NEW ISSUE - Book-Entry-Only **Ratings: See "RATINGS" herein**

In the opinion of Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications described herein, interest on the Series 2024C Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that interest on the Series 2024C Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that, under existing law, interest on the Series 2024C Bonds will be exempt from income taxation by the Commonwealth of Virginia and any political subdivision thereof. See "TAX MATTERS" herein regarding certain other tax considerations.

$11,840,000
ECONOMIC DEVELOPMENT AUTHORITY OF LOUDOUN COUNTY, VIRGINIA
PUBLIC FACILITY REVENUE REFUNDING BONDS, SERIES 2024C
(LOUDOUN COUNTY PUBLIC FACILITIES PROJECT)

Dated: Date of Delivery **Due**: December 1, as set forth on the inside front cover

This Official Statement has been prepared by Loudoun County, Virginia (the "County"), on behalf of the Economic Development Authority of Loudoun County, Virginia (the "Authority"), to provide information on the Public Facility Revenue Refunding Bonds, Series 2024C (Loudoun County Public Facilities Project) (the "Series 2024C Bonds"), the security thereof, the County, the refunding being financed with the proceeds of the Series 2024C Bonds and other relevant information. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Series 2024C Bonds, a prospective investor should read this Official Statement in its entirety.

Security	**THE SERIES 2024C BONDS WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE FROM CERTAIN PAYMENTS TO BE MADE BY THE COUNTY PURSUANT TO A FINANCING AGREEMENT DATED AS OF JUNE 1, 2021, AS SUPPLEMENTED BY A FIRST SUPPLEMENTAL FINANCING AGREEMENT DATED AS OF JUNE 1, 2022, A SECOND SUPPLEMENTAL FINANCING AGREEMENT DATED AS OF JUNE 1, 2023, A THIRD SUPPLEMENTAL FINANCING AGREEMENT DATED AS OF JUNE 1, 2024 AND A FOURTH SUPPLEMENTAL FINANCING AGREEMENT DATED AS OF SEPTEMBER 1, 2024 (COLLECTIVELY, THE "FINANCING AGREEMENT"), EACH BETWEEN THE COUNTY AND THE AUTHORITY, AND OTHER PROPERTY CONSTITUTING THE TRUST ESTATE (HEREINAFTER DEFINED) ESTABLISHED IN THE GRANTING CLAUSES OF THE TRUST AGREEMENT (HEREINAFTER DEFINED). THE OBLIGATION OF THE COUNTY TO MAKE PAYMENTS UNDER THE FINANCING AGREEMENT WILL BE SUBJECT TO ANNUAL APPROPRIATIONS BY THE COUNTY FOR SUCH PURPOSE. NEITHER THE SERIES 2024C BONDS NOR THE FINANCING AGREEMENT CONSTITUTES A DEBT OF THE COUNTY OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY. THE SERIES 2024C BONDS AND THE PREMIUM, IF ANY, AND THE INTEREST ON THEM SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2024C BONDS OR OTHER COSTS INCIDENT TO THEM EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED FOR SUCH PURPOSE. THE AUTHORITY HAS NO TAXING POWER.**
Issued Pursuant To	The Series 2024C Bonds will be issued pursuant to a Master Trust Agreement dated as of June 1, 2021, as amended and supplemented by a First Supplemental Trust Agreement dated as of June 1, 2021, a Second Supplemental Trust Agreement dated as of June 1, 2022, a Third Supplemental Trust Agreement dated as of June 1, 2023, a Fourth Supplemental Trust Agreement dated as of June 1, 2024 and a Fifth Supplemental Trust Agreement dated as of September 1, 2024, each between the Authority and U.S. Bank Trust Company, National Association, as successor Trustee (the "Trust Agreement").
Trustee	U.S. Bank Trust Company, National Association, Richmond, Virginia
Purpose	The Series 2024C Bonds are being issued to (a) refund the Authority's outstanding Public Facility Lease Revenue Bonds, Series 2015A and (b) pay costs of issuing the Series 2024C Bonds. See "USE OF PROCEEDS" herein.
Interest Payment Dates	June 1 and December 1, commencing June 1, 2025.
Redemption	The Series 2024C Bonds are **not** subject to redemption prior to their stated maturities.
Denominations	$5,000 and integral multiples thereof.
Closing/Delivery Date	On or about September 11, 2024.
Registration	Full book-entry only; The Depository Trust Company, Brooklyn, New York.
Bond Counsel	Nixon Peabody LLP, Washington, DC.
County Attorney	Leo P. Rogers, Esquire.
Authority Counsel	Courtney R. Sydnor, Esquire.

Dated: August 29, 2024

ECONOMIC DEVELOPMENT AUTHORITY OF LOUDOUN COUNTY, VIRGINIA

$11,840,000
Public Facility Revenue Refunding Bonds, Series 2024C
(Loudoun County Public Facilities Project)

Maturity (December 1)	Principal Amount	Interest Rate	Yield	CUSIP No.*
2025	$1,210,000	5.00%	2.64%	54602QEY3
2026	1,205,000	5.00	2.59	54602QEZ0
2027	1,200,000	5.00	2.59	54602QFA4
2028	1,195,000	5.00	2.57	54602QFB2
2029	1,190,000	5.00	2.57	54602QFC0
2030	1,180,000	5.00	2.62	54602QFD8
2031	1,175,000	5.00	2.70	54602QFE6
2032	1,170,000	5.00	2.78	54602QFF3
2033	1,160,000	5.00	2.80	54602QFG1
2034	1,155,000	5.00	2.84	54602QFH9

* CUSIP numbers have been assigned by an organization not affiliated with the Authority or the County and are included solely for the convenience of the holders of the Series 2024C Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. Neither the Authority nor the County is responsible for the selection, uses or changes to the CUSIP numbers set forth herein, nor is any representation made as to their correctness on the Series 2024C Bonds or as indicated above.

LOUDOUN COUNTY, VIRGINIA

BOARD OF SUPERVISORS

Phyllis J. Randall, Chair
Juli E. Briskman, Vice Chair
Sylvia R. Glass
Caleb A. Kershner
Matthew F. Letourneau
Koran T. Saines
Laura A. TeKrony
Michael R. Turner
Kristen C. Umstattd

CERTAIN OTHER ELECTED OFFICIALS

Henry C. Eickelberg, County Treasurer

CERTAIN APPOINTED OFFICIALS

Tim Hemstreet, County Administrator
Erin McLellan, Senior Deputy County Administrator
George Govan, Director of Finance and Procurement
Megan Bourke, Director of Management and Budget
Leo P. Rogers, County Attorney

BOND COUNSEL

Nixon Peabody LLP
799 9th Street NW, Suite 500
Washington, D.C. 20001

FINANCIAL ADVISOR

Davenport & Company LLC
901 East Cary Street
Richmond, Virginia 23219

INDEPENDENT AUDITOR

Cherry Bekaert LLP
200 South 10th Street
Richmond, Virginia 23219

The Series 2024C Bonds are exempt from registration under the Securities Act of 1933, as amended. The Series 2024C Bonds are also exempt from registration under the securities laws of the Commonwealth of Virginia.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representations should not be relied upon as having been authorized by the Authority, the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024C Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement is not to be construed as a contract or agreement between the County, the Authority or the purchasers or owners of any of the Series 2024C Bonds. The information set forth herein has been obtained by the Authority, the County and other sources that are deemed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

Certain statements contained in this Official Statement that are not historical facts are forward looking statements, which are based on the County's beliefs, as well as assumptions made by, and information currently available to, the County. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate", "assume", "estimate", "expect", "objective", "projection", "forecast", "goal", "budget" or similar words are intended to identify forward looking statements. The words "now", "to date", "currently" and the like are intended to mean as of the date of this Official Statement.

The Trustee has neither reviewed nor participated in the preparation of this Official Statement.

IN CONNECTION WITH THIS OFFERING, CERTAIN PERSONS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2024C BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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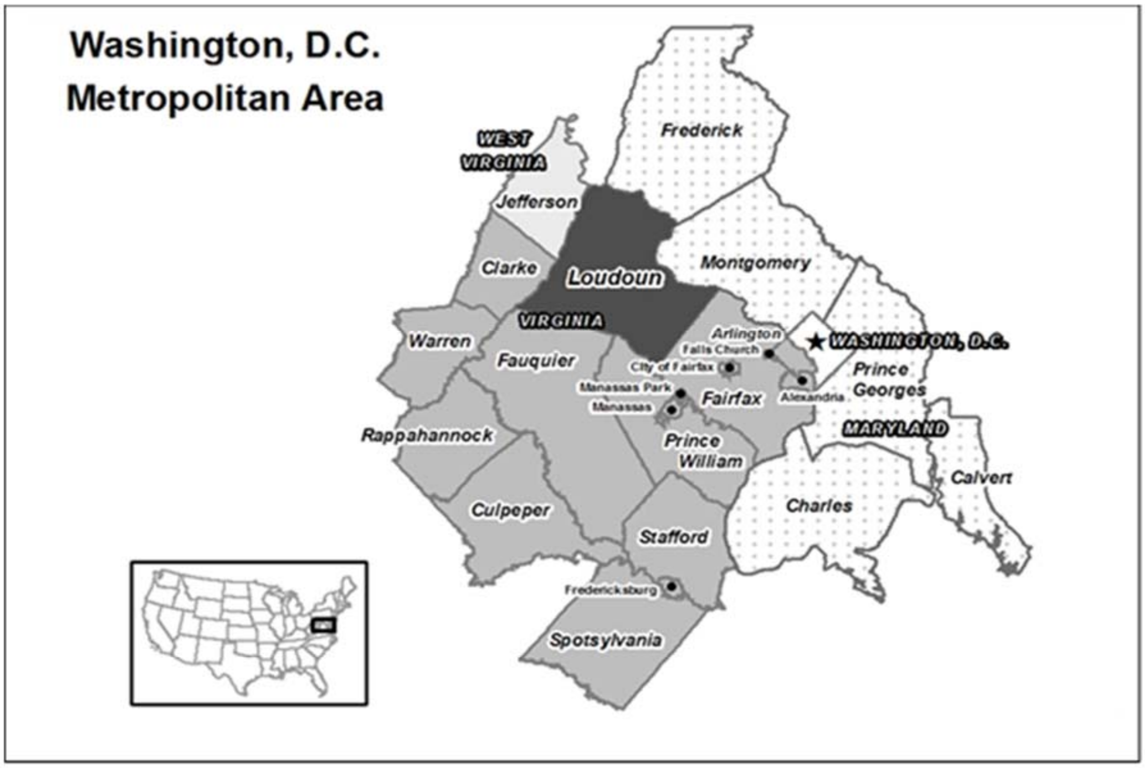
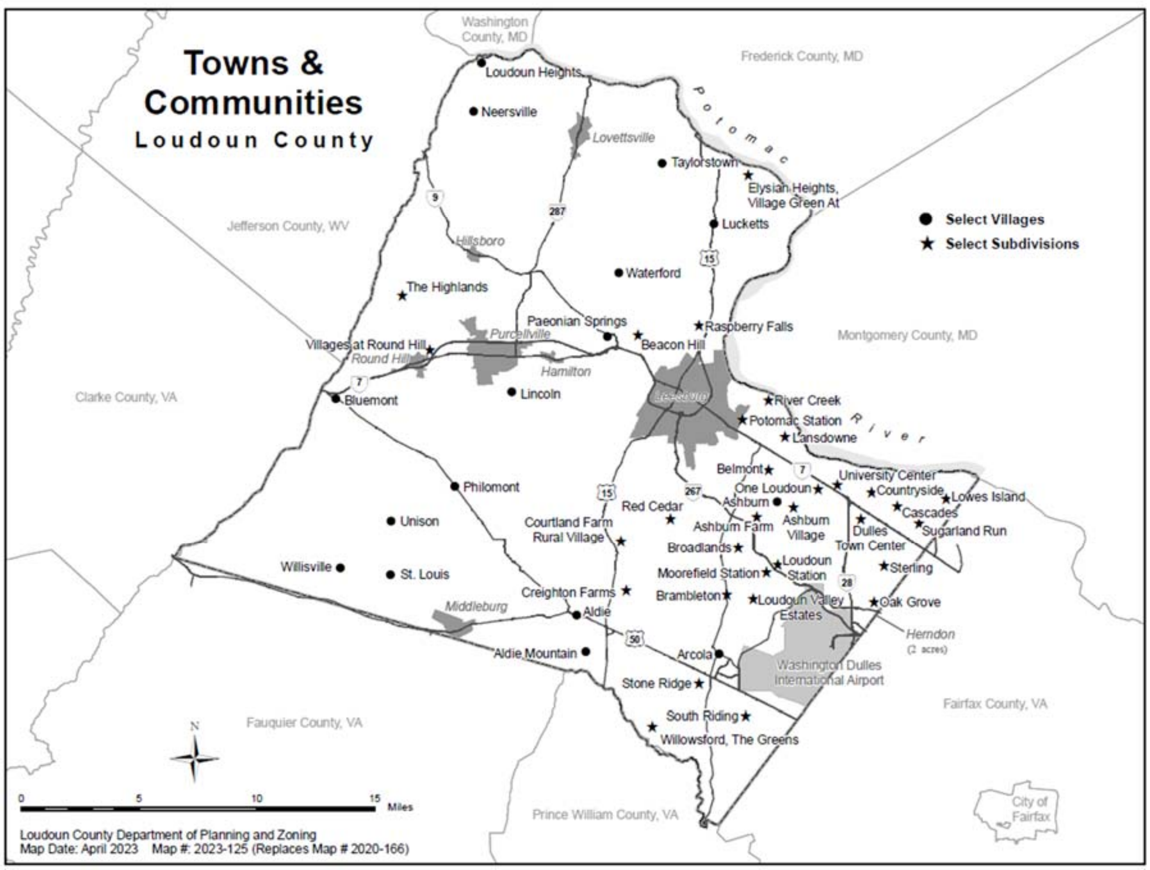


Washington, D.C.
Metropolitan Area
WEST VIRGINIA
Frederick
Jefferson
Clarke
Loudoun
Montgomery
VIRGINIA
Warren
Fauquier
Arlington
Falls Church
WASHINGTON, D.C.
City of Fairfax
Prince Georges
Manassas Park
Manassas
Fairfax
Alexandria
MARYLAND
Rappahannock
Prince William
Calvert
Culpeper
Charles
Stafford
Fredericksburg
Spotsylvania



Towns &
Communities
Loudoun County
Washington County, MD
Frederick County, MD
Loudoun Heights
Neersville
Lovettsville
Taylorstown
Potomac River
Elysian Heights, Village Green At
Jefferson County, WV
Lucketts
Select Villages
Select Subdivisions
Hillsboro
Waterford
The Highlands
Paeonian Springs
Raspberry Falls
Montgomery County, MD
Villages at Round Hill
Purcellville
Beacon Hill
Round Hill
Hamilton
Clarke County, VA
Bluemont
Lincoln
Leesburg
River Creek
Potomac Station
Lansdowne
Belmont
University Center
Philomont
One Loudoun
Countryside
Lowes Island
Ashburn
Red Cedar
Cascades
Unison
Courtland Farm Rural Village
Ashburn Farm
Ashburn Village
Dulles Town Center
Sugarland Run
Broadlands
Willisville
St. Louis
Moorefield Station
Loudoun Station
Sterling
Creighton Farms
Brambleton
Loudoun Valley Estates
Oak Grove
Middleburg
Aldie
Herndon
(2 acres)
Aldie Mountain
Arcola
Washington Dulles International Airport
Stone Ridge
Fairfax County, VA
South Riding
Fauquier County, VA
Willowsford, The Greens
N
0 5 10 15 Miles
Prince William County, VA
City of Fairfax
Loudoun County Department of Planning and Zoning
Map Date: April 2023 Map #: 2023-125 (Replaces Map # 2020-166)

OFFICIAL STATEMENT

ECONOMIC DEVELOPMENT AUTHORITY OF LOUDOUN COUNTY, VIRGINIA

$11,840,000
PUBLIC FACILITY REVENUE REFUNDING BONDS, SERIES 2024C
(LOUDOUN COUNTY PUBLIC FACILITIES PROJECT)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to provide information in connection with the issuance and sale by the Economic Development Authority of Loudoun County (the "Authority"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), of its $11,840,000 Public Facility Revenue Refunding Bonds, Series 2024C (Loudoun County Public Facilities Project) (the "Series 2024C Bonds") for the benefit of Loudoun County, Virginia (the "County"). The following introductory material is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement, reference to which is hereby made for all purposes.

The Authority

The issuer of the Series 2024C Bonds is the Economic Development Authority of Loudoun County, Virginia, a political subdivision of the Commonwealth of Virginia.

The Series 2024C Bonds

The issuance of the Series 2024C Bonds to provide all or a portion of the funds needed to refund certain outstanding bonds of the Authority was authorized by a resolution of the Board of Supervisors of the County (the "Board of Supervisors") adopted on April 16, 2024 and a resolution of the Authority adopted on April 17, 2024.

