,218	\$ 14,795,092	\$ 14,468,389	\$ 5,419,921
Total Assets	<u><u>\$ 5,093,218</u></u>	<u><u>\$ 14,795,092</u></u>	<u><u>\$ 14,468,389</u></u>	<u><u>\$ 5,419,921</u></u>
Liabilities:				
Collections Held in Trust	\$ 5,093,218	\$ 14,795,092	\$ 14,468,389	\$ 5,419,921
Total Liabilities	<u><u>\$ 5,093,218</u></u>	<u><u>\$ 14,795,092</u></u>	<u><u>\$ 14,468,389</u></u>	<u><u>\$ 5,419,921</u></u>

Capital Assets

Capital Assets

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

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

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

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF CAPITAL ASSETS BY SOURCES
AT June 30, 2011

CAPITAL ASSETS

Land	\$ 120,388,765
Buildings	322,919,312
Improvements Other Than Buildings	31,652,528
Equipment	158,559,902
Infrastructure	438,113,461
Construction in Progress	50,970,553
Total Current Assets	<u>1,122,604,521</u>
Less Accumulated Depreciation	<u>(227,915,345)</u>
Net Capital Assets	<u><u>\$ 894,689,176</u></u>

INVESTMENTS IN CAPITAL ASSETS

General Fund	\$ 498,184,813
Special Revenue Fund	15,152,458
Capital Projects Fund	54,909,846
Donations	496,208,447
Internal Service Fund	58,148,957
Total Investments in Capital Assets	<u>1,122,604,521</u>
Less Accumulated Depreciation	<u>(227,915,345)</u>
Net Capital Assets	<u><u>\$ 894,689,176</u></u>

**COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
AT June 30, 2011**

Function and Program	Land	Buildings	Improvements other than Buildings	Machinery and Equipment	Infrastructure	Total
General Government Administration:						
Legislative	\$ 13,923,200	\$ 1,046,922	\$ -	\$ -	\$ -	\$ 14,970,122
General and Financial Administration	3,555,476	34,046,643	-	106,172,331	-	143,774,450
Elections Administration	-	-	-	479,968	-	479,968
Total General Government	17,478,676	35,093,565	-	106,652,299	-	159,224,540
Judicial Administration:						
Courts	398,112	34,594,312	-	1,504,882	-	36,497,306
Commonwealth's Attorney	-	-	-	15,459	-	15,459
Total judicial Administration	398,112	34,594,312	-	1,520,341	-	36,512,765
Public Safety:						
Law Enforcement and Traffic Control	4,864,918	4,295,143	-	10,756,515	477,550	20,394,126
Fire and Rescue Services	6,091,163	38,608,772	-	10,889,267	1,285,969	56,875,171
Corrections and Detention	223,952	90,485,518	-	499,495	-	91,208,965
Inspections	-	-	-	35,000	-	35,000
Other Protection	17,637	1,791,034	-	1,287,154	-	3,095,825
Total Public Safety	11,197,670	135,180,467	-	23,467,431	1,763,519	171,609,087
Public Works:						
Sanitation and Waste Removal	17,158,471	1,128,000	12,170	1,985,360	-	20,284,001
Maintenance of General Building and Ground	8,196,562	13,441,493	26,788	807,858	211,690	22,684,391
Total public Works	25,355,033	14,569,493	38,958	2,793,218	211,690	42,968,392
Health and Welfare:						
Health	-	-	-	75,936	-	75,936
Mental Health and Mental Retardation	1,252,364	6,422,185	-	258,613	-	7,933,162
Welfare and Social Services	2,857,286	27,005,631	-	1,445,734	-	31,308,651
Total Health and Welfare	4,109,650	33,427,816	-	1,780,283	-	39,317,749
Parks, Recreation and Culture:						
Parks and Recreation	24,418,409	37,989,075	31,355,260	3,502,021	380,845	97,645,610
Library	4,123,234	30,837,948	-	2,637,677	-	37,598,859
Total Parks, Recreation and Culture	28,541,643	68,827,023	31,355,260	6,139,698	380,845	135,244,469
Community Development:						
Planning, Community Development and Economic Development	31,795,541	1,226,636	-	1,385,088	435,757,407	470,164,672
Environmental Management	8,013	-	-	93,797	-	101,810
Cooperative Extension Program	1,504,427	-	258,310	14,727,747	-	16,490,484
Total Community Development	33,307,981	1,226,636	258,310	16,206,632	435,757,407	486,756,966
Total Capital Assets Allocation to Functions	120,388,765	322,919,312	31,652,528	158,559,902	438,113,461	1,071,633,968
Less: Accumulated Depreciation	-	(44,479,134)	(12,680,750)	(96,587,186)	(74,168,275)	(227,915,345)
Total	\$ 120,388,765	\$ 278,440,178	\$ 18,971,778	\$ 61,972,716	\$ 363,945,186	843,718,623
Contruction in Progress						50,970,553
Total Capital Assets						\$ 894,689,176

COUNTY OF LOUDOUN, VIRGINIA
SCHEDULE OF CHANGES IN CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDED June 30, 2011