The Series 2024C Bonds will consist of $11,840,000 Public Facility Revenue Refunding Bonds, Series 2024C (Loudoun County Public Facilities Project) dated the date of their delivery and maturing on December 1 in the years and in the amounts set forth on the inside cover of this Official Statement. Interest on the Series 2024C Bonds will be payable on each June 1 and December 1, beginning June 1, 2025, until maturity, at the rates set forth on the inside cover of this Official Statement.

The proceeds of the Series 2024C Bonds, together with other available funds of the Authority, will be used for the purpose of financing costs of (a) refunding the outstanding Series 2015A Bonds (as hereinafter defined); and (b) paying the costs of issuing the Series 2024C Bonds. The refunding described in the foregoing sentence is referred to herein as the "Series 2024C Project" or the "Project." See "USE OF PROCEEDS" herein.

Trust Agreement

The Series 2024C Bonds are being issued in accordance with the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), and pursuant to a Master Trust Agreement dated as of June 1, 2021 (the "Master Trust Agreement"), as amended and supplemented by a First Supplemental Trust Agreement dated as of June 1, 2021 (the "First Supplemental Trust Agreement"), a Second Supplemental Trust Agreement dated as of June 1, 2022 (the "Second Supplemental Trust Agreement"), a Third Supplemental Trust Agreement dated as of June 1, 2023 (the "Third Supplemental Trust Agreement"), a Fourth Supplemental Trust Agreement dated as of June 1, 2024 (the "Fourth Supplemental Trust Agreement") and a Fifth Supplemental Trust Agreement dated as of September 1, 2024 (the "Fifth Supplemental Trust Agreement") (the Master Trust Agreement, as amended and supplemented by the First Supplemental Trust Agreement, the Second Supplemental Trust Agreement, the Third Supplemental Trust Agreement, the Fourth Supplemental Trust Agreement and the Fifth Supplemental Trust Agreement, is hereinafter referred to as the "Trust Agreement"), by and between the Authority, as issuer, and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee").

Under the Trust Agreement, the Authority pledges to the Trustee as security for the payment of the Series 2024C Bonds and any additional Series of Bonds outstanding under the Trust Agreement: (a) its right, title and interest in the Financing Agreement (hereinafter defined) (except for its right to receive notices and the payment of fees and expenses) and the Basic Payments and Additional Payments (each as hereinafter defined), and all other revenues and receipts derived by the Authority from any of the foregoing and the security therefor; (b) the Funds, including moneys and investments therein, held by the Trustee pursuant to the terms of the Trust Agreement; and (c) all other property of any kind mortgaged, pledged or hypothecated at any time as and for additional security under the Trust Agreement by the Authority or by anyone on its behalf or with its written consent in favor of the Trustee, which is authorized to receive all such property at any time and to hold and apply it subject to the terms of the Trust Agreement; provided, however, that: (i) no such other property shall exist as of the date of issuance of the Series 2024C Bonds and (ii) each Series Debt Service Reserve Account shall secure only the related Series of Bonds (collectively, the "Trust Estate"). The Basic Payments are expected to be sufficient to enable the Authority to pay when due principal of and interest on the Series 2024C Bonds.

Pursuant to the terms of the Trust Agreement, the Authority may determine to issue from time to time additional series of Bonds and use the proceeds thereof: (a) to finance or refinance the Cost of Projects described in any Supplemental Financing Agreement relating to such additional series of Bonds, (b) to refund any Bonds then Outstanding or (c) for a combination of such purposes. See "ADDITIONAL BONDS" herein. The Authority has previously issued the following Series of Bonds under the Trust Agreement for the benefit of the County: (i) Public Facility Revenue and Refunding Bonds, Series 2021A (Loudoun County Public Facilities Project) (the "Series 2021A Bonds"), which Series 2021A Bonds are currently outstanding in aggregate principal amount of $49,710,000; (ii) Public Facility Revenue Bonds, Series 2021B (Loudoun County Public Facilities Project) (Federally Taxable) (the "Series 2021B Bonds"), which Series 2021B Bonds are currently outstanding in aggregate principal amount of $11,160,000; (iii) Public Facility Revenue Bonds, Series 2022A (Loudoun County Public Facilities Project) (the "Series 2022A Bonds"), which Series 2022A Bonds are currently outstanding in aggregate principal amount of $47,285,000; (iv) Public Facility Revenue Bonds, Series 2022B (Loudoun County Public Facilities Project) (Federally Taxable) (the "Series 2022B Bonds"), which Series 2022B Bonds are currently outstanding in aggregate principal amount of $13,045,000; (v) Public Facility Revenue Bonds, Series 2023 (Loudoun County Public Facilities Project) (the "Series 2023 Bonds"), which Series 2023 Bonds are currently outstanding in the aggregate principal amount of $34,925,000; (vi) Public Facility Revenue Bonds, Series 2024A (Loudoun County Public Facilities Project) (the "Series 2024A Bonds"), which Series 2024A Bonds are currently outstanding in aggregate principal amount of $26,855,000; and (vii) Public Facility Revenue Bonds, Series 2024B (Loudoun County Public Facilities Project) (Federally Taxable) (the "Series 2024B Bonds" and collectively with the Series 2021A Bonds, the Series 2021B Bonds, the Series 2022A Bonds, the Series 2022B Bonds, the Series 2023 Bonds and the Series 2024A Bonds, the "Outstanding Bonds"), which Series 2024B Bonds are currently outstanding in aggregate principal amount of $15,075,000.

The Series 2021A Bonds, the Series 2021B Bonds, the Series 2022A Bonds, the Series 2022B Bonds, the Series 2023 Bonds, the Series 2024A Bonds, the Series 2024B Bonds, the Series 2024C Bonds and any additional Series of Bonds issued from time to time under the Trust Agreement will be equally and ratably secured under the Trust Agreement, without preference, priority or distinction.

Pursuant to the Trust Agreement, the Authority has assigned to the Trustee for the benefit of the holders of the Outstanding Bonds, the Series 2024C Bonds and any additional Series of Bonds certain of its rights under the Financing Agreement, including its rights under the Financing Agreement (except for its right to receive payment of its fees and expenses, to receive notices and to give consents), including, without limitation, its rights to (a) receive the Basic Payments; (b) receive the Additional Payments consisting of amounts necessary to replenish each Debt Service Reserve Account within the Debt Service Reserve Fund to the applicable Debt Service Reserve Requirement, to pay any applicable redemption premiums and to pay the Trustee's fees and expenses; and (c) exercise remedies of the Authority upon default by the County under the Financing Agreement; provided, however, that such assignment is without recourse as to the failure of the County to make payments (due to financial inability or otherwise) or of the County to perform any of its responsibilities or duties under the Financing Agreement or any other documentation pertaining to the issuance of the Outstanding Bonds, the Series 2024C Bonds and any additional Series of Bonds.

Financing Agreement

The County and the Authority will enter into a Fourth Supplemental Financing Agreement dated as of September 1, 2024 (the "Fourth Supplemental Financing Agreement"), amending and supplementing the Financing

Agreement dated as of June 1, 2021, by and between the County and the Authority, as amended and supplemented by the First Supplemental Financing Agreement dated as of June 1, 2022, the Second Supplemental Financing Agreement dated as of June 1, 2023 and the Third Supplemental Financing Agreement dated as of June 1, 2024 (the "Existing Financing Agreement") (the Existing Financing Agreement, as amended and supplemented by the Fourth Supplemental Financing Agreement, is herein referred to as the "Financing Agreement"), pursuant to which the County is required to pay to the Authority, subject to appropriation: (A) scheduled payments in an amount sufficient to pay principal of and interest on the Series 2024C Bonds and any additional Series of Bonds outstanding under the Trust Agreement (the "Basic Payments"); and (B) (i) reasonable fees for services rendered and for expenses reasonably incurred by the Trustee, including the reasonable fees of its attorneys, under the Trust Agreement with respect to the Series 2024C Bonds and any additional Series of Bonds outstanding under the Trust Agreement, (ii) any fees or charges for arbitrage rebate calculations, (iii) any amounts necessary to make, when due, any required arbitrage rebate payment with respect to the Series 2024C Bonds and any additional Series of Bonds outstanding under the Trust Agreement, (iv) any amounts necessary to restore the balance in any related Series Debt Service Reserve Account (if later funded) to the respective Series Debt Service Reserve Requirement, (v) the reasonable fees and expenses of the Trustee and all other amounts which the County assumes or agrees to pay, including any cost or expense necessary to cancel and discharge the Trust Agreement upon payment of the Series 2024C Bonds and any additional Series of Bonds outstanding under the Trust Agreement, (vi) reasonable costs and expenses directly related to the Series 2024C Bonds or any additional Series of Bonds outstanding under the Trust Agreement, (vii) reasonable costs and expenses, including premiums, for any credit facility provider, (viii) a reasonable share of the fees and expenses of the Authority, including the reasonable fees of its counsel and the cost of any audit of the funds of the Authority, (ix) any expenses incurred by the Authority in connection with its obligations under the Financing Agreement to maintain the tax-exempt status of interest on the Series 2024C Bonds and any additional Series of Bonds outstanding under the Trust Agreement, (x) any applicable redemption premiums and (xi) all other amounts which the County agrees to pay under the terms of the Financing Agreement, but not including Basic Payments (collectively, the "Additional Payments").

The terms of the Financing Agreement provide for the County to make Basic Payments sufficient in both time and amount to pay, when due, the principal of and interest on the Series 2024C Bonds and the Outstanding Bonds. However, the County's obligation in any fiscal year to make Basic Payments and Additional Payments under the Financing Agreement is subject to and dependent upon an appropriation by the Board of Supervisors in an amount equal to the Basic Payments and Additional Payments due during such fiscal year. The obligation of the County to make Basic Payments and Additional Payments under the Financing Agreement does not constitute a general obligation of the County.

The Series 2024C Bonds, the premium, if any, and the interest thereon will be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority under the Financing Agreement, which revenues and receipts have been pledged and assigned to secure payment thereof, and from certain funds established under the Trust Agreement and other property constituting the Trust Estate established under the Trust Agreement. The Series 2024C Bonds, the premium, if any, and the interest thereon shall not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority and the County. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the County, shall be obligated to pay the principal of or premium, if any, or interest on the Series 2024C Bonds or other costs incident thereto except from the revenues and receipts pledged and assigned therefor, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the County, is pledged to that payment of the principal of or premium, if any, or interest on the Series 2024C Bonds or other costs incident thereto. The Authority has no taxing power.

A summary of each of the Financing Agreement and the Trust Agreement is provided in Appendix D.

Capitalized terms not otherwise defined shall have the meanings assigned to such terms in Appendix C.

Refunded Bonds

The proceeds of the Series 2024C Bonds, together with other available funds of the Authority, will be used to redeem the outstanding Series 2015A Bonds. See "USE OF PROCEEDS" herein.

The Authority previously issued its $30,985,000 Public Facility Lease Revenue Bonds, Series 2015A (Loudoun County Public Facilities Project) (the "Series 2015A Bonds"), $13,050,000 of which are currently outstanding. The Series 2015A Bonds were issued pursuant to a Master Trust Agreement dated as of February 1, 2015, as supplemented by a First Supplemental Trust Agreement dated as of February 1, 2015 (the "2015 Trust Agreement"), each by and between the Authority and U.S. Bank Trust Company, National Association, as successor trustee. The proceeds of the Series 2015A Bonds were used to (a) finance the following projects for use by the County: (i) the interior fit-out of approximately 11,000 square feet of office space at the Fire and Rescue Services Administration building located at 801 Sycolin Road for use as the Emergency Communications Center and E-911 Call Center; (ii) a new approximately 85,000 square foot facility for the General District Court and court administrative support functions; (iii) a new Lovettsville Community Center on the site of the current community center; (iv) the interior build-out and renovation of approximately 140,000 square feet of Public Safety and General Government Office space located at 801 and 803 Sycolin Road; (v) the cap and closure of side slopes for an approximately 6.7 acre portion of the Loudoun County Landfill Disposal Unit located at Woods Road; (vi) design and construction of improvements to Crosstrail and Kincaid Boulevards in the vicinity of Philip A. Bolen Memorial Park and the Leesburg Airport in the Leesburg Planning Subarea of the County; and (vii) road improvements within the Belfort Park area, all as more particularly described in the County's FY 2013 Adopted Fiscal Plan; and (b) pay costs of issuing the Series 2015A Bonds.

Upon the issuance of the Series 2024C Bonds, a portion of the proceeds thereof will be irrevocably deposited, together with other available funds of the Authority, with U.S. Bank Trust Company, National Association (the "Escrow Agent"), pursuant to an Escrow Agreement dated the date of issuance of the Series 2024C Bonds (the "Escrow Agreement"), between the County and the Escrow Agent. The Escrow Agreement will provide for the purchase of noncallable, direct obligations of, or obligations guaranteed by, the United States Government (the "Escrow Securities") that will mature and bear interest at times and in amounts sufficient, together with other moneys on deposit, to pay the principal of and premium, if any, and interest on the Series 2015A Bonds on the date fixed for redemption.

Verification of Mathematical Computations

The Arbitrage Group, Inc. will act as the verification agent (the "Verification Agent") with respect to the arithmetical accuracy of certain computations relating to (a) computation of forecasted receipts of principal and interest on the Escrow Securities (if applicable) and forecasted payments of principal and interest necessary to redeem the Series 2015A Bonds, and (b) computation of the yields on the Series 2024C Bonds and the Escrow Securities (if applicable). Such computations will be based solely upon assumptions and information supplied by the Financial Advisor on behalf of the County. The Verification Agent restricts its procedures to examining the arithmetical accuracy of certain computations, does not make any study or evaluation of the assumptions and information upon which the computations are based, and, accordingly, does not express an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

Optional Redemption

The Series 2024C Bonds are **not** subject to optional redemption prior to maturity.

Delivery

The Series 2024C Bonds are offered for delivery, when, as and if issued, subject to the approval of their validity by Nixon Peabody LLP, Bond Counsel, and to certain other conditions referred to herein. It is expected that the Series 2024C Bonds will be available for delivery, at the expense of the County, in New York, New York, through the facilities of The Depository Trust Company, Brooklyn, New York ("DTC"), on or about September 11, 2024.

Continuing Disclosure

The County has agreed to execute a Continuing Disclosure Agreement at closing to assist the purchaser of the Series 2024C Bonds in complying with the provisions of Rule 15c2-12, as amended (the "Rule"), promulgated by the Securities and Exchange Commission ("SEC"), by providing annual financial information and event notices required by the Rule. See "CONTINUING DISCLOSURE" herein.

Financial Advisor

Davenport & Company LLC, Richmond, Virginia, is employed as Financial Advisor to the County (the "Financial Advisor") and has advised the County in connection with the planning, structuring and issuance of the Series 2024C Bonds. A portion of the Financial Advisor's fee for services rendered in connection with the sale of the Series 2024C Bonds is contingent upon the issuance and delivery of the Series 2024C Bonds.

Additional Information

Any questions concerning the content of this Official Statement should be directed to the attention of Megan Bourke, Director of Management and Budget, 1 Harrison Street, S.E., Leesburg, Virginia 20177, (703) 777-0500, or to the Financial Advisor, Davenport & Company LLC, (804) 697-2900.

THE AUTHORITY

The Authority was created pursuant to the Act by an ordinance adopted by the Board of Supervisors on March 15, 1976, to promote and further the purposes of the Act. The Authority is a political subdivision of the Commonwealth of Virginia governed by seven directors appointed by the Board of Supervisors. The Authority is empowered, among other things, (i) to finance or refinance facilities for use by, among others, a county, (ii) to issue its revenue bonds, notes and other obligations from time to time for such purposes and (iii) to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with such facilities or from any source as security for the payment of principal of and interest on any such obligations. **The Authority has no taxing power.**

The Authority shall not be obligated to pay the principal of or interest on the Series 2024C Bonds or other costs incident thereto except from amounts received therefor under the Financing Agreement.

DESCRIPTION OF SERIES 2024C BONDS

General

The Series 2024C Bonds will be issued in fully registered form in the denominations of $5,000 and integral multiples thereof and will be held by DTC or its nominee, as securities depository with respect to the Series 2024C Bonds. See the subsection "Book-Entry System" below. Purchases of beneficial ownership interests in the Series 2024C Bonds will be made only in book-entry form and individual purchasers will not receive physical delivery of bond certificates. The Series 2024C Bonds will be dated the date of their issuance, will bear interest at the rates per annum set forth on the inside cover page hereof, calculated on the basis of a 360-day-year of twelve 30-day months, payable semi-annually on June 1 and December 1 of each year (an "Interest Payment Date"), beginning June 1, 2025, and will mature on December 1 in the years and in the principal amounts set forth on the inside cover page hereof. Interest on the Series 2024C Bonds shall be payable on each Interest Payment Date by wire, check or draft of the Trustee, as registrar, mailed to each registered owner at the address appearing in the records of the registrar on the record date, which is the 15th day (whether or not a business day) of the month preceding the applicable Interest Payment Date. However, if the Series 2024C Bonds are registered in the name of a Securities Depository or its nominee as registered owner or at the option of a registered owner of at least $1,000,000 of the Series 2024C Bonds, payment shall be made by wire transfer pursuant to the wire instructions received by the Trustee from such registered owner.