Function and Program	Fixed Assets July 1, 2010	Additions	Deductions	Transfers In / (Out)	Fixed Assets June 30, 2011
General Government Administration:					
Legislative	\$ 14,970,122	\$ -	\$ -	\$ -	\$ 14,970,122
General and Financial Administration	137,949,921	6,974,136	2,058,476	908,869	143,774,450
Elections Administration	479,968	-	-	-	479,968
Total General Government	153,400,011	6,974,136	2,058,476	908,869	159,224,540
Judicial Administration:					
Courts	35,870,313	626,993	-	-	36,497,306
Commonwealth's Attorney	9,300	-	-	6,159	15,459
Total judicial Administration	35,879,613	626,993	-	6,159	36,512,765
Public Safety:					
Law Enforcement and Traffic Control	19,928,610	486,255	5,100	(15,639)	20,394,126
Fire and Rescue Services	70,027,617	1,666,698	-	(14,819,144)	56,875,171
Corrections and Detention	30,294,099	275,020	-	60,639,846	91,208,965
Inspections	35,000	-	-	-	35,000
Other Protection	1,824,727	214,773	-	1,056,325	3,095,825
Total Public Safety	122,110,053	2,642,746	5,100	46,861,388	171,609,087
Public Works:					
Sanitation and Waste Removal	459,596,971	619,742	6,169	(439,926,543)	20,284,001
Maintenance of General Building and Grounds	9,733,292	256,580	-	12,694,519	22,684,391
Total public Works	469,330,263	876,322	6,169	(427,232,024)	42,968,392
Health and Welfare:					
Health	75,936	-	-	-	75,936
Mental Health and Mental Retardation	7,904,262	-	-	28,900	7,933,162
Welfare and Social Services	24,899,672	39,580	-	6,369,399	31,308,651
Total Health and Welfare	32,879,870	39,580	-	6,398,299	39,317,749
Parks, Recreation and Culture:					
Parks and Recreation	74,771,933	683,996	6,600	22,196,281	97,645,610
Library	37,448,874	156,923	6,938	-	37,598,859
Total Parks, Recreation and Culture	112,220,807	840,919	13,538	22,196,281	135,244,469
Community Development:					
Planning, Community Development and Economic Development	9,718,871	50,647,601	-	409,798,200	470,164,672
Environmental Management	24,564	12,345,632	-	(12,268,386)	101,810
Cooperative Extension Program	-	-	-	16,490,484	16,490,484
Total Community Development	9,743,435	62,993,233	-	414,020,298	486,756,966
Total Capital Assets Allocation to Function	935,564,052	74,993,929	2,083,283	63,159,270	1,071,633,968
Contruction in Progress	114,129,823	-	-	(63,159,270)	50,970,553
Total	1,049,693,875	74,993,929	2,083,283	-	1,122,604,521
Less: Accumulated Depreciation	(203,225,953)	(26,754,775)	(2,065,383)	-	(227,915,345)
Net Capital Assets	\$ 846,467,922	\$ 48,239,154	\$ 17,900	\$ -	\$ 894,689,176

STATISTICAL SECTION

STATISTICAL SECTION (1)

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	130
Revenue Capacity These schedules contain information to help the reader assess the County's significant local revenue sources, the property tax, as well as other revenue sources.	134
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	139
Economic and Demographic Information which the County's financial activities take place and to help make comparisons over time and with other governments.	142
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	144

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

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

COUNTY OF LOUDOUN, VIRGINIA

NET ASSETS BY COMPONENT

(accrual basis of accounting)

	Fiscal Years					
	2011	2010	2009	2008	2007	2006
Primary government:						
Invested in Capital Assets, Net of Related Debt	\$ 577,369,256	\$ 585,178,496	\$ 527,364,157	\$ 489,043,054	\$ 485,203,057	\$ 450,622,376
Restricted	114,631,765	117,028,380	140,839,102	120,692,734	104,274,450	58,775,047
Unrestricted	(424,459,619)	(574,814,326)	(588,919,383)	(514,969,805)	(570,530,797)	(452,463,564)
Total Primary Government Net Assets	267,541,402	127,392,550	79,283,876	94,765,983	18,946,710	56,933,859
Component Unit: (1)						
Invested in Capital Assets, Net of Related Debt	1,270,621,901	1,218,969,901	1,118,111,822	1,074,201,984	948,053,632	854,667,866
Restricted	69,473,633	95,452,677	160,182,948	94,027,547	194,986,560	132,512,303
Unrestricted	(12,775,272)	8,838,292	25,363,594	56,218,412	56,951,907	62,921,591
Total Component Unit Net Assets	1,327,320,262	1,323,260,870	1,303,658,364	1,224,447,943	1,199,992,099	1,050,101,760
Total Reporting Entity: (2)						
Invested in Capital Assets, Net of Related Debt	983,749,795	873,938,252	720,468,499	743,562,715	498,936,494	194,886,496
Restricted	184,105,398	212,481,057	301,059,613	214,720,281	299,261,010	191,287,350
Unrestricted	427,006,471	364,234,111	361,314,128	360,930,930	420,741,305	413,025,169
Total Reporting Entity Net Assets	<u>\$ 1,594,861,664</u>	<u>\$ 1,450,653,420</u>	<u>\$ 1,382,842,240</u>	<u>\$ 1,319,213,926</u>	<u>\$ 1,218,938,809</u>	<u>\$ 799,199,015</u>

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

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

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

	Fiscal Years					
	2011	2010	2009	2008	2007	2006
Primary government:						
Expenses						
General government administration	\$ 62,046,397	\$ 63,686,674	\$ 62,822,643	\$ 55,390,394	\$ 50,059,960	\$ 43,682,466
Judicial administration	12,713,817	13,102,418	12,195,513	13,491,840	11,998,091	10,192,333
Public safety	139,449,347	136,689,853	146,132,847	133,119,564	117,079,583	103,129,805
Public works	53,898,740	73,414,534	87,509,156	51,868,968	39,352,422	19,504,478
Health and welfare	81,624,733	85,065,383	82,537,935	85,769,481	77,284,839	73,632,718
Parks, recreation and culture	44,867,154	44,766,554	47,983,009	47,410,027	40,963,120	38,426,805
Community development	38,362,638	42,006,747	40,960,236	40,986,388	40,758,161	35,709,602
Education	523,831,880	558,233,336	648,732,511	551,205,050	613,877,184	555,334,092
Interest and other debt service charges	46,222,850	42,984,767	38,106,182	44,058,386	38,586,954	37,448,682
Total primary government expenses	\$ 1,003,017,556	\$ 1,059,950,266	\$ 1,166,980,032	\$ 1,023,300,098	\$ 1,029,960,314	\$ 917,060,981
Program Revenues						
Charges for services:						
General government administration	\$ 1,604,464	\$ 1,291,961	\$ 1,193,028	\$ 1,080,504	\$ 1,690,165	\$ 1,854,147
Judicial administration	1,525,826	1,625,414	1,925,667	2,177,646	2,784,513	3,986,858
Public safety	11,954,370	9,743,766	10,199,123	11,714,375	11,653,582	16,647,759
Public works	3,392,704	2,840,600	3,239,278	4,123,782	4,009,388	2,937,798
Health and welfare	8,675,500	7,830,997	7,444,700	8,790,470	7,537,008	7,582,636
Parks, recreation and culture	16,066,824	14,734,804	14,052,720	13,855,369	11,473,703	10,537,926
Community development	15,020,443	12,555,265	12,143,717	14,863,758	14,368,965	13,810,587
Education	1,744	4,188	61,609	204,551	259,804	194,600
Operating grants and contributions	64,135,538	79,233,436	73,551,322	70,591,149	61,734,142	60,103,310
Capital grants and contributions	18,665,478	17,632,716	50,436,513	37,425,005	12,012,850	15,838,102
Total primary government program revenues	\$ 141,042,891	\$ 147,493,147	\$ 174,247,677	\$ 164,826,609	\$ 127,524,120	\$ 133,493,723
Total primary government net expense (1)	\$ (861,974,665)	\$ (912,457,119)	\$ (992,732,355)	\$ (858,473,489)	\$ (902,436,194)	\$ (783,567,258)
General Revenues and Other Changes in Net Assets						
Taxes:						
Property taxes	\$ 809,717,753	\$ 779,918,323	\$ 780,314,126	\$ 739,793,194	\$ 657,976,780	\$ 589,577,533
Local sales and use taxes	63,589,457	57,604,972	55,353,088	57,209,778	54,099,950	53,558,311
Consumer utility taxes	20,236,914	20,087,509	19,891,260	20,940,326	19,263,192	17,131,137
Business license taxes	25,355,444	23,076,923	25,552,292	25,464,522	26,718,562	25,782,305
Franchise license taxes	586,485	503,990	424,254	-	857,820	1,545,845
Motor vehicle licenses	5,663,926	5,486,343	5,313,822	5,189,600	5,064,223	4,897,059
Bank franchise taxes	2,015,493	1,098,270	585,119	365,769	465,944	530,806
Taxes on recordation and wills	7,936,513	7,424,426	7,401,252	9,166,347	12,944,088	18,106,921
Hotel and motel room taxes	5,044,602	4,748,883	5,572,925	5,995,828	5,664,725	5,313,708
Interest and investment earnings	2,625,335	4,229,035	12,182,445	23,996,377	23,789,942	16,201,553
Unrestricted grants and contributions	55,383,277	54,732,247	56,173,663	56,980,645	56,807,035	59,420,281
Miscellaneous	3,968,318	1,654,872	2,104,896	2,370,314	796,784	218,978
Special Item	-	-	6,381,106	-	-	-
Total primary government general revenues	\$ 1,002,123,517	\$ 960,565,793	\$ 977,250,248	\$ 947,472,700	\$ 864,449,045	\$ 792,284,437
Change in Net Assets	\$ 140,148,852	\$ 48,108,674	\$ (15,482,107)	\$ 88,999,211	\$ (37,987,149)	\$ 8,717,179