Transfer of the Series 2024C Bonds and payment of principal of and interest on the Series 2024C Bonds will be effected as described under "Book-Entry-Only System" below. If the book-entry system is discontinued, bond certificates will be delivered as described in the Trust Agreement, and the Beneficial Owners (as hereinafter defined) will become the registered holders of the Series 2024C Bonds. Registered owners of the Series 2024C Bonds, whether Cede & Co. or, if the book-entry system is discontinued, the Beneficial Owners, will be defined in this Official Statement as the "Bondholders." **So long as Cede & Co. is the sole Bondholder, as nominee for DTC, reference in this Official Statement to Bondholders means Cede & Co. and does not mean the Beneficial Owners.**

Redemption

The Series 2024C Bonds are **not** subject to optional redemption prior to maturity.

Defeasance

If (1) the payment of the principal and redemption premium (if applicable) of, and interest due or to become due on, the Series 2024C Bonds on the redemption date (if applicable) or maturity date thereof, shall have been made or caused to be made, or (2) such payment shall have been provided by irrevocably depositing with the Trustee, in trust, or irrevocably appropriating and setting aside exclusively for such payment sufficient moneys or noncallable Government Obligations (or a combination thereof), then the obligations of the Authority under the Trust Agreement and the liens, pledges, charges, trusts, covenants and agreements of the Authority made or provided for therein, shall be fully discharged and satisfied as to such Series 2024C Bonds, and such Series 2024C Bonds shall no longer be deemed to be outstanding under the Trust Agreement. See "The Trust Agreement – Discharge of Liens and Pledges; Bonds No Longer Deemed to be Outstanding" in Appendix D.

Book-Entry-Only System

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2024C Bonds, payments of principal of and interest on the Series 2024C Bonds to DTC, its nominee, Direct Participants (as hereinafter defined) or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Series 2024C Bonds and other bond-related transactions by and between DTC, the Direct Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC will act as securities depository for the Series 2024C Bonds. The Series 2024C Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2024C Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under New York Banking Law, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding agency for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2024C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024C Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024C Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024C Bonds, except in the event that use of the book-entry system for the Series 2024C Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2024C Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2024C Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024C Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County, the Authority or the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024C Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2024C Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC (nor its nominee), the Trustee, the Authority or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024C Bonds at any time by giving reasonable notice to the County, the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates will be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this subsection concerning DTC and DTC's book-entry system has been obtained from sources that the County and the Authority believe to be reliable, but neither the County nor the Authority takes any responsibility for the accuracy thereof.

Neither the County, the Authority nor the Trustee has any responsibility or obligation to the Direct or Indirect Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Direct or Indirect Participant; (b) the payment by any Direct or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Series 2024C Bonds; (c) the delivery or timeliness of delivery by any Direct or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Trust Agreement to be given to Bondholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

So long as Cede & Co. is the registered owner of the Series 2024C Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Series 2024C Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only holder of Series 2024C Bonds for all purposes under the Trust Agreement.

The County may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository relating to the book-entry system to be maintained with respect to the Series 2024C Bonds without the consent of Beneficial Owners or Bondholders.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Series 2024C Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal to accept delivery of and payment of the purchase price for the Series 2024C Bonds. All expenses in connection with the assignment and printing of CUSIP numbers shall be paid by the County.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The following is a summary of the sources of security and sources of payment for the Outstanding Bonds and the Series 2024C Bonds and any other bonds, notes or other obligations, including any notes or other obligations issued in anticipation of bonds, notes, or other obligations as the same shall be issued from time to time pursuant to the Trust Agreement (collectively, the "Bonds"). The references to the Bonds, the Financing Agreement and the Trust Agreement are qualified in their entirety by reference to such documents. See also Appendix D.

Security for the Bonds

The Bonds will be equally and ratably secured under the Trust Agreement by the Trust Estate. The Basic Payments shall be applied to the payment of principal of and interest on the Bonds as set forth in the Trust Agreement, without preference, priority or distinction of any Bond over any other Bond. **A Debt Service Reserve Account has not been established to secure the Series 2024C Bonds.**

The Bonds, the premium, if any, and the interest thereon will be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority under the Financing Agreement, which revenues and receipts have been pledged and assigned to secure payment thereof, from certain funds established under the Trust Agreement and other property constituting the Trust Estate established under the Trust Agreement. The obligation of the County to make payments under the Financing Agreement is subject to appropriation by the Board of Supervisors. The Board of Supervisors has no legal obligation to make any such appropriations. See "BONDHOLDERS' RISKS" herein.

THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY. NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED AND ASSIGNED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER.

Financing Agreement

The County has entered into the Financing Agreement whereby the County has agreed to make Basic Payments and Additional Payments to the Authority. The term of the Financing Agreement began on June 17, 2021 and ends on December 1, 2043, unless sooner terminated or relinquished as provided therein. The Basic Payments are scheduled to be made at times (15 days prior to the debt service payment dates on the Bonds) and in amounts expected to be sufficient to enable the Authority to pay when due principal of and interest on the Bonds. The County's payments of Additional Payments are to be made in amounts and at times expected to be sufficient to pay, among other costs and expenses, (i) fees and expenses of the Trustee and the Authority; (ii) fees and charges for arbitrage rebate calculations and payments of arbitrage rebate amounts due the United States; (iii) amounts necessary to maintain the balance in any Debt Service Reserve Account (if later funded) in an amount equal to the applicable Debt Service Reserve Requirement; and (iv) any applicable redemption premiums.

In the Financing Agreement, the County states that it reasonably believes that funds sufficient to make all payments of Basic Payments and estimated Additional Payments can be obtained. However, the County's obligation to pay the costs of performing its obligations under the Financing Agreement and the Trust Agreement, including without limitation its obligation to pay Basic Payments and Additional Payments, shall be subject to and dependent upon appropriations being made from time to time by the Board of Supervisors for such purpose. The Financing Agreement provides that the County Administrator, the Director of Management and Budget or other officer charged with the responsibility for preparing the County's Annual Budget shall include in the County's budget the amount of Basic Payments and estimated Additional Payments required to be paid by the County under the Financing Agreement. The Board of Supervisors is under no obligation, however, to retain such amounts in the budget as finally adopted.

The obligation of the County to make payments of Basic Payments and Additional Payments under the Financing Agreement does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County has appropriated moneys to make such payments. Neither the Trustee nor the Authority shall have any obligation or liability to the Bondholders with respect to the County's obligations to make payments of Basic Payments and Additional Payments under the Financing Agreement or with respect to the performance by the County of any other covenant contained therein.

Debt Service Reserve Fund

Under the Trust Agreement, no Debt Service Reserve Account has been established for the Series 2024C Bonds. The Authority may determine under the Trust Agreement to establish a Debt Service Reserve Account within the Debt Service Reserve Fund on a Series by Series basis.

Assignment

Pursuant to the Trust Agreement, the Authority has assigned to the Trustee for the benefit of the holders of the Bonds all of its rights and property under the Financing Agreement (except for its right to receive payment of its fees and expenses, to receive notices and to give consents), including, without limitation, its rights to (a) receive the Basic Payments; (b) receive the Additional Payments consisting of amounts necessary to replenish each Debt Service Reserve Account within the Debt Service Reserve Fund to the applicable Debt Service Reserve Requirement, to pay any applicable redemption premiums and to pay the Trustee's fees and expenses; and (c) exercise remedies of the Authority upon default by the County under the Financing Agreement; provided, however, that such assignment is without recourse as to the failure of the County to make payments (due to financial inability or otherwise) or of the County to perform any of its responsibilities or duties under the Financing Agreement or any other documentation pertaining to the issuance of the Bonds. The Trustee has accepted such assignment for the *pro rata* benefit of the holders of the Bonds, including the Series 2024C Bonds, subject to the provisions of the Trust Agreement.

BONDHOLDERS' REMEDIES IN EVENT OF DEFAULT

Upon the occurrence and continuation of an Event of Default under the Trust Agreement, the Trustee may, and upon request of the holders of 25% in aggregate principal amount of the Bonds then outstanding, shall proceed to protect and enforce the Bondholders' rights by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of any covenant or agreement contained in the Trust Agreement. Notwithstanding any other provision of the Trust Agreement, the holders of a majority in aggregate principal amount of the Bonds then outstanding may direct the Trustee in enforcing these remedies. See "The Trust Agreement – Events of Default; Other Remedies; Rights of Bondholders" in Appendix D.

Pursuant to the Authority's rights under the Financing Agreement which were assigned to the Trustee under the Trust Agreement, upon the occurrence and continuation of an Event of Default under the Financing Agreement (which also constitutes an Event of Default under the Trust Agreement), the Trustee may take whatever other action at law or in equity as may appear necessary or desirable to collect the Basic Payments and the Additional Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County under the Financing Agreement.

Notwithstanding the foregoing, (1) failure by the County to pay when due any payment required to be made under the Financing Agreement or (2) failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Financing Agreement, either of which results from failure of the County to appropriate moneys for such purposes, shall not constitute an Event of Default under the Financing Agreement.

As noted above, the Trustee may enforce its rights under the Trust Agreement and the Financing Agreement by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of any agreement contained in the Trust Agreement. The mandamus remedy, however, may be impracticable and difficult to enforce. Furthermore, the rights of the Bondholders and the enforceability of such rights, including the enforceability by the Trustee of the obligations of the County under the Financing Agreement, may be limited or otherwise affected by (1) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws affecting the rights of creditors generally and (2) principles of equity, whether considered at law or in equity. See "BONDHOLDERS' RISKS" herein.

For a more detailed description of the Trustee's remedies, see the summaries of the Trust Agreement and the Financing Agreement included in Appendix D – "Summary of Certain Financing Documents" herein.

ADDITIONAL BONDS

Additional Series of Bonds secured on an equal and ratable basis with the Series 2024C Bonds and the Outstanding Bonds may be issued by the Authority from time to time under a Supplemental Trust Agreement and a Supplemental Financing Agreement providing for modification of the amount of Basic Payments to provide for a new amount of Basic Payments sufficient to pay principal of and interest on all obligations outstanding under the Trust Agreement, subject to the receipt of evidence from each Rating Agency then rating any Outstanding Bonds at the request of the Authority, pursuant to the direction of the County, confirming that the current unenhanced rating on the Outstanding Bonds will not be lowered or withdrawn as a result of the issuance of such additional Series of Bonds. For additional information concerning the issuance of additional Series of Bonds, see Appendix D – "Summary of Certain Financing Documents" herein.

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USE OF PROCEEDS

The following table sets forth the anticipated application of the proceeds of the Series 2024C Bonds for the purposes described herein:

Sources of Funds	
Principal Amount of the Series 2024C Bonds	$11,840,000.00
Original Issue Premium of the Series 2024C Bonds	1,393,164.10
Unspent Proceeds	8,055.03
Other Authority Funds	181,250.00
Total	$13,422,469.13
Application of Funds	
Deposit to Escrow Fund	$13,220,462.26
Costs of Issuance(1)	202,006.87
Total	$13,422,469.13

(1) Includes underwriters' discount and other costs of issuance.

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ESTIMATED DEBT SERVICE REQUIREMENTS

The following table shows for each bond year, which is any 12-month period ending on June 30, amounts required for payment of principal and interest on the Series 2024C Bonds and the Authority's currently Outstanding Bonds issued pursuant to the Trust Agreement.

Total Debt Service
(as of June 30, 2024)

Period	Series 2021A Bonds	Series 2021B Bonds	Series 2022A Bonds	Series 2022B Bonds	Series 2023 Bonds	Series 2024A Bonds	Series 2024B Bonds	Series 2024C Bonds	Total Debt Service(1)
06/30/25	$4,406,300	$2,489,200	$6,172,625	$3,187,400	$3,954,975	$1,877,912	$3,075,287	$ 427,556	$25,591,255
06/30/26	4,421,675	2,476,110	5,971,875	3,078,600	3,835,350	2,873,900	1,989,448	1,771,750	26,418,708
06/30/27	4,439,550	2,456,475	5,771,125	2,960,000	3,720,850	2,791,400	1,918,173	1,706,375	25,763,948
06/30/28	4,459,425	2,435,861	5,565,500	2,278,300	3,596,600	2,704,025	1,844,273	1,641,250	24,525,235
06/30/29	6,196,800	379,043	5,360,125	2,193,300	3,482,600	2,621,775	1,777,536	1,576,375	23,587,553
06/30/30	6,379,800	125,083	2,766,250	657,900	3,368,600	2,539,525	1,711,290	1,511,750	19,060,198
06/30/31	6,319,900	123,373	3,322,500	-	3,220,475	2,457,275	1,644,342	1,442,500	18,530,364
06/30/32	2,908,200	126,618	3,212,500	-	3,108,225	2,375,025	1,576,761	1,378,625	14,685,954
06/30/33	2,816,600	124,693	3,034,250	-	2,995,975	2,292,775	1,508,549	1,315,000	14,087,841
06/30/34	2,725,000	127,591	2,927,750	-	2,108,600	2,210,525	1,439,633	1,246,750	12,785,850
06/30/35	2,644,850	125,439	2,821,250	-	2,036,100	1,635,900	-	1,183,875	10,447,414
06/30/36	2,576,150	123,286	2,714,750	-	1,963,600	1,578,900	-	-	8,956,686
06/30/37	2,507,450	125,615	2,608,250	-	1,891,100	1,521,900	-	-	8,654,315
06/30/38	2,450,200	127,353	2,507,500	-	1,818,600	1,464,900	-	-	8,368,553
06/30/39	2,404,400	124,018	2,422,500	-	1,741,225	1,407,900	-	-	8,100,043
06/30/40	2,358,600	125,550	2,337,500	-	1,668,975	1,350,900	-	-	7,841,525
06/30/41	2,307,850	126,875	2,252,500	-	1,596,725	1,299,600	-	-	7,583,550
06/30/42	-	-	2,167,500	-	1,531,700	1,254,000	-	-	4,953,200
06/30/43	-	-	-	-	1,473,900	1,208,400	-	-	2,682,300
06/30/44	-	-	-	-	-	1,162,800	-	-	1,162,800
Total(1)	**$62,322,750**	**$11,742,180**	**$63,936,250**	**$14,355,500**	**$49,114,175**	**$38,629,337**	**$18,485,292**	**$15,201,806**	**$273,787,289**

(1) Totals may not add due to rounding.

THE FINANCING DOCUMENTS

Appendix D contains a summary of certain provisions of the Trust Agreement and the Financing Agreement. Such summary does not purport to be comprehensive or definitive and is qualified by references to such documents in their entirety, copies of which may be obtained at the office of the County Administrator.

THE COUNTY

The County is an urbanizing county located in the northwestern tip of the Commonwealth of Virginia, 25 miles northwest of Washington, D.C. and within 500 miles of the nation's major population centers of Atlanta, New York, and Boston. The County is approximately 520 square miles in size. It is considered to be part of the Northern Virginia area and the Washington Metropolitan Statistical Area (the "Washington MSA"). The Washington MSA, as set forth in February 2013 by the Federal Office of Management and Budget, included the Virginia Counties of Arlington, Clarke, Culpeper, Fairfax, Fauquier, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford and Warren, the Virginia Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park and parts of Maryland and West Virginia. The County's 2023 population was estimated to be 440,071.

Appendix A contains certain information relating to the history, organization, demographics, operations and financial condition of the County. The County's audited financial statements for the Fiscal Year ended June 30, 2023 are contained in Appendix B.

BONDHOLDERS' RISKS

The purchase of the Series 2024C Bonds involves a degree of risk; therefore, prospective purchasers of the Series 2024C Bonds should review this Official Statement in its entirety in order to identify risk factors and make an informed investment decision. The following factors in particular should be considered:

(1) Source of Payments. The Series 2024C Bonds are not general obligations of the Authority or the County but are payable only from revenues received by the Trustee on behalf of the Authority from payments received under the Financing Agreement and other moneys held by the Trustee and pledged to the payment of the Series 2024C Bonds. No Series Debt Service Reserve Account within the Debt Service Reserve Fund will be established in connection with the Series 2024C Bonds. The ability of the Authority to make timely payments of principal and interest on the Series 2024C Bonds depends solely on the ability of the County to make timely payments under the Financing Agreement. The obligation of the County to make payments under the Financing Agreement is subject to and dependent on amounts being lawfully appropriated from time to time by the Board of Supervisors for such purpose. The Board of Supervisors is not legally obligated to appropriate the funds necessary to make the payments due under the Financing Agreement.

(2) Non-Appropriation and Limited Remedies. The County Administrator, the Director of Management and Budget or other officer charged with the responsibility for preparing the County's Annual Budget is required to include in the proposed County budget for each Fiscal Year as a single appropriation the amount of all Basic Payments and estimated Additional Payments coming due during such Fiscal Year. Throughout the term of the Financing Agreement, the County Administrator or the Director of Management and Budget is required to deliver to the Trustee and the Authority within 10 days after the adoption of the Annual Budget for each Fiscal Year, but not later than 10 days after the beginning of each Fiscal Year, a certificate stating whether an amount equal to or credited to the payment of the Basic Payments and estimated Additional Payments which will be due during such Fiscal Year has been appropriated by the Board of Supervisors in such budget. If any adopted Annual Budget does not include an appropriation of funds sufficient to pay, or be credited to the payment of, both Basic Payments and estimated Additional Payments for the relevant Fiscal Year, the Board of Supervisors will take a roll call vote immediately after adoption of such Annual Budget acknowledging the impact of its failure to appropriate such funds. If, by 15 days after the beginning of the Fiscal Year, the Board of Supervisors has not appropriated funds for the payment of both Basic Payments and estimated Additional Payments coming due for the then current Fiscal Year, the County Administrator or the Director of Management and Budget is required to give written notice to the Board of Supervisors of the consequences of such failure to appropriate, and request the Board of Supervisors to consider a supplemental appropriation for such purposes.