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

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

	Fiscal Years					
	2011	2010	2009	2008	2007	2006
Pre GASB 54:						
General Fund:						
Reserved			\$ 13,116,086	\$ 11,316,291	\$ 14,568,061	\$ 13,594,685
Unreserved						
Designated			105,123,783	99,502,387	91,334,925	89,415,523
Undesignated			42,653,142	46,250,909	57,711,167	68,641,407
Total General Fund			\$ 160,893,011	\$ 157,069,587	\$ 163,614,153	\$ 171,651,615
Other Governmental Funds:						
Reserved			\$ 80,629,313	\$ 82,116,013	\$ 23,271,448	\$ 26,468,393
Unreserved						
Designated:						
Special Revenue Funds			-	-	1,244,469	350,000
Capital Project Funds			135,914,520	75,864,057	146,568,818	93,244,558
Debt Service Fund			19,116,001	23,324,983	27,321,218	33,378,305
Undesignated:						
Special Revenue Funds			126,253,942	117,590,281	109,464,235	90,708,497
Total Other Governmental Funds			\$ 361,913,776	\$ 298,895,334	\$ 307,870,188	\$ 244,149,753
Post GASB 54:						
General Fund:						
Nonspendable	\$ 3,485,287	\$ 3,382,785				
Restricted	587,920	736,194				
Committed	127,596,371	111,378,755				
Assigned	3,089,893	4,368,207				
Unassigned	61,501,286	67,221,557				
Total General Fund	\$ 196,260,757	\$ 187,087,498				
Other Governmental Funds:						
Nonspendable	\$ 1,455,427	\$ 1,532,553				
Restricted	268,211,618	252,044,227				
Committed	115,791,455	65,777,747				
Assigned	10,347,947	13,064,889				
Total Other Governmental Funds	\$ 395,806,447	\$ 332,419,416				
Total Governmental Funds	\$ 592,067,204	\$ 519,506,914	\$ 522,806,787	\$ 455,964,921	\$ 471,484,341	\$ 415,801,368

TABLE D

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

	Fiscal Years					
	2011	2010	2009	2008	2007	2006
Revenues						
General property taxes	\$ 811,668,497	\$ 780,886,551	\$ 777,764,635	\$ 741,296,705	\$ 653,847,833	\$ 586,523,922
Other local taxes	130,428,834	120,031,316	120,094,012	124,332,170	125,084,324	127,126,072
Permits and licenses	14,444,622	10,791,655	11,844,637	15,023,716	15,301,258	20,885,155
Use of money and property	2,705,771	2,539,918	2,545,492	2,069,644	1,938,316	2,056,027
Fines and forfeitures	5,080,665	5,806,890	15,356,324	30,090,220	29,738,479	19,935,999
Charges for services	29,376,216	26,227,611	25,121,561	24,898,207	23,232,267	23,354,171
Gifts and donations	15,346,612	23,607,010	16,038,282	20,225,374	13,941,107	17,657,593
Miscellaneous	2,080,701	620,206	1,333,558	360,477	825,273	252,974
Recovered costs	11,147,553	10,524,622	8,345,611	10,734,882	7,322,441	7,228,536
Intergovernmental - Commonwealth of Virginia	85,827,355	79,536,378	92,494,168	90,654,860	87,360,501	83,331,960
Intergovernmental - Federal Government	23,561,617	36,828,492	31,208,905	20,156,214	20,442,859	23,328,040
Total revenues	1,131,668,443	1,097,400,649	1,102,147,185	1,079,842,469	979,034,658	911,680,449
Expenditures						
General government administration	57,425,608	58,971,603	58,014,874	53,697,645	47,999,483	40,679,949
Judicial administration	11,906,191	12,010,979	12,159,740	11,943,448	10,985,963	9,873,632
Public safety	139,766,826	134,915,733	141,207,093	127,329,016	115,484,242	100,210,168
Public works	47,410,592	65,313,594	55,961,771	45,143,766	34,532,493	30,868,692
Health and welfare	81,217,371	83,739,002	82,476,368	82,831,548	76,568,894	72,880,067
Parks, recreation and culture	42,865,541	42,229,577	44,256,562	43,808,392	38,707,111	35,802,294
Community development	37,561,438	40,414,055	42,939,187	36,782,407	38,028,091	31,709,885
Education	523,831,880	558,233,336	661,083,089	540,552,406	610,738,921	551,800,047
Capital outlay	50,947,973	58,053,186	85,295,782	31,636,288	29,325,928	38,198,152
Debt service:						
Principal payments	101,275,616	76,369,500	83,497,294	79,752,802	71,414,847	66,615,202
Interest and service charges	53,154,667	50,854,909	48,380,508	49,049,819	43,459,098	40,576,792
Total expenditures	1,147,363,703	1,181,105,474	1,315,272,268	1,102,527,537	1,117,245,071	1,019,214,880
Excess of revenues over (under) expenditures	(15,695,260)	(83,704,825)	(213,125,083)	(22,685,068)	(138,210,413)	(107,534,431)
Other financing sources (uses)						
Transfers in	295,977,594	210,275,969	318,270,686	170,873,438	183,476,008	144,180,421
Transfers (out)	(305,302,007)	(219,434,691)	(314,474,722)	(177,004,116)	(183,743,198)	(148,141,538)
Issuance premium	7,827,179	2,959,133	18,065,439	895,654	10,652,401	5,412,077
Issuance of bonds	89,750,000	175,720,527	382,004,977	12,290,000	188,800,000	160,225,000
Payments to refunded bond escrow agent	-	(89,120,000)	(131,030,000)	-	486,065	-
Sales of capital assets	2,784	4,014	7,169,475	110,672	15,029	652,421
Total other financing sources (uses)	88,255,550	80,404,952	280,005,855	7,165,648	199,686,305	162,328,381
Net change in fund balances	\$ 72,560,290	\$ (3,299,873)	\$ 66,880,772	\$ (15,519,420)	\$ 61,475,892	\$ 54,793,950
Debt service as a percentage of noncapital expenditures (Primary Government Only)						
Total debt service	\$ 154,430,283	\$ 127,224,409	\$ 131,877,802	\$ 128,802,621	\$ 114,880,554	\$ 107,191,994
Total expenditures	1,147,363,703	1,181,105,474	1,302,929,705	1,102,527,537	1,117,452,007	1,019,214,880
Capital outlay - Primary Government Only	(55,271,711)	(60,858,796)	(87,290,325)	(36,744,321)	(31,622,908)	(40,161,282)
Noncapital Expenditure	\$ 1,092,091,992	\$ 1,120,246,678	\$ 1,215,639,380	\$ 1,065,783,216	\$ 1,085,829,099	\$ 979,053,598
Debt service as a percentage of noncapital expenditures	14.14%	11.36%	10.85%	12.09%	10.58%	10.95%