Upon an appropriation of County funds in an amount less than the total of all Basic Payments and estimated Additional Payments coming due during the Fiscal Year, the funds received by the Trustee will be applied pro rata to all Series subaccounts established within the Bond Fund. Consequently, no Series subaccount will be fully funded, creating an Event of Default affecting all Bonds then Outstanding.

In the event of non-appropriation of funds by the Board of Supervisors, neither the County nor the Authority may be held liable for the payment of principal of and interest on the Series 2024C Bonds following the last Fiscal Year in which funds to make payment under the Financing Agreement were appropriated by the Board of Supervisors. In the event of non-appropriation, moneys already on deposit in the Series 2024 subaccounts in the Bond Fund will be used for the payment of principal of and interest on the Series 2024C Bonds but these moneys may not be sufficient to pay the Series 2024C Bonds in full.

(3) Political Risk. The current Board of Supervisors has evidenced in its resolution adopted in connection with the Series 2024C Bonds a present intent to make future appropriations of such funds as may be necessary to make payments due under the Financing Agreement as and when such payments become due. There can be no guarantee, however, that the Board of Supervisors will retain its current composition in the future, and there can be no guarantee that a future Board of Supervisors will retain the current Board of Supervisors' policy with respect to the Series 2024C Bonds.

(4) Limitation on Enforceability of Remedies. The realization of any rights upon a default will depend upon the exercise of various remedies specified in the Trust Agreement and the Financing Agreement. Any attempt by the Trustee to enforce such remedies may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the legal and equitable remedies specified in the Trust Agreement and the Financing Agreement may not be readily available or may not be enforced to the extent enforcement of such remedy is unconstitutional or contravenes public policy.

(5) Taxation of Interest on the Series 2024C Bonds. The opinion of Bond Counsel as described in the section "TAX MATTERS" will state that, under the conditions set forth therein, interest on the Series 2024C Bonds is excluded from gross income for Federal income tax purposes.

Political pressure and efforts to reduce the debt of the United States of America could have a significant impact on tax law and regulations applicable to tax-exempt bonds. A variety of proposals could be considered by Congress that, if enacted, would limit or abolish the tax benefit of the exemption from federal taxation of interest on the Series 2024C Bonds.

(6) Ratings Downgrades. In addition to the general uncertainty resulting from the COVID-19 pandemic, economic and political uncertainty relating to the economy, and the debt of the United States of America, and other developments that may affect the financial condition of the United States government, the United States debt limit and the bond ratings of the United States and its instrumentalities, could adversely affect the perceived creditworthiness of issuers such as the County and result in ratings downgrades of obligations issued by state and local governments, including the Series 2024C Bonds. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity and market value of outstanding debt obligations, including the Series 2024C Bonds.

(7) Availability of Current Financial Information. The financial and other information with respect to the County that is set forth herein for the County's fiscal year ending June 30, 2023 (the "2023 Annual Comprehensive Financial Report") has been prepared on an audited basis. No independent verification of such information has been undertaken by anyone, including the Authority.

(8) Tax Matters. See "TAX MATTERS" herein for additional tax-related risks.

LITIGATION

No litigation is pending against the County or, to the best of the knowledge of the County, threatened against the County which would (1) materially adversely affect the County's financial position, (2) restrain or enjoin the issuance, sale or delivery of the Series 2024C Bonds, or the application of proceeds of the Series 2024C Bonds as provided in the Trust Agreement or the collection of revenues pledged under the Trust Agreement, (3) in any way contest or affect any authority for the issuance or validity of the Series 2024C Bonds or the validity of the Trust Agreement or the Financing Agreement, or (4) in any way contest the creation, existence, powers or authority of the County.

No litigation is pending against the Authority or, to the best of the knowledge of the Authority, threatened against the Authority (1) to restrain or enjoin the issuance, sale or delivery of the Series 2024C Bonds or the application of proceeds of the Series 2024C Bonds as provided in the Trust Agreement or the collection of revenues pledged under the Trust Agreement, (2) in any way contesting or affecting any authority for the issuance or validity of the Series 2024C Bonds or the validity of the Trust Agreement or the Financing Agreement, (3) in any way contesting the creation, existence, powers or authority of the Authority, or (4) contesting the validity of the Act or any provision thereof.

APPROVAL OF LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2024C Bonds will be subject to the approving opinion of Nixon Peabody LLP, Washington, D.C., Bond Counsel, which will be furnished at the expense of the County upon delivery of the Series 2024C Bonds, in substantially the form set forth in Appendix E (the "Bond Opinion"). The Bond Opinion will be limited to matters relating to authorization and validity of the Series 2024C Bonds and to the status of interest thereon as described in the section "TAX MATTERS." The Bond Opinion will make no statement as to the financial resources of the County or its ability to provide for payment of the Series 2024C Bonds or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase Series 2024C Bonds.

Certain legal matters will be passed on for the Authority by its counsel, Courtney R. Sydnor, Leesburg, Virginia, and for the County by the County Attorney, Leo P. Rogers, Esquire.

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TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2024C Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2024C Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Series 2024C Bonds. Pursuant to resolutions of the Authority and the County, and in the Trust Agreement, the Financing Agreement and the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 dated the date hereof (the "Tax Certificate"), the Authority and the County have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2024C Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the County have made certain representations and certifications in the Trust Agreement, the Financing Agreement and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications described above, interest on the Series 2024C Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Series 2024C Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

Original Issue Premium

Series 2024C Bonds sold at prices in excess of their principal amounts are "Premium 2024C Bonds." An initial purchaser with an initial adjusted basis in a Premium 2024C Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium 2024C Bond based on the purchaser's yield to maturity (or, in the case of Premium 2024C Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium 2024C Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium 2024C Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series 2024C Bonds. Owners of the Premium 2024C Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium 2024C Bonds.

Ancillary Tax Matters

Ownership of the Series 2024C Bonds may result in other Federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2024C Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2024C Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2024C Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any Federal tax matters other than those described in the opinions attached as Appendix E. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Series 2024C Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2024C Bonds for Federal or state income tax purposes, and thus on the value or marketability of the Series 2024C Bonds. This could result from changes to Federal or state income tax rates, changes in the structure of Federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2024C Bonds from gross income for Federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Series 2024C Bonds may occur. Prospective purchasers of the Series 2024C Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2024C Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2024C Bonds may affect the tax status of interest on the Series 2024C Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2024C Bonds, or the interest thereon, if any action is taken with respect to the Series 2024C Bonds or the proceeds thereof upon the advice or approval of other counsel.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2024C BONDS.

State Taxes

Bond Counsel is also of the opinion that, under existing law, the interest on the Series 2024C Bonds will be exempt from income taxation by the Commonwealth and any political subdivision thereof. Bond Counsel expresses no opinion as to other Commonwealth or local tax consequences arising with respect to the Series 2024C Bonds nor as to the taxability of the Series 2024C Bonds or the income therefrom under the laws of any state other than the Commonwealth.

FINANCIAL ADVISOR

Davenport & Company LLC, Richmond, Virginia, serves as Financial Advisor to the County and has no underwriting responsibility to the Authority or the County with respect to this transaction. As Financial Advisor, Davenport & Company LLC has advised the County in matters relating to the planning, structuring and issuance of the Series 2024C Bonds and provided other advice with respect to the issuance and sale of the Series 2024C Bonds. The Financial Advisor's fee will be paid from proceeds of the Series 2024C Bonds.

INDEPENDENT AUDITORS

The County's general purpose financial statements for the fiscal year ended June 30, 2023 have been audited by the independent public accounting firm of Cherry Bekaert LLP, and are presented herein as Appendix B. The County's completed 2023 Annual Comprehensive Financial Report is available for inspection at the County's Department of Finance and Procurement, 1 Harrison Street, S.E., Leesburg, Virginia 20177, and on the County's website at http://www.loudoun.gov. Cherry Bekaert LLP, the County's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Cherry Bekaert LLP also has not performed any procedures relating to this Official Statement.

SALE AT COMPETITIVE BIDDING

After competitive bidding on August 29, 2024, the Series 2024C Bonds were awarded to Wells Fargo Bank, National Association (the "Underwriter"). The Underwriter has supplied the information as to the interest rates and offering yields of the Series 2024C Bonds set forth on the inside cover of this Official Statement. If all the Series 2024C Bonds are resold to the public at such offering yields, the Underwriter has informed the County that they anticipate total underwriting compensation of $37,311.87. The Underwriter may change public offering yields from time to time.

RATINGS

Fitch Ratings, Inc. ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned the Series 2024C Bonds ratings of "AA+", "Aa1" and "AA+", respectively. Such ratings reflect only the view of such organizations, and an explanation of the significance of any rating may be obtained only from the respective rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. A rating is not a recommendation to buy, sell, or hold securities such as the Series 2024C Bonds. The County has furnished information to the rating agencies, including information not contained in this Official Statement. There is no assurance that such ratings will be maintained for any given period of time or that they will not be revised downward or be withdrawn entirely by the respective rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2024C Bonds.

LEGALITY OF THE SERIES 2024C BONDS FOR INVESTMENT

The Act provides that bonds issued by the Authority under the Act are securities in which all public officers and public bodies of the Commonwealth of Virginia and its governmental subdivisions, all insurance companies, trust companies, banks, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. The Act further provides that bonds issued by the Authority under the Act are securities which may properly and legally be deposited with and received by any Commonwealth of Virginia or municipal officer or any agency or governmental subdivision of the Commonwealth of Virginia for any purposes for which the deposit of bonds or obligations is now or may hereafter be authorized by law.

CONTINUING DISCLOSURE

This offering is subject to the continuing disclosure requirements of the Rule. For purposes of the Rule, the County is an obligated person with respect to the Series 2024C Bonds. As described in Appendix F, such undertaking requires the County to provide only limited information at specified times and to provide notices of the occurrence of certain enumerated events with respect to the Series 2024C Bonds, if material. Notices of the aforesaid material events will be filed by or on behalf of the County with the MSRB through EMMA. The nature of the information to be provided and the notices of such material events is set forth in Appendix F – "Form of Continuing Disclosure Agreement."

The Continuing Disclosure Agreement requires the County to provide only limited information at specific times and the information may not constitute all of the information necessary to value the Series 2024C Bonds at any particular time. The County may provide from time to time certain information and data in addition to that required by the Continuing Disclosure Agreement. If the County chooses to provide such information and data, it has no obligation to update such information or data or to include it in a future disclosure.

MISCELLANEOUS

The references herein to the Act and the financing documents are merely brief summaries of certain provisions thereof. Such summaries do not purport to be complete, and reference is hereby made to all such documents for the complete terms thereof. Copies of the financing documents are on file with the County.

With respect to any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

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The Authority and the County have each duly authorized the distribution of this Official Statement. The Authority and the County have deemed this Official Statement final as of its date within the meaning of the Rule except for the omission of certain pricing and other information permitted to be omitted by the Rule.

ECONOMIC DEVELOPMENT AUTHORITY
LOUDOUN COUNTY, VIRGINIA

By: /s/ Angela Wilson
Chair

LOUDOUN COUNTY, VIRGINIA

By: /s/ Megan Bourke
Director of Management and Budget

APPENDIX A

DEMOGRAPHIC AND OTHER ECONOMIC INFORMATION FOR LOUDOUN COUNTY, VIRGINIA

The obligation of the County to make payments under the Financing Agreement is subject to annual appropriations by the County for such purpose. The inclusion of the following information about the County does not imply that the County is legally obligated to make such appropriations. Neither the Series 2024C Bonds nor the Financing Agreement constitutes a debt of the County or a pledge of the faith and credit or taxing power of the County.

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APPENDIX A

LOUDOUN COUNTY, VIRGINIA

GENERAL AND DEMOGRAPHIC INFORMATION

General Description

Overview

The County is an urbanizing county located in the northwestern tip of the Commonwealth of Virginia, 25 miles northwest of Washington, D.C. and within 500 miles of the nation's major population centers of Atlanta, New York, and Boston. The County is approximately 520 square miles in size. It is considered to be part of the Northern Virginia area and the Washington Metropolitan Statistical Area (the "Washington MSA"). The Washington MSA, as set forth in February 2013 by the Federal Office of Management and Budget, included the Virginia Counties of Arlington, Clarke, Culpeper, Fairfax, Fauquier, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford and Warren, the Virginia Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park and parts of Maryland and West Virginia. According to the 2020 Census (defined below), from 2010 to 2020 Loudoun's population increased by approximately 35%—from 312,311 to 420,959. According to County estimates, the County's 2023 population was 440,071, an increase of 4.5% since 2020. According to the 2020 Decennial Census of the U.S. Department of Commerce, Bureau of the Census (the "2020 Census"), Loudoun County is the third most populous jurisdiction in Northern Virginia, after Fairfax and Prince William Counties, and the fourth most populous jurisdiction in the Commonwealth of Virginia.

The County's population is expected to be 490,430 by 2030, an increase of approximately 16.5% from 2020.[*]

A labor supply of highly skilled residents, a stable political climate, the cooperative attitude of state and local governments, abundant commercial and industrial acreage, connection to the world through Washington Dulles International Airport ("Dulles Airport") and an estimated 70%[†] of the world's internet traffic are but a few of the attractive features of the County. The Town of Leesburg, the County government seat, is located in the heart of the County. Incorporated towns within the County include Hamilton, Hillsboro, Leesburg, Lovettsville, Middleburg, Purcellville and Round Hill.

The County has the conveniences often associated with urban areas, while maintaining a comfortable suburban atmosphere. The eastern portion of the County borders Fairfax County, Virginia, and contains Dulles Airport. While this portion of the County is developing as a result of its proximity to the Washington metropolitan area, the western portion of the County, bordered by the Blue Ridge Mountains to the west and the Potomac River to the north, maintains a rural and historical environment. The western portion of the County comprises small towns and villages surrounded primarily by farmland and open spaces. It is sparsely populated with a thriving agricultural industry, with many historical sites on the National Register of Historic Places. The combination of eastern and western Loudoun, of urban growth and historic stability, makes the County one of the most desirable counties in northern Virginia for businesses and residents to locate.

The County, which derives its governing authority from the Virginia Code, is a multi-service jurisdiction and shares local governmental taxing power with the towns within its boundaries. The governing body of the County is the Board of Supervisors, which formulates policies for the administration of the County. There are overlapping debt and taxing powers with other political subdivisions.

The Administrative Offices are located at the County Administration Building, 1 Harrison Street, S.E., Leesburg, Virginia 20177. The telephone number is (703) 777-0200. The telephone number for the Office of Management and Budget is (703) 777-0500.

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[*] Source: Metropolitan Washington Council of Governments, Round 10.0 Cooperative Forecast control totals, submitted by Loudoun County in October 2022.

[†] Source: Loudoun County Department of Economic Development.

Other Financial Information

No principal of or interest on any obligation of the County is past due, nor has the County ever defaulted on any of its general obligation bonds, federal loans, financing agreements, revenue obligations or installment purchase agreements.

The fiscal period of the County is July 1 through June 30.

The Official Statement does not include the financial data of any other political subdivision having power to levy taxes within the County.

Form and Organization of Government

The County operates under the traditional county form of government with a County Administrator as established by the Virginia Code. The nine-member Board of Supervisors is vested with local legislative powers. Eight members of the Board are elected on the basis of their respective election districts of the County, and the Chairman is elected at-large. All members of the Board are elected for terms of four years with the elections being held in odd years for all the seats. The Board of Supervisors elects a Vice Chairman from among its members. Under this form of government, the elected officials include the members of the legislative body, which is the Board, and certain elected administrative officials, including the Treasurer, the Commissioner of the Revenue, the Sheriff, the Clerk of the Circuit Court and the Commonwealth's Attorney.

The County Administrator is the administrative head of the general government and carries out the policies of the Board. He is appointed by and serves at the pleasure of the Board, and acts as the Board's agent in the administration and operation of the County's departments and agencies. All departments directly responsible to the Board report to the County Administrator, who acts as the Board's liaison to all other departments and agencies. With the assistance of one Senior Deputy County Administrator, three Deputy County Administrators and one Assistant County Administrator, the County Administrator coordinates the functions of 30 County agencies and departments responsible for the delivery of services to residents. He is responsible for appointing and discharging all County employees and officers, although that responsibility may be delegated to subordinates. A major responsibility of the County Administrator is the preparation of the County's annual operating budget and six-year capital plan. The County Administrator also acts as Clerk to the Board and is responsible for recording and maintaining all legislative documents and actions of the Board.