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

Fiscal Year	Property	Sales & Use	Utility	Business License	Franchise	Motor Vehicle	Recordation & Will	Hotel & Motel Room	Total
2011	\$ 811,668,497	\$ 63,589,457	\$ 20,236,914	\$ 25,355,444	\$ 2,601,978	\$ 5,663,926	\$ 7,936,513	\$ 5,044,602	\$ 942,097,331
2010	780,886,551	57,604,972	20,087,509	23,076,923	1,602,260	5,486,343	7,424,426	4,748,883	900,917,867
2009	777,764,635	55,353,088	19,891,260	25,552,292	1,009,373	5,313,822	7,401,252	5,572,925	897,858,647
2008	741,296,705	57,209,778	20,940,326	25,464,522	365,769	5,189,600	9,166,347	5,995,828	865,628,875
2007	653,847,833	54,099,950	19,263,192	26,724,382	1,323,764	5,064,223	12,944,088	5,664,725	778,932,157
2006	586,523,922	53,558,311	17,131,137	26,042,285	2,076,651	4,897,059	18,106,921	5,313,708	713,649,994

TABLE F

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

Fiscal Year	REAL PROPERTY (2)			PERSONAL PROPERTY (3)		Less: Tax Exempt Real Property	Total Taxable Assessed Value
	Residential Property	Commercial Property	Agricultural Property	Motor Vehicles	Other		
2011	\$ 39,331,363,800	\$ 18,277,604,100	\$ 3,074,079,800	\$2,738,035,707	\$1,715,824,158	\$ 4,975,969,800	\$ 60,160,937,765
2010	39,017,317,800	16,916,450,500	3,195,328,500	2,562,680,569	1,635,460,725	4,830,803,300	58,496,434,794
2009	39,830,524,980	17,976,712,400	4,009,280,100	2,432,432,641	1,625,541,457	5,023,445,900	60,851,045,678
2008	45,791,942,249	17,475,243,500	4,794,833,700	2,297,252,769	1,619,759,946	4,882,198,700	67,096,833,464
2007	48,322,231,082	15,810,626,800	4,143,962,100	2,188,395,870	1,387,749,362	4,725,959,400	67,127,005,814
2006	48,470,341,430	13,161,987,200	3,937,053,100	2,175,881,822	1,374,701,107	3,784,146,100	65,335,818,559

(1) Property in Loudoun County is assessed annually at fair market value with the date of value being January 1. Property is assessed at 100% of estimated actual value. Tax rates are per \$100 of assessed value.

(2) Loudoun County Office of the County Assessor, Land Book for each year

(3) Loudoun County Office of the Commissioner of Revenue, for the end of June of each year

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

Type of tax	Fiscal Years					
	2011	2010	2009	2008	2007	2006
LOUDOUN COUNTY						
Countywide Tax Levies:						
Real property (1):						
General Fund	\$ 1.285	\$ 1.300	\$ 1.245	\$ 1.14	\$ 0.917	\$ 0.89
Route 28 Highway Improvement	0.18	0.18	0.18	0.20	0.20	0.20
Aldie Sewer Service District	0.13	0.13	0.13	0.13	0.13	0.13
Hamilton Sewer Service District	0.30	0.30	0.30	0.30	0.30	0.30
Fire/Emergency Medical Services	n/a	n/a	n/a	n/a	0.04	n/a
Total direct real property tax rate (2)	1.302	1.319	1.265	1.159	0.975	0.904
Personal property:						
Personal Property (General)	4.200	4.200	4.200	4.200	4.200	4.200
Mobile Homes	1.285	1.300	1.245	1.140	0.960	0.890
Aircraft & Flight Simulators	0.010	0.010	0.010	0.010	0.010	0.010
Heavy Equipment	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
Computer Equipment	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
Total direct personal property tax rate (2)	3.515	3.277	3.139	3.500	3.304	3.180
OVERLAPPING GOVERNMENTS (3)						
Town of Hamilton						
Real Estate	\$ 0.28	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Personal Property	1.10	1.10	1.10	1.10	1.10	1.10
Town of Leesburg						
Real Estate	0.195	0.195	0.195	0.18	0.18	0.18
Personal Property	1.00	1.00	1.00	1.00	1.00	1.00
Town of Lovettsville (4)						
Real Estate	0.21	0.21	0.18	0.18	0.18	0.18
Town of Middleburg (4)						
Real Estate	0.15	0.19	0.15	0.15	0.15	0.10
Town of Purcellville						
Real Estate	0.23	0.23	0.22	0.19	0.18	0.17
Personal Property	1.05	1.05	1.05	1.05	1.05	1.05
Machinery and tools	0.55	0.55	0.55	0.55	0.55	0.55
Town of Round Hill						
Real Estate	0.20	0.20	0.20	0.16	0.14	0.14
Personal Property	1.15	1.15	1.15	1.15	1.15	1.15