The Board of Supervisors organizes itself into the following three Committees: Finance/Government Operations and Economic Development, Transportation and Land Use, and Joint Board and School Board. These Committees provide policy and fiscal guidance to the County Administrator and county agencies and promote more effective management and control over functionally related County departments and agencies. Based upon the Board's priorities, policies, and programs, the County Administrator, along with his Deputy and Assistant Administrators, anticipates community needs, sets priorities, and develops strategies to address those needs through administrative and proposed legislative methods.

Presented on the following page is an organizational chart for the County and descriptions of the members of the Board of Supervisors and certain appointed and elected officials.

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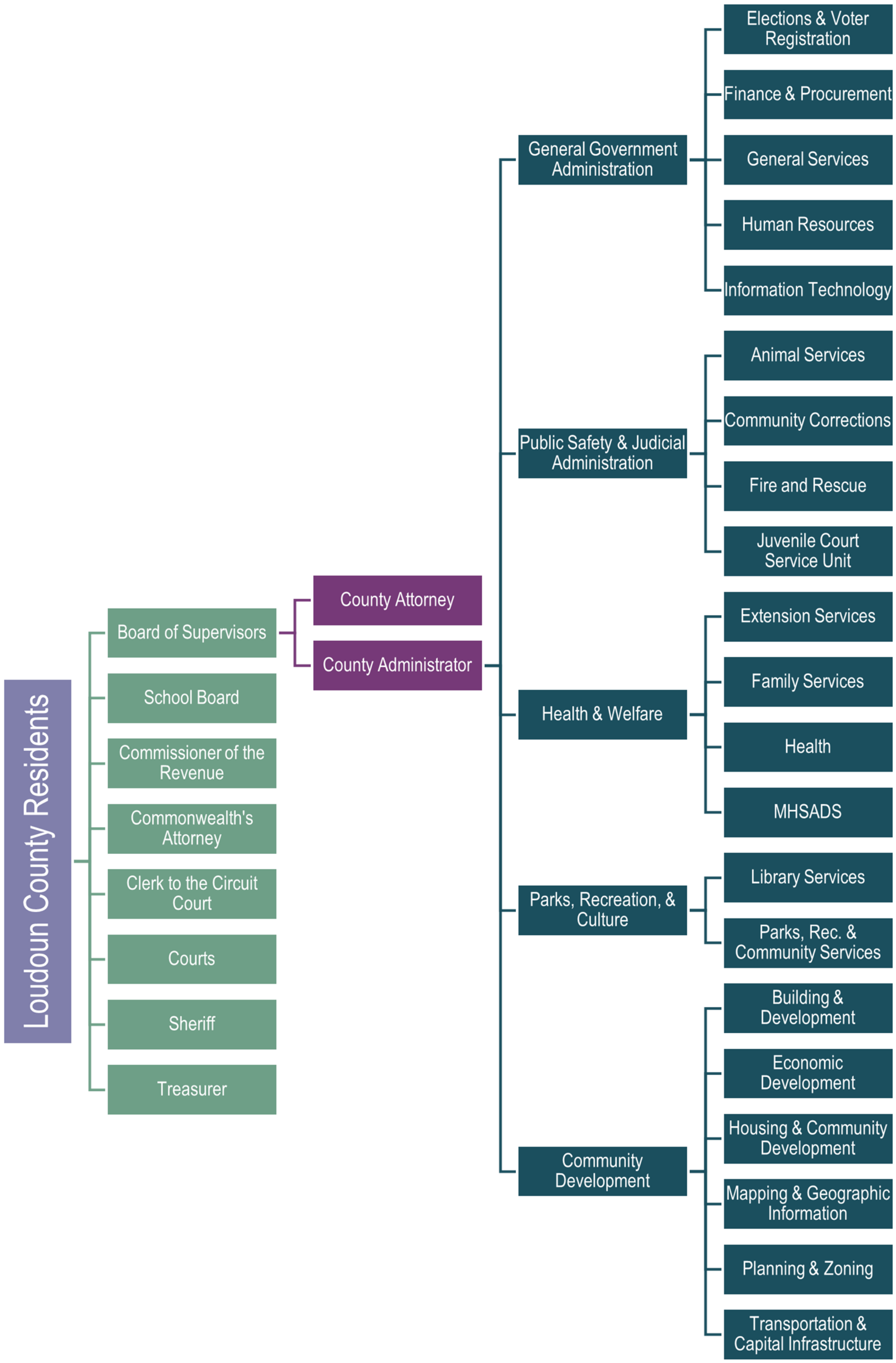
Organizational Chart



Elected Legislative Officials

Phyllis J. Randall, Chair, Board of Supervisors

Ms. Randall was elected as Chair of the Board of Supervisors in November 2015 and reelected in November 2019 and 2023. Ms. Randall was the first person of color in Virginia's history to be an elected chair of a county board. As Loudoun's Chair At-Large, she represents Loudoun on various regional, state, and national bodies, including as Chair of the full Northern Virginia Transportation Authority (NVTA) and Chair of the NVTA Governance and Personnel Committee. She also serves as a member of the National Association of Counties ("NACo") Health and Human Resources Committee and founding member of the NACo Economic Mobility Leadership Network, a member of the Virginia Association of Counties Health and Human Resources sub-committee and a member of The Washington Metropolitan Council of Governments (COG) Board of Directors, Human Services and Public Safety Policy Committee, Regional Forward Coalition, and DC Statehood sub-committee. Chair Randall also serves on the Board of Supervisors' Finance/Government Operations and Economic Development Committee and the Transportation and Land Use Committee. From 2009-2011, Chair Randall served as Chair of Virginia's Fair Housing Board under former Governors Tim Kaine and Bob McDonnell. From 2014 to June of 2018, she served as Chair of Virginia's State Board of Corrections under Governor Terry McAuliffe. By profession, Chair Randall is a mental health therapist, with substance dependence as her emphasis area. She has worked with justice-involved populations, both in and out of incarcerated settings for over 20 years.

Juli E. Briskman, Vice Chair, Board of Supervisors

Ms. Briskman was elected to represent the Algonkian District on the Board of Supervisors in November of 2019 and reelected in 2023. She was elected by her fellow Board members to serve as Vice Chair in 2024. She serves on the Board's Finance/Government Operations and Economic Development Committee and the Joint Board and School Board Committee. She also represents Loudoun on the Potomac Watershed Roundtable, the Northern Virginia Transportation Commission, and the Virginia Association of Counties. She is one of the Board's representatives on the Loudoun County Family Services Board. Ms. Briskman began her career in journalism and communications. During her career she served overseas with the U.S. Department of State and worked as a contractor for federal agencies. She has also worked in the educational field, helping families explore Pre-K options, admissions, and childcare. She has been an instructor at local gyms and yoga studios. In addition to her professional pursuits, she has been an active community volunteer in many educational, recreational, and community groups, including the Loudoun County Public Schools, the Algonkian Running Club, the River Crest Riptide Swim Team, Boy Scouts, Girl Scouts, and Galilee United Methodist Church. She holds a master's degree in business administration from the Johns Hopkins University and a bachelor's degree in journalism from the Ohio State University.

Sylvia R. Glass, Member, Board of Supervisors

Ms. Glass was elected to represent the Broad Run District on the Board of Supervisors in November 2019 and reelected in 2023. She serves as co-chair of the Board of Supervisors' Joint Board and School Board Committee and is a member of the Transportation and Land Use Committee. She represents Loudoun on the Metropolitan Washington Council of Governments' Air Quality Committee, the Northern Virginia Regional Commission, the Dulles Town Center Community Development Authority, and the Route 28 Transportation Improvement District Commission. She also serves as the Board's representative on the Loudoun County Disability Services Board and on education steering committees for both the Virginia and National Association of Counties. She is currently an elementary special education teacher's assistant with Virtual Loudoun, having worked previously as a teaching assistant and cafeteria monitor with Loudoun County Public Schools. Her prior work experience encompasses both accounting and real estate. She held positions with the U.S. Defense Contract Audit Agency and Trollinger and Co. and later earned her real estate license and worked with ReMax. She served as the President of the Dominion Trail Elementary School Parent Teacher Association and is a member of the NAACP Education Committee. She is also active with the Loudoun County Public Schools' Minority Student Achievement Advisory Committee and is a member of the Loudoun Education Association. Further, she is a member of the Loudoun chapter of Moms Demand Action. She earned a bachelor's degree in accounting and economics from Bowie State University and a master's degree in special education from George Mason University.

Caleb A. Kershner, Member, Board of Supervisors

Mr. Kershner was elected to represent the Catoctin District on the Board of Supervisors in November 2019 and reelected in 2023. He serves on the Board of Supervisors' Transportation and Land Use Committee and represents the Board on the Loudoun County Agricultural District Advisory Committee. He represents Loudoun on the Coalition of Loudoun Towns and the Annexation Area Development Policy Committee. He is a partner in the law firm of Simms Showers, LLP in Leesburg. A native of Frederick, Maryland, he moved to Loudoun in 1995 and worked for the Home School Legal Defense Association in Purcellville as director of federal relations. He earned a bachelor's degree in finance with honors from George Mason University in 2001 and a doctorate in law from George Mason University in 2005. He began his legal career as an assistant commonwealth's attorney in Loudoun County, prosecuting criminal cases between 2005 and 2009. Supervisor Kershner has been an active community volunteer, currently serving as an officer on the board of directors for the Loudoun County Fair and Associates, a nonprofit organization which hosts the Loudoun County Fair. He has also been a member of the Lovettsville-Waterford Ruritans.

Matthew F. Letourneau, Member, Board of Supervisors

Mr. Letourneau was elected to represent the Dulles District on the Board of Supervisors in November 2011 and was reelected in 2015, 2019 and 2023. In January 2024, he was appointed chairman of the Board's Finance Government Operations and Economic Development Committee. From 2015 to 2021, Supervisor Letourneau served as chairman of the committee, which oversees county services, finances, and economic development efforts. He is the first Loudoun County Supervisor to serve on the Washington Metropolitan Area Transit Authority (Metro) Board of Directors, representing Virginia as one of two Principal Directors. He served on the Metropolitan Washington Council of Governments Board of Directors from 2012 to 2019, including as Chairman of the Board in 2018 and corporate President in 2014. Mr. Letourneau represents Loudoun on the Northern Virginia Transportation Commission (NVTC) and serves on the National Capital Region Transportation Planning Board and the Route 28 Transportation Improvement District Commission. He is currently Managing Director of Communications and Media for the Global Energy Institute at the U.S. Chamber of Commerce. He is a cum laude graduate of The Catholic University of America in Washington, D.C.

Koran T. Saines, Member, Board of Supervisors

Mr. Saines was elected to the Board of Supervisors representing the Sterling District in November 2015 and reelected in 2019 and 2023. He served as vice chairman from January 2020 to December 31, 2023. He serves on the Board's Finance/Government Operations and Economic Development Committee and represents Loudoun on the Northern Virginia Manpower Consortium Workforce Investment Board and the Northern Virginia Regional Commission, as well as the Metropolitan Washington Council of Governments' Climate Energy and Environment Policy Committee for which he served as Chair for 2022-2023. He also serves as one of Loudoun's representatives on the Route 28 Transportation Improvement District Commission and is one of the Board's representatives on the Family Services Board. In 2019, Mr. Saines was appointed to the General Government Steering Committee of the Virginia Association of Counties by the VACo president. Mr. Saines is a Sterling native and a graduate of Broad Run High School. He graduated from Indiana Institute of Technology with a bachelor's degree in Human Resource Management. He currently works as a human resource professional for Inova Health System. Mr. Saines' community service includes being president of the Chatham Green Unit Owners Association after previous stints as vice president and secretary. In the past he has served as an election officer, including serving as chief election officer in 2014.

Laura A. TeKrony, Member, Board of Supervisors

Ms. TeKrony was elected to represent the Little River District on the Board of Supervisors in November 2023. She serves on the Board of Supervisor's Joint Board and School Board Committee and the Transportation and Land Use Committee. She is one of Loudoun's representatives on the metropolitan Washington Council of Governments' (COG) Board of Directors and serves on COG's Chesapeake Bay and Water Resources Policy Committee and the Food and Agriculture Regional Member Policy Committee. She is also one of Loudoun's representatives on the Coalition of Loudoun Towns. Prior to her election, Supervisor Tekrony was a legislative aide to Board of Supervisors chair Phyllis Randall. She grew up on a farm in Hopewell, New Jersey and earned a bachelor's degree in biology from Bucknell University and a master's degree in marketing from Fordham University.

Michael R. Turner, Member, Board of Supervisors

Mr. Turner was elected to represent the Ashburn District on the Board of Supervisors in November 2019 and reelected in 2023. He serves as the chair of the Board of Supervisors Transportation and Land Use Committee and represents Loudoun on the National Capital Region Transportation Planning Board and the Northern Virginia Transportation Commission. He also serves on the Fiscal Impact Committee. He is a 1973 graduate of the U.S. Air Force Academy and a former command pilot with more than 3,500 flying hours as both an air rescue helicopter pilot and a fighter pilot. A Desert Storm veteran, he served on the U.S. Central Command staff before and during the war. His final assignment was on the Joint Staff in the Pentagon in support of the Chairman of the Joint Chiefs of Staff from 1993 to 1997, where he worked in the Strategic Plans and Policy Directorate. Since his retirement from the Air Force in 1997, Turner has worked principally as a nonprofit development officer at six nonprofit organizations with varied missions, including disaster relief, encouraging entrepreneurship among America's youth, providing free credit counseling to families in need and helping military and veteran families. He also has nonprofit experience in legislative affairs. From 2003 to 2004, Turner was a military commentator for CNN, MSNBC, Fox News, NPR, KQED radio, and Newsweek online. In 2008, he was a candidate for the U.S. Congress from Virginia's 10th Congressional District. Turner is a recipient of the Bronze Star Medal, the Defense Superior Service Medal and the Air Medal. He has a bachelor's degree in science from the U.S. Air Force Academy and a master's degree in business administration from Chapman University in California.

Kristen C. Umstattd, Member, Board of Supervisors

Ms. Umstattd was elected to represent the Leesburg District on the Board of Supervisors in November 2015 and reelected in November 2019 and 2023. She serves on the Board of Supervisors' Finance/Government Operations and Economic Development Committee. She is one of the Board's representatives on the Annexation Area Development Policy Committee. Previously, she served on the Leesburg Town Council from 1992 to 2016. She served as Mayor between 2002 and 2016. Umstattd served for many years as the Leesburg Town Council's liaison to the Leesburg Planning Commission. In addition, she has served on the boards of the following statewide and regional organizations: Past President, Virginia Association of Planning District Commissions; Past Chair, Northern Virginia Regional Commission; Past Chair, Towns' Association of Northern Virginia; Past Commander, American Legion Post 34; Trustee, Journey Through Hallowed Ground; and member of the Northern Virginia Transportation Authority, Northern Virginia Transportation Coordinating Council, Dulles Area Transportation Association, Coalition of Loudoun Towns Advisory Committee, and Loudoun Hospital Executive Council. Umstattd is a native of Philadelphia, Pennsylvania. She moved to Virginia in 1981, while on active duty as a Lieutenant in the U.S. Naval Reserve. After her honorable discharge, Umstattd continued with the U.S. Naval Reserves, translating Soviet naval documents from Russian into English for the U.S. intelligence community. She then joined the Central Intelligence Agency as a Soviet Naval analyst. Since 1987, Supervisor Umstattd has been practicing law in Leesburg, Virginia. Umstattd graduated magna cum laude and Phi Beta Kappa from Yale University with a B.A. in Russian and East European Studies. She holds a J.D. from Yale Law School and a Certificate in Chinese Studies from Cheng-chi University in Taiwan.

Certain Other Elected Administrative Officials

Henry Eickelberg, Treasurer

Mr. Eickelberg has served as Loudoun County Treasurer since January 2024, following his election in November 2023. He has extensive experience in the fields of investment administration and oversight, law, and accounting. After retiring as the Corporate Vice President of Human Resources and Shared Services for a Fortune 100 company, Mr. Eickelberg was appointed by President Obama in 2016 to Advisory Committee of the Pension Benefit Guaranty Corporation, which oversees a $125 billion dollar investment portfolio for millions of Americans. He was later appointed Advisory Committee Chair and served in that role for both Presidents Trump and Biden. Mr. Eickelberg has served as an adjunct professor of law in the graduate programs for both Georgetown University Law Center and Washington University in St. Louis Law School. He was a law partner at Jenner & Block in Chicago specializing in employee benefits law, corporate mergers and acquisitions and executive compensation. Mr. Eickelberg is a Certified Public Accountant, holds a bachelor's degree in accounting from DePaul University and a JD and LLM from the John Marshall Law School in Chicago.

Certain Appointed Administrative Officials

Tim Hemstreet, County Administrator

Mr. Hemstreet began his service as County Administrator for Loudoun County in December 2009. Mr. Hemstreet came to the County from the City of Miami Beach, Florida, where he held management positions since April 2001. He had served as Assistant City Manager and Assistant Executive Director of the Redevelopment Agency since March 2005. Before that, he was director of the Capital Projects Office. His responsibilities as Assistant City Manager for Miami Beach included overseeing the Departments of Public Works, Planning, Capital Improvements, Economic Development, Public/Private Joint Ventures and the Redevelopment Agency Construction. The City of Miami Beach had approximately 2,000 employees, an annual operating budget of $425 million, and a capital budget of $800 million. Before joining the City of Miami Beach, he held several management positions with the Cities of Tamarac and Hollywood, Florida. He served as Assistant City Manager and Finance and Policy Officer for the City of Tamarac. Mr. Hemstreet grew up in Northern Virginia and earned both a bachelor’s degree in political science and a master’s degree in public administration from James Madison University in Harrisonburg, Virginia.

Leo P. Rogers, County Attorney

Mr. Rogers has served as County Attorney since November 2014. He previously served as James City County Attorney from 2004 to 2014, as a Deputy County Attorney from 1994 to 2004, and as an Assistant County Attorney from 1990 to 1994. He graduated from Rutgers College where he was a Henry Rutgers Scholar in History and earned his Juris Doctor from William & Mary Law School. Mr. Rogers is a member of the Virginia State Bar. As County Attorney, he serves as chief legal advisor to the Board of Supervisors, the County Administrator and all County departments and agencies. It is his duty to advise the Board of Supervisors and to represent the County in civil matters.

Erin McLellan, Senior Deputy County Administrator

Ms. McLellan began her career with Loudoun County government in 2005 as a management fellow and later as a human resources policy and research analyst. She was steadily promoted, becoming Budget Officer in 2013 and later head of the department. She later served as director of the Department of Finance and Budget. Prior to her appointment as Senior Deputy County Administrator in 2023, Ms. McLellan was appointed as an assistant county administrator in 2020. Ms. McLellan is a graduate of the University of Alabama and holds a bachelor’s degree in history and a master’s degree in public administration.

George Govan, Director of Finance and Procurement

Mr. Govan began his service to Loudoun County in October 2023 as Director of Finance and Procurement. Prior to joining Loudoun County, he was Chief Financial and Risk Officer with US AbilityOne Commission, Washington DC, from 2020 through 2023. Mr. Govan earned a bachelor’s degree in accounting from the University of Mary-Hardin Baylor, Belton Texas, a master’s of business administration from Troy State University in Montgomery, Alabama and a doctorate in higher education from The George Washington University in Washington, DC.

Megan Bourke, Director of Management and Budget

Ms. Bourke began her service to Loudoun County in January 2014 as a budget manager and has held various positions managing both the County’s operating and capital budgets. Prior to joining Loudoun County, she was a budget and management analyst with Chesterfield County, Virginia, from 2011 through 2013, and a management analyst with the Village of Downers Grove, Illinois, from 2007 to 2008, where she began her career in local government as a management intern in 2004. Ms. Bourke earned a bachelor’s degree in political science from Indiana University in Bloomington, Indiana, and a master’s degree in public policy from The George Washington University in Washington, DC.

Governmental Services and Facilities

Introduction

The County provides a full range of municipal services authorized by the Virginia Code and the Board of Supervisors. These services include public safety (law enforcement and traffic control, fire and rescue services, corrections and detention, inspections); health and welfare (health, mental health and developmental services, social services); education (elementary and secondary, community college support); parks, recreation and cultural enrichment (libraries, performing arts, museums); community development (economic development, planning, zoning, housing, environmental management, cooperative extension); limited public works (sanitation and waste disposal, transportation planning, maintenance); and general government administration (legislation, general and financial, elections, judicial). Services provided by the County which receive partial funding from the Commonwealth include public education in grades kindergarten through twelve and certain technical and special education, mental health assistance, agricultural services, law enforcement, judicial, and other activities.

The County's main governmental complex includes a general administration building, and a judicial complex. In close proximity are a health facility, public safety facilities and a social services facility. There are five sheriff substations and one sheriff administration building, twenty-one fire and rescue stations, ten area libraries, including a law library, seven community centers, three recreation centers and fifty-five park sites, ninety-seven elementary, secondary, and specialized schools and various other sub offices and facilities located throughout the County.

Development and Economic Growth

Guiding Strategy

The County Government's business growth and development strategy is managed by the staff in the Loudoun County Department of Economic Development ("Department of Economic Development"). The Department of Economic Development is supported by and active in multiple business-focused public-private partnerships.

The Department of Economic Development operates under a cluster-focused business strategy, originally approved by the Board of Supervisors in 2008. Currently the County's business development budget and its recruitment and retention efforts are targeted at data centers and other businesses in the information and communications technology cluster, especially cybersecurity and health information technology; aerospace and defense; air cargo and highly specialized manufacturing. The department also works to attract and grow small businesses and international companies.

Board Support

The Board of Supervisors oversees and guides all economic development efforts as a unit and specifically through its Finance/Government Operations and Economic Development Committee. The Board has encouraged business growth through its strong support of economic development department staffing and programs, as well as its endorsement of business-focused County initiatives. The Economic Development Authority of Loudoun County (the "EDA") provides support to the Department of Economic Development and issues revenue bonds in accordance with the Industrial Development and Revenue Bond Act.

The Department of Economic Development works with the Board to create competitive business incentives that are strategic and selective. For example, incentives were leveraged from 2021 to 2023 to secure new investment and jobs in new headquarters locations for organizations including Zasti AI, Athari Biosciences, the United States Tennis Association, and the Lovettsville Cooperative Market. Zasti AI and Athari Biosciences are notable for their potential to promote economic diversification and add to the County's Health IT cluster, with at least 60 jobs and $5.9 million of new investment from Zasti AI and 50 jobs and $4 million of new investment from Athari Biosciences, which included investment in a certified wet lab for molecular testing and research. The incentive for the Lovettsville Cooperative Market supports Loudoun's rural economy through creating a permanent retail location sourcing products from over 70 local vendors, including meats, cheeses, coffee, honey, cut flowers, wine and beer. The County further promotes economic diversification through initiatives and services to support the permitting process and help ensure that Loudoun is "business friendly."

Overall, the County's most leveraged non-cash incentive is Loudoun's Fast Track program for accelerated commercial site plan permitting. A project using the Fast Track process can get to conditional approval (and begin the process of applying for building permits) in an average of less than three months. In 2023, the Department of Economic Development assisted 22 Fast Track projects, which will lead to $9.2 billion in new commercial investment in Loudoun's economy. The Fast Track program is an important non-cash incentive that enhances the County's competitiveness relative to neighboring jurisdictions and improves the experience of conducting business in Loudoun County.

Current and Future Initiatives

Increased support for the County's wide base of small businesses has been successful, including new marketing initiatives, training events and monthly meet-ups and information sessions for high-growth and technology-focused entrepreneurs. Approximately 87% of Loudoun's businesses have fewer than 20 employees. Small businesses have the greatest potential for growth and are a key component of the Loudoun economy. The presence of small to medium-sized high-growth companies is illustrated by the 39 Loudoun businesses currently on Inc. Magazine's annual listing of fastest growing companies. This is a record high for the number of Loudoun Inc. 5000 businesses, with 2023 marking the tenth year in a row with more than 20 Loudoun businesses making that list.

In addition to the ongoing support for the growth of rural industry provided by the implementation of the updated rural strategy, the Loudoun Farms website is serving to enhance the connections among residents, visitors, and rural-based enterprises. The County continues its successful promotion of direct-sale opportunities and innovative rural practices through the Loudoun Made Loudoun Grown Marketplace, the Take Loudoun Home for the Holidays promotional campaign, farm-restaurant collaborations, spring and fall farm tours, and one-on-one business assistance and specialized training in agricultural innovation.

The Department of Economic Development marketing and communications team leverages media relations, graphic design, event marketing, and digital media marketing to raise awareness of Loudoun County as a world-class business location.

Rivana at Innovation Station Partnership Supporting Economic Development

The County is supporting a significant mixed-use, transit-oriented development through the creation of the Rivana at Innovation Station Community Development Authority (CDA), established by the Board of Supervisors in July 2023. The Rivana at Innovation Station development will help drive economic development and support many County goals as articulated in the 2019 Comprehensive Plan, including to "provide new opportunities for employers to locate near a complete urban community," to "ensure walkable development and connectivity to the community; and to transit," to "provide dynamic and diverse public places and amenities within the community; promote culture and the arts, and concepts like outdoor dining, event space, street fairs, and public art," to "provide a diverse mix of choices in all development; and a balance of business, commercial and residential uses; accommodate living, working, shopping, learning, and playing," and to "simultaneously protect valuable environmental resources and provide a network of publicly available green spaces." For purposes of financing the planned public infrastructure within this development, the County and the developer agreed to financial contributions from the County in the form of a tax increment on real property collected within the CDA District based on the increased assessed value their planned development will generate and a $0.15 special tax levied within the CDA boundaries to generate additional revenue construction of public infrastructure. The need for the CDA was recognized by the County following analysis of the cost of infrastructure needed for dense, high-value urban development, such as what is planned for Rivana at Innovation Station, and the resulting gap in financing that needed to be filled for the development to move forward. The Rivana at Innovation Station development is led by Timberline Real Estate Partners and broke ground in early 2024.

The County expects an ongoing positive economic impact from supporting Rivana at Innovation Station. A lack of available Class A office space near transit stations has been a challenge for recruiting some prospective businesses in target industries, and Rivana positions Loudoun to capture these opportunities. This project is an example of the County's strategic support of transit-oriented developments that catalyze job creation and provide economic diversification.

Economic Performance

During calendar year 2023, Loudoun's economic success was evidenced by decreased levels of unemployment and the continued increase in the number of businesses. New commercial development also continued at a rapid pace, with 5.0 million square feet in new retail, flex, industrial, and office building permits issued in 2023. The Department of Economic Development earned 142 "wins" in 2023; a "win" is a business that the department assists to attract, expand, or retain in Loudoun. In addition to wins related to data centers, cybersecurity, and other businesses in the information, and communications technology cluster, there were also wins in the logistics, advanced manufacturing, and agricultural sectors. The 142 wins directly brought in $9.0 billion of commercial investment and 4,941 jobs created or retained. A few significant wins announced in 2023 included RTX, Fortreum, EIT, and the Lovettsville Cooperative Market.

Economic and Demographic Factors

Employment

The following table presents average employment and weekly wages per employee for the quarter ended June 30, 2023. Total average employment of 188,609 in the quarter ended June 30, 2023 represents an increase of 5.1 percent from the quarter ended June 30, 2022 and 11.6 percent from the quarter ended June 30, 2021.

AVERAGE EMPLOYMENT AND WEEKLY WAGES PER EMPLOYEE
Quarter Ended June 30, 2023[1]

Industry	Employment	Weekly Wages
Goods-Producing Domain		
Natural Resources and Mining	679	$1,114
Construction	17,651	1,586
Manufacturing	8,282	1,736
Service-Providing Domain		
Trade, Transportation, and Warehousing	38,051	1,126
Information	6,446	2,669
Financial Activities	6,351	2,093
Professional and Business Services	36,418	1,993
Education and Health Services	35,420	1,197
Leisure and Hospitality	22,948	963
Other Services (except Public Administration)	5,873	1,060
Public Administration	9,807	2,144
Unclassified	684	1,104
Total Employees/ Weighted Average Wage	**188,609**	**$1,494**

[1] Includes all employers subject to unemployment compensation laws but excludes other employment such as self-employed persons. Data are presented under NAICS system. Figures may not sum due to rounding.
Source: Chmura Economics & Analytics, 2nd Quarter 2023. Compiled by Loudoun County Department of Economic Development, February 2024.

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The following table shows employment by sector for the quarter ended June 30, 2023 excluding self-employed persons. This data shows that the largest percentage of employees in the County work for service-sector companies, particularly the Trade, Transportation and Warehousing, Professional and Business Services, and Education and Health Services sectors.

EMPLOYMENT BY SECTOR AS A PERCENTAGE OF TOTAL
Quarter Ended June 30, 2023[1]

Sector	Percentage
Goods-Producing Domain	
Natural Resources and Mining	0.4%
Construction	9.4
Manufacturing	4.4
Service-Providing Domain	
Trade, Transportation, and Warehousing	20.2
Information	3.4
Financial Activities	3.4
Professional and Business Services	19.3
Education and Health Services	18.8
Leisure and Hospitality	12.2
Other Services (except Public Administration)	3.1
Public Administration	5.2

[1] Includes all employers subject to unemployment compensation laws but excludes other employment such as self-employed persons. Data are presented under NAICS system. Figures may not sum to exactly 100% due to rounding.
Source: Chmura JobsEQ, 2nd Quarter 2023. Compiled by Loudoun County Department of Economic Development, March 2024.

The table below compares the average annual unemployment rate of the County to the entire United States. The data shows that the County has consistently achieved a lower unemployment rate when compared to the country.

ANNUAL AVERAGE UNEMPLOYMENT RATES

Calendar Year	Loudoun County	United States
2014	4.2%	6.2%
2015	3.5	5.3
2016	3.1	4.9
2017	3.0	4.4
2018	2.5	3.9
2019	2.3	3.7
2020	5.5	8.1
2021	3.1	5.3
2022	2.4	3.6
2023	2.5	3.6

Source: Bureau of Labor Statistics, February 2024. The 2023 values are 12-month averages.

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Industry

Local and federal government, technology-related and professional services, transportation, and healthcare businesses constitute a significant share of major employers in the County. The following table presents data regarding the major employers, including the products and services they provide and the approximate number of employees.

TOP EMPLOYERS
(as of June 30, 2023)

Company Name	Industry	Employment Range
Loudoun County Public Schools	Educational Services	10,000 +
Loudoun County Government	Public Administration	2,500 - 4,999
U.S. Dept. of Homeland Security	Public Administration	2,500 - 4,999
Inova Health System	Health Care and Social Assistance	2,500 - 4,999
United Airlines	Transportation and Warehousing	2,500 - 4,999
Amazon	Transportation and Warehousing	1,000 - 2,499
Northrop Grumman	Manufacturing	1,000 - 2,499
Verizon	Information	1,000 - 2,499
RTX	Manufacturing	1,000 - 2,499
Walmart	Retail Trade	1,000 - 2,499
Air Serv Corp	Transportation and Warehousing	1,000 - 2,499
Loudoun Medical Group	Health Care and Social Assistance	1,000 - 2,499
Dynalectric Company	Construction	1,000 - 2,499
Gate Gourmet	Accommodation and Food Services	500 - 999
U.S. Department of Transportation	Transportation and Warehousing	500 - 999
Swissport	Transportation and Warehousing	500 - 999
Universal Protection Service	Administrative and Support and Waste Management and Remediation Services	500 - 999
Harris Teeter	Retail Trade	500 - 999
JE Richards	Construction	500 - 999
Wegmans	Retail Trade	500 - 999
Ashby Ponds	Health Care and Social Assistance	500 - 999
Costco Wholesale	Retail Trade	500 - 999
Rosendin Electric	Construction	500 - 999
Metro Washington Airports Authority	Transportation and Warehousing	500 - 999
The Home Depot	Retail Trade	500 - 999
Giant Food Store	Retail Trade	500 - 999
Meta	Professional, Scientific, and Technical Services	500 - 999
Target	Retail Trade	500 - 999
Howard Hughes Medical Institute	Professional, Scientific, and Technical Services	500 - 999
Town of Leesburg	Public Administration	500 - 999
JK Moving & Storage	Transportation and Warehousing	500 - 999

Source: Virginia Employment Commission, Quarterly Census of Employment and Wages, 2nd Quarter 2023 and Loudoun County Government. Analysis by Loudoun County Department of Economic Development.

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Taxable Retail Sales

The following table shows total County taxable retail sales for the calendar years indicated. Taxable sales exclude sales which are exempt under Section 58-441.6 of the Virginia Retail Sales and Use Tax Act, such as sales of alcoholic beverages in government stores; sales of certain motor vehicles, trailers and semi-trailers, mobile homes and travel trailers; and sales of certain motor vehicle fuels. The decline in 2020 resulted from stay-at-home orders at the start of the COVID-19 pandemic and a transition to online sales, which while taxable under the local sales and use tax are not classified as "retail" sales by the Virginia Department of Taxation.

TAXABLE RETAIL SALES

Calendar Year	Taxable Retail Sales	Percentage Change
2013	$4,858,737,333	(3.6)%
2014	4,986,977,605	2.6
2015	5,335,423,939	7.0
2016	5,564,634,638	4.3
2017	5,567,354,606	2.4
2018	5,870,605,647	3.0
2019	5,987,195,189	2.0
2020	5,674,901,801	(5.2)
2021	6,389,283,771	12.6
2022	7,110,765,954	11.3
2023	7,427,000,825	4.4

Average Annual Change in Retail Sales, 2013-2023:
3.71%

Source: Virginia Department of Taxation, April 2024.

Population and Income

According to the County's most recent estimates, the County's 2024 population was 446,530. According to the 2020 Decennial Census, the County was the fourth most populous county/city in the Commonwealth of Virginia. The following table presents the population figures from 2014 through 2023.