(1) 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

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

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Taxable Real Property Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Real Property Assessed Value
Virginia Electric & Power Company	\$ 329,140,400	1	0.58%	\$ 170,680,900	3	0.64%
Verizon Business (formerly MCI Worldcom)	306,400,100	2	0.56%			
Dulles Town Center Mall LLC	265,369,000	3	0.51%	123,754,800	6	0.46%
Verizon Virginia, Inc	208,572,800	4	0.49%	134,065,700	5	0.50%
VISA USA, Inc	203,989,200	5	0.38%			
Toll Road Investors Partnership II, LP	173,309,300	6	0.32%	114,482,900	7	0.43%
America Online/Time Warner	169,027,200	7	0.26%	230,161,300	2	0.86%
Carlyle/Cypress Leesburg I LLC	134,693,200	8	0.25%			
Brambleton Group LLC	131,456,400	9	0.23%			
R T Pacific Blvd LLC	130,422,100	10	0.20%			
UUNET Technologies				308,113,800	1	1.15%
MCI Workdcom Network Service				159,569,000	4	0.60%
Belmont Land LP				83,761,500	8	0.31%
South Riding LP				81,582,400	9	0.30%
Merritt-LTI LLC				76,200,900	10	0.28%
Total	<u>\$ 2,052,379,700</u>		<u>3.78%</u>	<u>\$ 1,482,373,200</u>		<u>5.53%</u>

Source: Loudoun County Office of the County Assessor

TABLE I

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 778,479,460	\$ 769,016,213	98.78%	\$ 5,483,884	\$ 774,500,097	99.49%
2010	777,591,117	769,011,072	98.90%	2,704,919	771,715,991	99.24%
2009	778,479,460	769,016,213	98.78%	3,458,759	772,474,972	99.23%
2008	736,460,357	727,907,315	98.84%	2,515,036	730,422,351	99.18%
2007	651,303,109	643,512,026	98.80%	4,135,327	647,647,353	99.44%
2006	579,252,028	573,495,172	99.01%	4,870,971	578,366,143	99.85%

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

TABLE J

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

Fiscal Year	Primary Government Governmental Activities		Component Unit School Board		Total Reporting Entity	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Capital Leases			
2011	\$ 974,845,000	\$ 156,928,228	\$ 0	\$ 20,291,271	\$ 1,152,064,499	6.78%	\$ 3,601
2010	1,004,330,000	138,968,844	0	20,911,909	1,164,210,753	7.88%	4,015
2009	1,007,377,247	128,696,096	0	25,179,363	1,161,252,706	8.02%	4,099
2008	919,280,193	55,650,444	0	24,389,818	999,320,455	7.05%	3,587
2007	984,781,111	57,612,328	0	23,288,748	1,065,682,187	8.43%	3,930
2006	865,810,040	59,297,176	0	21,763,752	946,870,968	8.08%	3,605

TABLE K

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Taxable Assessed Value of Property	Bonded Debt Per Capita
2011	\$ 974,845,000	\$ 0	\$ 974,845,000	1.62%	\$ 3,047
2010	1,004,330,000	0	1,004,330,000	1.72%	3,463
2009	1,007,377,247	0	1,007,377,247	1.66%	3,556
2008	919,280,193	0	919,280,193	1.37%	3,300
2007	984,781,111	0	984,781,111	1.47%	3,632
2006	865,810,040	0	865,810,040	1.33%	3,296

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

TABLE L

	Fiscal Policy Guideline	Fiscal Years					
		2011	2010	2009	2008	2007	2006
Ratio Data:							
Population		319,917	289,977	283,315	278,591	271,177	262,647
Estimated Market Value of Taxable Property		\$60,160,937,765	\$58,496,434,794	\$60,851,045,678	\$67,096,833,464	\$67,127,005,814	\$65,335,818,559
Per Capita Income		\$ 53,117	\$ 50,951	\$ 51,083	\$ 50,884	\$ 46,621	\$ 44,617
Governmental Expenditures		\$ 1,800,455,938	\$ 1,774,733,828	\$ 1,895,186,256	\$ 1,568,547,711	\$ 1,446,619,735	\$ 1,268,524,255
Total Reporting Entity Outstanding Debt		\$ 1,152,064,499	\$ 1,164,210,753	\$ 1,161,252,706	\$ 999,320,455	\$ 1,065,682,187	\$ 946,870,968
Total Reporting Entity Debt Service Expenditures		\$ 163,843,477	\$ 138,679,732	\$ 141,921,045	\$ 138,365,448	\$ 122,205,086	\$ 112,877,657
Debt Capacity Goals / Ratios:							
Annual Debt Issuance Limit	\$ 200,000,000	\$ 97,894,000	\$ 92,863,000	\$ 260,240,000	\$ 22,249,818	\$ 197,076,000	\$ 170,191,000
Debt Per Capita	\$ 2,500	\$ 3,601	\$ 4,015	\$ 4,099	\$ 3,587	\$ 3,930	\$ 3,605
Debt To Estimated Market Value of Taxable Property	3.00%	0.01914971	1.99%	1.91%	1.49%	1.59%	1.45%
Debt To Per Capita Income	7.50%	6.78%	7.88%	8.02%	7.05%	8.43%	8.08%
Debt Service To Expenditures	10.00%	9.10%	7.81%	7.49%	8.82%	8.45%	8.90%
Affordability Index:							
Fiscal Year 2011	\$1,418,193,519	\$ 1,152,064,499					
Fiscal Year 2010	\$1,322,524,096		\$ 1,164,210,753				
Fiscal Year 2009	\$1,343,051,845			\$ 1,161,252,706			
Fiscal Year 2008	\$1,417,218,143				\$ 999,320,455		
Fiscal Year 2007	\$1,373,669,830					\$ 1,065,682,187	
Fiscal Year 2006	\$1,320,968,232						\$ 946,870,968
OVERLAPPING DEBT (2)							
Commonwealth of Virginia		\$ 129,991,834	\$ 133,091,834	\$ 152,523,472	\$ 132,445,972	\$ 124,238,284	\$ 109,694,931
Peumansend Creek Regional Jail Authority		481,600	569,600	658,400	748,000	929,600	1,020,000
Northern Virginia Criminal Justice Academy		3,682,800	5,387,250	5,651,250	5,907,000	7,755,000	955,350
Loudoun Water (formally Loudoun County Sanitation Authority)		137,382	164,858	192,335	219,811	274,764	315,980
Dulles Town Center Community Development Authority		34,635,000	35,405,000	36,060,000	36,605,000	36,410,000	36,735,000
Virginia Revolving Loan Fund		1,173,861	1,293,433	1,409,497	1,522,155	1,873,383	1,873,383
Dulles Industrial Park Water and Sewer		593,601	-	-	-	-	-
Greenlea Community Bridge		393,633	-	-	-	-	-
Total Overlapping Debt		\$ 171,089,711	\$ 175,911,975	\$ 196,494,954	\$ 177,447,938	\$ 171,481,031	\$ 150,594,644
Fiscal Policy Guideline							
		\$ 601,609,378	\$ 584,964,348	\$ 608,510,457	\$ 670,968,335	\$ 671,270,058	\$ 653,358,186