POPULATION ESTIMATES AND RATES OF CHANGE

Year	Loudoun County (April 1)	Annual Rate of Change	United States (July 1)	Annual Rate of Change
2014	354,983	4.0%	318,301,008	0.7%
2015	368,654	3.9	320,635,163	0.7
2016	381,214	3.4	322,941,311	0.7
2017	392,376	2.9	324,985,539	0.6
2018	402,575	2.6	326,687,501	0.5
2019	413,000	2.6	328,239,523	0.5
2020	420,959	1.9	331,526,933	1.0
2021	427,706	1.6	332,048,977	0.2
2022	434,326	1.5	333,271,411	0.4
2023	440,071	1.3	334,914,895	0.5

Sources: Loudoun County population, Years 2014-2019, 2021-2023: Loudoun County Office of Management and Budget; Loudoun County population, Year 2020: U.S. Census Bureau 2020 Decennial Census Table P-1. United States population Years 2014-2019 US Census Bureau Population Division Table 1: Monthly Population Estimates for the United States, NA-EST2019-01; Years 2020-2023 Monthly Population Estimates for the United States, NA-EST2023-POP. Estimates are subject to revision as new data becomes available.

The median household income data shown is in nominal or current dollars, meaning it is not inflation adjusted. The County's median household income is consistently higher than that of the Washington MSA, the Commonwealth of Virginia and the United States. The County's median household income has ranked highest in the nation since 2007 among counties with populations above 65,000 according to the U.S. Census Bureau's American Community Survey one-year estimates.

MEDIAN HOUSEHOLD INCOME (Nominal Dollars)

Location	2018	2019	2020	2021	2022
Loudoun County	$136,268	$142,299	$147,111	$156,821	$170,463
Washington MSA	100,732	103,751	106,415	111,252	119,803
Virginia	71,564	74,222	76,398	80,615	87,249
United States	60,293	62,843	64,994	69,021	75,149

Sources: U.S. Department of Commerce, Bureau of the Census, 2018 to 2022 American Community Survey One Year Estimates.

New Residential Construction

The following table shows residential housing permits issued by the County from 2014 to 2023. From 2014 to 2018, there was a steady overall leveling of residential building permits. Permitting activity began to decline in 2019, however, and since the time of the COVID-19 pandemic permits for single-family detached units have decreased. Permits for single-family attached units have tended to follow this pattern but did see a notable increase of 41.5% in 2023, marking the largest year-over-year rise in over a decade. While this increase is notable, the level of single-family attached permits in 2023 was similar to 2020 and 2021. After spiking in 2022, multifamily attached unit permits dropped in 2023 to a level that was more consistent with the number of permits issued in years before 2022. In 2023, other than single-family attached units, permits were lower than in recent years. This reduction reflected downtime and permit backlogs that occurred during the County's transition to a new permitting system and also continuing interest rate hikes by the U.S. Federal Reserve.

RESIDENTIAL HOUSING UNIT BUILDING PERMITS ISSUED FOR NEW CONSTRUCTION

Calendar Year	Single-Family Detached	Percentage Change	Single-Family Attached	Percentage Change	Multi-Family	Percentage Change	Total	Percentage Change
2014	1,686	0.1%	1,160	(35.4)%	641	(51.4)%	3,487	(27.4)%
2015	1,465	(13.1)	1,165	0.4	952	48.5	3,582	2.7
2016	1,404	(4.2)	1,079	(7.4)	770	(19.1)	3,253	(9.2)
2017	1,414	0.7	959	(11.1)	1,121	45.6	3,494	7.4
2018	1,270	(10.2)	1,097	14.4	1,217	8.6	3,584	2.6
2019	1,116	(12.1)	962	(12.3)	845	(30.6)	2,923	(18.4)
2020	990	(11.3)	579	(39.8)	595	(29.6)	2,164	(26.0)
2021	980	(1.0)	485	(16.2)	640	7.6	2,105	(2.7)
2022	861	(12.1)	371	(23.5)	1,073	67.7	2,305	9.5
2023	662	(23.1)	525	41.5	649	(39.5)	1,836	(20.3)

Source: Loudoun County Department of Building and Development.
Compiled by: Loudoun County Department of Planning and Zoning, March 2024.

Tourism

The tourism industry makes a substantial contribution to the County and Virginia economies. Tourism spending in Loudoun County had increased by 4.4% in 2019 but declined by 52.1% in 2020 to $1.89 billion due to the impact of the COVID-19 pandemic according to the Virginia Tourism Corporation. In 2021, Loudoun's total direct visitor spending rebounded dramatically, increasing 61% from 2020, to $3.04 billion. Statewide data for 2021 showed that Loudoun contributed the most among any jurisdiction in Virginia (roughly 12% of the state total visitor spending). For 2022, statewide and Loudoun-specific direct visitor spending continued the recovery from the COVID-

19 pandemic decline with statewide direct spending reaching $30.3 billion, slightly above 2019 pre-pandemic levels. Of this, $4.01 billion is attributable to Loudoun (13.2% of the statewide total). Statewide, total direct visitor spending jumped by 44% between 2020 and 2021 and by 20.3% between 2021 and 2022. Tourism in Loudoun supported 17,134 jobs and generated $988 million in wages locally in 2022, up from 13,533 jobs and $751 million in wages in 2021. Tourism, additionally, generated an aggregate total of $136 million in local tax receipts in 2022.

The table below shows the history of hotel room tax revenue generated by these accommodations. The annual revenue fluctuates from year-to-year reflecting variations in weather, occupancy rates, and room prices. Fiscal year 2020 revenue was approximately 25.4% lower than 2019 revenue because of the COVID-19 pandemic. Room demand plummeted as stay-at-home orders were issued. Many hotels closed or operated at a reduced capacity. In 2022 hotel rooms tax revenue began to rebound and stood at about 81% of the 2019 figure. This growth and rebound continued in 2023 with tax revenue exceeding pre-pandemic levels for the first time since 2019.

HOTEL ROOMS TAX REVENUE

Fiscal Year	Total Tax Revenue	Percentage Change
2013	$4,947,024	0.1%
2014	4,722,338	(4.5)
2015	5,699,308	20.7
2016	5,720,710	0.4
2017	6,092,608	6.5
2018	6,639,720	9.0
2019	6,493,249	(2.2)
2020	4,843,313	(25.4)
2021	2,727,380	(43.7)
2022	5,283,388	93.7
2023	7,082,011	34.0

Average Annual Change, 2013-2023:
8.05%

Source: Fiscal Year 2013-2023 Annual Comprehensive Financial Reports: Exhibit II - Statement of Activities and Schedule 3 – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Non-Major Governmental Funds.

Health Care

Effective July 1, 2023, the County's Health Department became locally administered. The Health Department provides services that enhance and ensure the health of all Loudoun residents. The department has Community Health and Environmental Health programs which offer population-based services such as communicable disease surveillance and treatment, Lyme Disease mitigation initiatives in collaboration with the Lyme Disease Commission, and community-based health improvement efforts in collaboration with the Loudoun Health Commission. Other services include emergency and pandemic preparedness and response; the provision of birth and death certificates; and restaurant, swimming pool, private well, and septic system permitting and inspections to ensure environmental and public health protection. The department also provides essential individual-based services to women and children who would otherwise not receive medical, dental, or nutritional evaluation and care.

Agriculture

Agriculture continues to be one of the largest industries by land area in Loudoun County, with 1,332 farms and 110,133 acres farmed. The annual market value of Loudoun's agricultural product sold in 2022 was $50.2 million, according to the Census of Agriculture, which is conducted once every five years. The Census showed Loudoun was a top county in Virginia by several measures including the most horses and equine farms, the highest production of honey and cut flowers; and the second-highest acres of grape production, acres of Christmas tree production, and the total value of its agritourism. Agritourism continues to increase as businesses like orchards, Christmas tree farms, livestock farms and equestrian venues attract increasing numbers of customers from the Washington, D.C.

metropolitan area and beyond. Loudoun's rural economic industry groups continue to explore ways to increase sales through farmers markets, online farm-to-consumer sales, and wine and beer-related industries.

Education

Available within the County are a wide variety of educational facilities including public elementary, middle and high schools; private and parochial schools; Northern Virginia Community College; along with universities including The George Washington University Virginia Campus, George Mason University Loudoun Campus, Shenandoah University Northern Virginia Campus, Strayer University, and Patrick Henry College. In terms of pupil enrollment, the County's public school system is the third largest county school system in the Commonwealth of Virginia.

Public Schools. The nine-member elected School Board exercises all the powers conferred and performs all the duties imposed upon them by the Constitution and laws of Virginia. Seats must be filled on the School Board by individuals who reside in the eight respective election districts of the County, while one member is elected at-large, and one clerk of the School Board is appointed. Each election term is for a period of four years.

The Superintendent of Schools is appointed by the School Board and is responsible for oversight and management of the Loudoun County Public School system. He is the administrative head and carries out the policies of the School Board. With the assistance of a Chief of Staff and six Assistant Superintendents, he coordinates the functions of the elementary and secondary education system.

The County school system offers a comprehensive education program. High school students seeking intensive college preparation in the sciences, engineering and related fields may participate in well-established advanced placement programs in Loudoun high schools, including the Academies of Loudoun, the County's specialized high school for science, technology, engineering, and mathematics education.

The following information provides data on long term growth patterns in primary and secondary public schools as well as the number and types of private and post-secondary education facilities. As a result of the COVID-19 pandemic, County school enrollment decreased by 2,671 (3.2%) between September 2019 and September 2020, as some students and parents have opted for homeschooling or changing to private school. Between September 2020 and September 2022, enrollment began to increase again, however, enrollment has not recovered to the pre-pandemic levels. As of September 2023, enrollment was 108 students less than September 2022, a decrease of 0.1%.

PUBLIC EDUCATION FACILITIES

2023-2024 School Year

61 Elementary Schools[1]
17 Middle Schools
18 High Schools
2 Instructional Centers

Source: Loudoun County Public Schools 2023-2024 Fact Sheet
[1] Includes two Charter Schools (K-5)

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ANNUAL STUDENT POPULATION - PUBLIC SCHOOLS

School Year	Number of Students	Percentage Change
2014-2015	73,461	3.7%
2015-2016	76,263	3.8
2016-2017	79,001	3.6
2017-2018	81,235	2.8
2018-2019	82,485	1.5
2019-2020	84,175	2.0
2020-2021	81,504	(3.2)
2021-2022	81,642	0.2
2022-2023	82,233	0.7
2023-2024*	82,125	(0.1)

Source: September 30 Enrollment, Loudoun County Public Schools.
* As of September 30, 2023, includes Preschool.

Private and Parochial Schools. There are three private and two parochial schools in the County. In addition to these schools, there are also two private special schools and many private preschools and kindergartens.

Higher Education. Northern Virginia Community College is a division of the Virginia Department of Community Colleges offering academic credit-bearing classes leading to two year occupational-technical degrees in agriculture, business, engineering, health and public service, and two-year programs in arts and sciences with credits transferable to four-year colleges. The Loudoun campus provides a variety of academic programs, workforce development classes, student activities, events and campus facilities.

The George Washington University, located in Washington, D.C., has its Virginia Science & Technology Campus in the County. Other universities and colleges in the region that have Loudoun campuses include George Mason University, Shenandoah University, Strayer University, and Patrick Henry College.

In addition, as a part of the Northern Virginia and Washington, D.C. metropolitan area, the County has easy access to additional higher education institutions. Colleges in the general metropolitan area include George Mason University located in Fairfax County and Virginia Polytechnic Institute and State University Extension located in Annandale. American University, Catholic University, Gallaudet College for the Deaf Community, Georgetown University, and Howard University are all located in Washington, D.C.

Transportation

The County is located in the western portion of the Washington, D.C. metropolitan area in Northern Virginia. The high growth commercial and industrial areas in the County are within a short driving time of the Capital Beltway (I-495) and major activity centers in Northern Virginia and Washington, D.C.

Roads. The Dulles Toll Road is a tolled roadway serving non-airport traffic traveling between State Route 28 in eastern Loudoun County and the Capital Beltway. Airport traffic is served by the limited access road section of the Dulles Toll Road, which leads directly to Dulles Airport. In November 2008, the Commonwealth of Virginia transferred ownership of the Dulles Toll Road to the Metropolitan Washington Airports Authority ("MWAA") in connection with the financial plan for the Dulles Metrorail Project (as defined below), which now extends the Metrorail system to Dulles Airport and beyond into the County.

The Dulles Toll Road ends at Route 28 where the Dulles Greenway begins. The Dulles Greenway is a privately-owned, 14-mile toll road that connects the Town of Leesburg and surrounding communities with the Dulles Toll Road. Loudoun commuters enjoy the Greenway's non-stop alternative to Routes 7 and 28. The Greenway also maximizes traffic flow by offering electronic toll collection through the Virginia Department of Transportation's Smart Tag System.

State Route 28 runs north-south through eastern Loudoun's commercial and industrial center and provides direct access to the Dulles Toll Road, Interstate 66 and Route 7. A public/private partnership (PPTA-Route 28) was established to address traffic flow issues on Route 28 in Loudoun and Fairfax counties with interchanges and widening several "Hot Spots" from six to eight lanes. These projects were completed in 2020.

Other major highways that serve Loudoun include the following: State Route 7 and U.S. Route 50 link the County to eastern and western jurisdictions, providing travelers easy access to Washington, D.C., Fairfax County, Arlington County and Alexandria to the east, and the Blue Ridge Mountains to the west and beyond. U.S. Route 15 passes through Loudoun's southernmost border, traveling north to the Maryland state line and beyond. Improvements for these corridors are included in the County's Capital Improvement Program.

Airports. Air transportation is provided by the Dulles Airport, located in the eastern portion of the County. Dulles Airport has experienced solid long-term growth and is one of the few international or East Coast airports with available land for future expansion. It serves as the base for a major hub for United Airlines and provides extensive international and domestic service. Passenger air traffic at Dulles Airport has rebounded from the COVID-19 pandemic, with 25.1 million passengers in 2023, compared to 24.8 million in 2019. The share of passenger traffic comprised of international travelers rose from a monthly average of 33.5 percent in 2019 to 36.8 percent in 2023. From 2022 to 2023, overall passenger traffic grew by 17.5 percent (21.4 million to 25.1 million). Cargo traffic remains below pre-pandemic levels, with 213,160 metric tonnes in 2023 compared to 273,314 metric tonnes in 2019. From 2022 to 2023, cargo traffic declined 5.7 percent (226,096 metric tonnes to 213,160 metric tonnes).

The County is also home to a municipal airport, the Leesburg Executive Airport at Godfrey Field, a designated reliever airport for Dulles Airport. The Leesburg airport includes a 5,500-foot runway, an instrument landing system commissioned in March 2011, precision approach path indicators, and an upgraded automated weather observing system completed in 2012. Operated by the Town of Leesburg, the airport delivers comprehensive services without the congestion, expense and delays common to larger airports. Increasingly, it is used by corporations that need to house their private aircraft nearby.

Transit. In March 2009, MWAA began construction on a two phase, 11 station, 23-mile extension of the existing Metrorail system, from East Falls Church to Dulles Airport and then west to Ashburn (the "Dulles Metrorail Project"). Revenue-generating service for the first phase of the Dulles Metrorail Project ("Phase 1") began in July 2014, bringing transit service through Tyson's Corner to Reston in Fairfax County. Revenue service for the second phase of the Dulles Metrorail Project ("Phase 2") commenced in November 2022, which extended the Metrorail system another 11.6 miles to and beyond the Dulles Airport into the County, including new stations within the County at Route 606 and Route 772. A portion of the Phase 2 costs were funded using revenues collected from a special improvements tax levied, assessed, and collected not less frequently than annually on taxable real estate located within the Metrorail Service District (discussed below).

On December 5, 2012, the Board of Supervisors enacted three Loudoun County Metrorail Service Districts, established for the purpose of generating special district taxes and providing funding for a portion of the Dulles Metrorail Project. The Metrorail Service District funds construction and debt service, while the Loudoun Gateway (Route 606) – Airport Station Service District and the Ashburn (Route 772) Station District will fund future on-going operations and maintenance cost of the Metrorail service. The Metrorail Service District currently has a $0.20 levy; the other districts do not have an active levy at this time.

Pursuant to a letter agreement with the USDOT, dated December 9, 2014, the County committed to deliver three commuter parking garages to support the Metrorail system. Through an agreement with Comstock, a private developer, the Ashburn North Parking Garage was constructed and is managed at no cost to the County. The Ashburn South and Loudoun Gateway garages were constructed by the County and turned over to the County's Department of General Services for maintenance and operation.

Transportation-Related Revenues. During the 2013 Virginia General Assembly legislative session, HB 2313 was enacted. It established three revenue sources dedicated to transportation and transit for Northern Virginia and designated the Northern Virginia Transportation Authority ("NVTA") as the organization responsible for managing these revenue sources. HB 2313 included an incremental increase of 0.7 percent to the State Sales Tax; an increase of 2 percent to the Transient Occupancy Tax; and an additional $0.15 congestion relief fee to the Grantor's Tax within the nine jurisdictions comprising the Northern Virginia Planning District. These revenues together made up the "local"

30%, or NVTA 30%, provided to each Northern Virginia locality. NVTA 30% revenue can only be spent on urban or secondary road construction, capital improvements that reduce congestion, other projects that have been approved in the regional transportation plan, or for public transportation.