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

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

TABLE M

**COUNTY OF LOUDOUN, VIRGINIA
DEMOGRAPHIC STATISTICS**

Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Unemployment Rate (2)	School Enrollment (3)
2011	319,917	\$ 16,992,859,000	\$ 53,117	4.40%	63,220
2010	289,977	14,774,594,000	50,951	5.00%	60,096
2009	283,315	14,472,522,000	51,083	5.20%	57,009
2008	278,591	14,175,739,000	50,884	2.9%	54,047
2007	271,177	12,642,678,000	46,621	2.2%	50,478
2006	262,647	11,718,523,000	44,617	2.4%	47,361

Sources: (1) County of Loudoun Management and Financial Services
 (2) Virginia Employment Commission for the month of June
 (3) Loudoun County Public Schools, for the end of September of the given fiscal year

TABLE N

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

Employer	2011			2002		
	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	10,098	7.51%	1	3,631	3.70%
County of Loudoun	2	3,303	2.46%	5	1,816	1.85%
M. C. Dean, Inc	3	1,000-5,000	2.23%			
Worldcom	4	1,000-5,000	2.23%	10	500-999	3.06%
U.S. Department of Homeland Defense	5	1,000-5,000	2.23%		1,000-5,000	3.06%
Orbital Sciences Corporation	6	1,000-5,000	2.23%			
United Air Lines	7	1,000-5,000	2.23%	3	1,000-5,000	3.06%
AOL LLC	8	1,000-5,000	2.23%	2	500-999	0.76%
Loudoun Hospital Center	9	1,000-5,000	2.23%			
United States Postal Service	10	1,000-5,000	2.23%			
Atlantic Coast Airlines United Express				4	1,000-5,000	3.06%
United States Postal Service				7	1,000-5,000	3.06%
United Parcel Service, Inc.				8	1,000-5,000	3.06%
United States Department of Transportation				9	1,000-5,000	3.06%
UUNET Payroll Services				6	1,000-5,000	3.06%
Totals			<u>27.81%</u>			<u>30.79%</u>

Sources:

- (1) Virginia Employment Commission, 4th Quarter 2009 and 2000, 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,					
	2011	2010	2009	2008	2007	2006
General Government Administration	372	379	348	352	339	344
Judicial Administration	128	128	126	128	128	125
Public Safety	1,294	1,294	1,294	1,331	1,322	1,232
Public Works	83	83	113	120	124	116
Health and Welfare	599	599	598	603	601	603
Parks, Recreation and Culture	570	570	572	573	573	556
Community Development	257	249	253	268	266	274
Total Primary Government	3,303	3,302	3,304	3,375	3,353	3,250
Education	10,098	9,838	10,533	9,309	8,844	7,648
Total Reporting Entity	13,401	13,140	13,837	12,684	12,197	10,898

Source: County of Loudoun Management and Financial Services

TABLE P

COUNTY OF LOUDOUN, VIRGINIA
OPERATING INDICATORS BY FUNCTION

Function	Fiscal Years					
	2011	2010	2009	2008	2007	2006
General Government Administration						
County's bond ratings						
Moody's	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
Standard and Poor's	AAA	AAA	AAA	AAA	AAA	AAA
Fitch	AAA	AAA	AAA	AAA	AAA	AAA
Energy cost per square foot of owned space	\$ 3.11	\$ 2.42	\$ 2.96	\$ 2.60	\$ 1.97	\$ 1.78
Major computer availability	98.0%	100.0%	100.0%	100.0%	100.0%	99.7%
Judicial Administration						
Number of Deed book recording	64,531	64,312	61,946	65,951	87,922	126,013
Public Safety						
Sheriff's Office						
Average response time for emergency calls	9.00 min	9.28 min	8.69 min	8:04 min	8:12 min	8:36 min
Average response time for non-emergency calls	13.00 min	13.35 min	14.21 min	11:89 min	10:24 min	11:37 min
Fire and Rescue Services						
Number of emergency medical incidents responded	18,133	16,060	15,888	16,381	16,204	14,328
Health and Welfare						
Number of senior meals provided	113,500	113,276	111,252	113,444	95,879	92,725
Number of vaccinations administereda *	2,248	58,177	4,591	3,714	9,586	8,402
Number of Loudoun residents in the Medical Reserve Corps	1,100	1,189	900	816	700	550
Parks, Recreation, and Culture						
Annual park visits	567,415	541,358	775,928	849,462	637,443	613,517
Number of adults participating in adult sports leagues	5,279	6,934	10,124	10,386	9,871	9,119
Number of children participating in youth sports	83,370	63,680	62,075	87,985	86,700	82,400
Community Development						
Number of new homes approved	1,063	1,063	2,085	2,391	2,739	3,061
Number of new structures completed after January 1st of tax year	1,067	1,360	1,260	4,332	3,109	3,903
Number of subdivision applications submitted	246	193	284	364	479	381
Education						
Per Pupil Expenditures	\$ 12,062	\$ 12,345	\$ 13,473	\$ 13,293	\$ 12,388	\$ 11,759
High School Completion Rate	94.00%	95.95%	96.08%	95.27%	94.27%	94.36%
Pupil-Teacher Ratio						
Kindergarten	24.0	24.0	23.0	22.0	22.0	22.0
Elementary	24.0	24.0	23.0	22.0	22.0	22.0
Intermediate/Middle	23.6	23.6	22.6	21.6	21.6	21.6
High	27.9	27.9	26.9	25.9	25.9	25.9
SAT Scores						
Math	532	536	535	531	527	528
Critical reading	536	535	533	525	522	525
Writing	<u>524</u>	<u>526</u>	<u>525</u>	<u>519</u>	<u>511</u>	<u>508</u>
Total	1,592	1,597	1,593	1,575	1,560	1,561

* FY2010 includes H1N1 (Swine Flu) vaccinations

COUNTY OF LOUDOUN, VIRGINIA
CAPITAL ASSETS STATISTICS BY FUNCTION

Function	Fiscal Years					
	2011	2010	2009	2008	2007	2006
General Government Administration						
Square footage of office space - Owned	427,665	297,321	297,321	297,321	297,321	297,321
Square footage of office space - Leased	257,289	261,633	250,412	225,826	192,471	172,962
Square footage of court space	187,211	171,309	169,709	165,783	159,255	159,255
Public Safety						
Police						
Sheriff stations	4	4	3	3	2	2
Jail capacity	220	220	220	220	220	220
Square footage of jail	114,924	114,924	87,850	87,850	87,850	87,850
Fire and Rescue						
Fire and Rescue stations	19	19	18	19	18	18
Other protections						
Animal shelters	1	1	1	1	1	1
Public Works						
Transportation						
Commuter buses	47	45	38	35	33	31
Health and Welfare						
Mental Health and Developmental Services						
Group homes - Mental Health	12	11	11	11	11	11
Group homes - Developmental Services	7	7	7	7	7	7
Family Services						
Homeless shelters	1	1	1	1	1	1
Transition shelters	1	1	1	1	1	1
Youth shelters	1	1	1	1	1	1
Parks, Recreation and Culture						
Libraries	7	7	7	7	7	7
Square footage of libraries	127,920	123,200	108,200	108,200	107,600	107,600
Parks and Recreation Facilities						
Regional parks	3	2	2	2	2	2
District parks	3	3	3	2	2	2
Community parks	12	12	10	5	4	4
Acres of parks	3,316	3,316	2,965	2,746	2,746	2,746
Recreation Center	1	1	1	1	-	-
Square Footage of recreation center	98,000	98,000	98,000	98,000	-	-
Community Centers	7	7	7	10	11	11
Square Footage of community centers (1)	76,274	76,274	76,274	99,445	96,644	96,644
Respite centers	2	2	2	2	2	1
Senior citizen centers	2	2	2	2	2	1
Community Development						
Landfill						
Landfills	1	1	1	1	1	1
Recycling drop-off centers	9	9	9	9	9	9
Education						
Elementary Schools						
Buildings	52	51	50	47	44	44
Square footage	3,690,349	3,588,208	3,497,213	3,227,060	2,919,888	2,919,888
Capacity	33,070	32,318	31,731	29,299	26,598	26,818
Middle Schools						
Buildings	13	13	13	13	12	12
Square footage	2,056,399	2,056,399	2,029,747	2,029,747	1,860,987	1,860,987
Capacity	15,346	15,476	15,403	15,300	13,419	13,356
High Schools						
Buildings (2)	12	10	10	10	11	11
Square footage	2,874,190	2,342,849	2,342,849	2,342,849	2,406,968	2,406,968
Capacity	18,723	15,118	15,206	15,257	15,161	14,980
Alternative Schools						
Buildings (2)	2	2	2	2	1	1
Square footage	124,862	124,862	124,862	124,862	47,022	47,022
School Buses	840	746	731	742	744	675

(1) Community Center statistic previously included leased facilities

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