The General Assembly altered this funding source by enacting legislation that required the grantor's tax (renamed a regional transportation improvement fee) and the regional transient occupancy tax revenues to be diverted to the Washington Metropolitan Area Transit Authority ("WMATA") to be used exclusively for payment of Metrorail capital expenses. This change began on July 1, 2018. At that time, the revenues consisted of approximately 20 percent of the regional tax revenue collected in Loudoun. As a result of the legislation, the regional transportation improvement fee and the regional transient occupancy tax revenues are no longer available to fund NVTA sponsored transportation projects, and localities do not have access to the 30-percent local share of these funds.

Truck registration fees were increased as part of the Interstate 81 Corridor Improvement Fund which began on July 1, 2019. A portion of the revenues generated by the collection of these fees are distributed to NVTA. In addition, a regional congestion relief fee of $0.10 was reinstituted effective May 1, 2021. Currently, truck registration fees, the reinstituted regional congestion relief fee, and the remaining 0.7 percent sales tax make up the funding for both local and regional NVTA allocations. Additionally, beginning in FY 2021, NVTA receives a $20 million annual transfer from the Northern Virginia Transportation District (a State Fund) to support both local and regional NVTA allocations.

Effective May 1, 2021, the regional transportation improvement fee was reduced to $0.10 and the transient occupancy tax was increased to three percent; these revenues remain dedicated to WMATA capital costs.

The remaining "regional" 70 percent (or NVTA 70%) of the proportional State Sales Tax revenue collected in each jurisdiction is retained by NVTA for regional transportation projects that are included in the regional transportation plan or mass transit capital projects that increase capacity. Regional transportation projects are prioritized and adopted by the NVTA Board annually with the intent that over time each jurisdiction will receive their proportional equivalent share of the benefits. In addition, the towns within each of the respective counties are to be provided the proportional share of the revenue collected within the town limits. NVTA revenue estimated in the County's FY 2025 capital budget includes $28.1 million from the 30% local funds and $36.7 million from NVTA 70% regional funds.

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FINANCIAL INFORMATION

Financial Management

Fiscal Policy

The County and its governing body, the Board of Supervisors, are responsible to the County's citizens to carefully account for all public funds, manage County finances wisely, and plan for the adequate funding of services desired by the public, including the provision and maintenance of facilities. The Board of Supervisors maintains a fiscal policy that is a statement of guidelines and goals used to influence and guide the financial management practices of the County. In addition to establishing guidelines, this policy provides the Board and the citizens a framework for measuring the fiscal impact of government services against established parameters. In October 2022, the Board of Supervisors revised the fiscal policy to increase the annual debt issuance guideline from $250 million to $325 million in FY 2024, $350 million in FY 2025 and to $400 million in FY 2026 and beyond.

Reporting Entity

The County is a political subdivision of the Commonwealth, governed by a nine-member elected Board of Supervisors and an appointed County Administrator. As required by Generally Accepted Accounting Principles ("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 the Governmental Accounting Standards Board ("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 2023 and assumed their responsibilities on January 1, 2024. 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. The Schools issue separate financial statements available on the School's website, http://www.lcps.org.

Basis of Presentation

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

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

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

Statement of Activities – The 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 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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenues. The County does not allocate indirect expenses to the governmental functions.

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

The County reports the following major governmental funds:

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

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

Debt Service Fund – This fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on long-term general obligation debt of governmental funds.

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

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, Special Revenue Funds, Capital Funds and Debt Service Fund, when an expenditure is incurred, restricted fund balance is to be spent first, then committed fund balance, then assigned fund balance, and lastly unassigned fund balance.

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 in the Statement of Activities. The operations of these funds are generally intended to be self-supporting.

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. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Additionally, the government reports the following Fiduciary Funds:

(a) OPEB Trust Fund – The OPEB trust fund is used to account for the assets held in trust by the County for other postemployment benefits.

(b) Custodial Funds – These funds are used to account for monies received, held and disbursed on behalf of certain welfare recipients, certain inmates at the time of incarceration, certain Towns within the boundaries of the County, and monies provided by private donors and other miscellaneous sources, restricted to use for the purchase, maintenance and improvement of war memorials within the County.

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 schedule for the General Fund is reported as required supplementary information following the notes to the financial statements. All other budgetary comparison schedules are reported as other supplementary information.

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

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The government considers revenues to be available if they are collected within 60 days of the end of the current period. Accordingly, real and personal property taxes are recorded as unearned revenues and property taxes receivable when billed, net of allowances for uncollectible amounts. Real and personal property taxes recorded at June 30, and received within the first 60 days after year-end are included in tax revenues, with the related amount reduced from unearned revenues. Sales and utility taxes, which are collected by the Commonwealth of Virginia or utility companies and subsequently remitted to the County, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally one to two months preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily 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.

Investment Policies and Practices

The County, as a political subdivision of the Commonwealth, is limited to investments permitted by the Investment of Public Funds Act, Chapter 45 (§ 2.2-4500 et. seq.) of Title 2.2 of the Code of Virginia, as amended. The County's investment practices are generally described in Note III of the County's general purpose financial statements, included as Appendix B.

The County Treasurer is responsible for the investment of County funds. The Treasurer invests the County's funds using internal management, with external trustees and trust funds taking possession of applicable investments. Within the state permitted guidelines, the County Treasurer has traditionally limited the County's investments to the State Treasurer's Local Government Investment Pool, certificates of deposit, repurchase agreements, commercial paper, corporate notes and selected bankers' acceptances. The County matches the maturity of its investments to cash flow needs to assure cash availability as necessary.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") has awarded the Certificate of Achievement for Excellence in Financial Reporting to the County for its Annual Comprehensive Financial Reports for thirty-seven years, including the fiscal year ending 2023. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual report that substantially conforms to the high standards for financial reporting as promulgated by the GFOA. Additionally, the GFOA has given an award to the County for its Popular Annual Financial Report for its fiscal years 2017–2022. The award for Outstanding Achievement in Popular Annual Financial Reporting is a national award recognizing conformance with the highest standards for preparation of state and local government popular reports. The Popular Annual Financial Report is a condensed version of the annual report which is designed specifically to be readily accessible and easily understandable to readers without backgrounds in public finance.

Budget Award

The GFOA has presented the Award for Distinguished Budget Presentation to the County for its Annual Budget each year since its inception in 1986. In order to be presented the Award, a governmental unit must publish a budget document that meets program criteria promulgated by the GFOA as a policy document, as an operations guide, as a financial plan and as a communications medium.

Budgetary Process

The Virginia Code requires the County Administrator to submit, for informative and fiscal planning purposes, a balanced, proposed operating budget to the Board of Supervisors at least 90 days before the beginning of each fiscal year, which begins July 1. Inclusion of any item in the proposed budget does not constitute an obligation or commitment on the part of the Board of Supervisors to appropriate funds for such item or purpose. Each department of the County prepares its own budget request for review by the County Administrator and the Office of Management and Budget. The school budget is prepared by the School Board and transmitted to the County Administrator for inclusion in the total proposed County general operating budget. The Board of Supervisors is required to publicly advertise a synopsis of the proposed budget and hold a public hearing on the budget at which time all interested persons have the opportunity to comment. After the public hearing, the Board of Supervisors may change any item in the budget. There is no allocation or designation of any funds of the County for any purpose until there has been an appropriation by the Board of Supervisors. The Board of Supervisors must approve an annual budget for education by May 1 or within 30 days of the receipt of estimates of educational funds coming to the County and adopt a total appropriation resolution, including the school system, prior to June 30.

The County Administrator is authorized to transfer appropriations within total fund appropriations. Transfers between fund appropriations require the Board of Supervisors' approval. Additional appropriations must be offset by additional estimated revenues, a transfer from the proper unassigned fund balance and/or a transfer from the proper appropriated contingency. A public hearing is required if the amount of the additional appropriation exceeds one percent of the total expenditures shown in the currently adopted budget. Unexpended appropriations (except for those in the Capital Asset Preservation Fund, Capital Projects Funds, Transportation District Fund and Grant Fund) lapse and are closed to the proper fund balance at the end of each fiscal year. However, upon the Board of Supervisors' approval, the appropriation for the subsequent fiscal year is increased by the amount necessary to satisfy the outstanding encumbrances at June 30 of each fiscal year.

Capital projects and capital asset replacements are budgeted separately from the operating budget. The Office of Management and Budget and the Department of Transportation and Capital Infrastructure annually prepare a six-year Capital Improvement Program and Capital Asset Preservation Program. Since the Capital Projects Funds' appropriations do not coincide with the County's fiscal year, the accounting, encumbering, and controlling of the funds are based upon the length of each project. Federal and State grants in the General and School Funds are budgeted and integrated into the operating budget; however, because these revenues do not necessarily coincide with the County's fiscal year, separate grant projects are maintained in the respective funds.

Each financing agreement and revenue obligation has a non-appropriation clause that generally states that each fiscal year's debt service payments are subject to the Board of Supervisors' appropriation.

FY 2023, FY 2024, and FY 2025 Adopted Budgets

On April 5, 2022, the Board of Supervisors adopted the Annual Budget for FY 2023. The real property tax rate was reduced from $0.98 to $0.89 per $100 of assessed value. The adopted budget reflected a personal property tax rate of $4.20 per $100 of assessed value in tax year 2022 and planned for a reduction in the personal property tax rate by $0.05 to $4.15 per $100 of assessed value in tax year 2023.

On April 4, 2023, the Board of Supervisors adopted the Annual Budget for FY 2024. The real property tax rate was reduced from $0.89 to $0.875 per $100 of assessed value. Further, the general personal property tax rate was reduced by five cents to $4.15 per $100 of assessed value as planned for in the FY 2024 Adopted Budget.

On April 2, 2024, the Board of Supervisors adopted the Annual Budget for FY 2025. The real property tax rate was reduced from $0.875 to $0.865 per $100 of assessed value. Further, the general personal property tax rate was maintained at $4.15 per $100 of assessed value as planned for in the FY 2025 Adopted Budget.

The following table shows the County's budgeted revenues and expenditures for FY 2023, FY 2024, and FY 2025.

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BUDGETED GOVERNMENTAL FUNDS
FY 2023, FY 2024 AND FY 2025
ADOPTED REVENUES AND EXPENDITURES

	FY 2023 Adopted	FY 2024 Adopted	FY 2025 Adopted
Revenues:			
General Property Taxes	$1,847,450,838	$1,966,897,738	$2,254,858,413
Other Local Taxes	223,390,108	287,404,245	308,092,963
Permits and Licenses	25,150,050	27,698,050	26,519,050
Intergovernmental	155,470,190	130,350,088	138,070,987
Fines and Forfeitures	1,543,300	1,515,300	1,514,700
Other Local Revenue	84,141,899	115,528,340	111,702,018
Other Financing Sources	2,619,985,898	3,134,570,752	3,970,284,236
Subtotal Revenues	**$4,957,132,283**	**$5,663,964,513**	**$6,811,042,368**
Use of Fund Balance	**$75,308,456**	**$68,773,645**	**$77,944,428**
Total Revenues	**$5,032,440,739**	**$5,732,738,158**	**$6,888,986,796**
Expenditures:			
General Government Administration	$150,898,650	$164,938,594	$200,534,988
Judicial Administration	14,691,339	15,690,499	18,498,630
Public Safety	258,454,141	289,815,358	317,070,143
Public Works	68,672,483	78,383,038	108,917,578
Health and Welfare	124,350,653	143,182,122	154,967,697
Parks, Recreation and Culture	90,210,082	95,139,746	108,748,767
Community Development	164,268,410	142,473,141	139,724,794
Education	1,686,086,969	1,800,430,919	1,960,279,292
Capital Outlay	426,952,708	620,132,909	950,801,553
Debt Service	236,678,550	252,125,480	271,308,206
Transfers to Other Funds	1,796,316,765	2,118,594,488	2,586,943,502
Subtotal Expenditures	**$5,017,580,750**	**$5,720,906,294**	**$6,817,795,151**
Addition to Fund Balance	**$14,859,989**	**$11,831,865**	**$71,191,646**
Unallocated Balance	**$0**	**$0**	**$0**
Total Expenditures	**$5,032,440,739**	**$5,732,738,158**	**$6,888,986,796**

Source: Loudoun County, FY 2023, FY 2024, and FY 2025 Appropriations Resolutions.

Funds of the County Government

In accordance with the general practices of governmental units, the County records its transactions under various funds. 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) 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. Included in Governmental Funds are the general fund, the largest of the funds that serves as the government's primary operating fund, the debt service fund, the capital projects fund, and special revenue funds.

Proprietary Funds – These funds are used to account for operations that are financed in a manner similar to private business enterprises. 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.

Fiduciary Funds – The County is responsible for other assets that, because of a trust agreement, can be used only for the trust beneficiary and custodial funds used to report resources held in a purely custodial capacity. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County cannot use these assets to finance its operations.

The following table shows the County's audited fiscal year 2023 revenues by source.

FY 2023 ACTUAL REVENUES[1]

Revenue Type	Amount	Percentage of Total	Change from 2022
General Property Taxes	$1,947,592,071	62.02%	$219,489,140
Other Local Taxes	247,152,439	7.87	9,776,989
Permits and Licenses	24,350,515	0.78	(379,001)
Fines and Forfeitures	1,738,942	0.06	76,013
Use of Money and Property	56,420,752	1.80	55,505,257
Charges for Services	68,697,542	2.19	22,168,552
Gifts and Donations	19,053,392	0.61	(20,278,648)
Miscellaneous	32,499,349	1.03	(6,631,268)
Recovered Costs	32,506,440	1.04	1,896,486
Intergovernmental	709,559,364	22.59	37,803,990
Payment from Component Unit	769,227	0.02	(8,230,142)
Total Revenue	**$3,140,340,033**	**100.00%**	**$311,197,368**

1 Includes all Governmental funds and Component Unit – School Board funds.
Source: FY 2023 Annual Comprehensive Financial Report: Exhibit V - Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds, Schedule 36 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Component Unit – School Board.

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The following table compares the County's combined statement of revenues, expenditures and changes in fund balance for fiscal years 2019 through 2023.

GOVERNMENTAL FUNDS[1]
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE FOR THE FISCAL YEAR ENDING JUNE 30

Revenues:	**2019**	**2020**	**2021**	**2022**	**2023**
General Property Taxes	$1,320,655,021	$1,442,309,517	$1,563,765,946	$1,728,102,931	$1,947,592,071
Other Local Taxes	186,870,295	198,861,710	238,116,690	237,375,450	247,152,439
Permits and Licenses	25,852,268	21,733,966	22,945,387	24,729,516	24,350,515
Intergovernmental	529,771,019	573,691,403	697,801,827	671,755,374	709,559,364
Charges for Services	70,648,384	56,507,324	31,446,496	46,528,991	68,697,542
Fines and Forfeitures	1,929,794	1,541,034	1,263,916	1,662,929	1,738,942
Use of Money and Property	34,824,719	28,475,011	10,738,536	915,495	56,420,752
Gifts and Donations	24,669,340	22,568,847	50,880,578	39,332,041	19,053,392
Miscellaneous	9,636,340	5,996,365	4,993,932	39,130,617	32,499,349
Recovered Costs	19,960,031	16,213,803	29,670,848	30,609,954	32,506,440
Payment from Comp Unit	6,881,758	12,537,377	17,886,572	8,999,369	769,227
Total Revenues	$2,231,698,969	$2,380,436,357	$2,669,510,728	$2,829,142,665	$3,140,340,033
Expenditures:					
General Government Administration	$114,907,985	$133,416,586	$145,953,675	$165,502,747	$146,379,627
Judicial Administration	16,230,700	17,219,393	19,036,057	20,949,449	24,134,126
Public Safety	203,845,828	218,890,576	240,952,929	251,996,212	276,746,332
Public Works	46,600,826	59,150,512	60,330,821	62,098,000	67,098,388
Health and Welfare	103,303,144	112,655,778	119,215,640	108,933,006	118,766,549
Education	1,241,736,047	1,344,651,344	1,415,527,271	1,597,716,452	1,688,353,223
Parks, Recreation, and Culture	72,156,643	79,674,769	79,006,197	81,717,196	91,870,566
Community Development	164,586,419	165,917,980	170,098,568	164,652,863	206,353,735
Capital Outlay	259,388,760	232,075,169	295,574,998	275,223,339	391,165,813
Debt Service	194,579,174	414,922,156	327,736,093	267,611,531	260,155,558
Total Expenditures	$2,417,335,526	$2,778,574,263	$2,873,432,249	$2,993,400,795	$3,271,023,917
Revenues Over (Under) Expenditures	($185,636,557)	($398,137,906)	($203,921,521)	($164,258,130)	($130,683,884)
Other Financing Sources (Uses)					
Net Transfers In (Out)	($10,447,017)	($12,827,487)	($12,675,760)	($6,982,620)	($8,225,854)
Sale of Capital Assets	275,591	115,183	46,211	128,448	194,122
Proceeds from Bond Sales	315,353,364	434,913,434	353,983,627	305,651,035	285,704,148
Proceeds from Lease/Purchase	10,000,000	10,000,000	10,000,000	10,937,720	10,000,000
Leases Issued, IT Subscriptions Commenced	-	-	-	-	57,105,281
Issuance of Federal Loans	20,960,668	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$150,506,049	$34,063,224	$147,432,557	$145,476,453	$344,777,697
Prior Period Restatement	-	-	$8,590,501	-	-
Fund Balance Beginning	$1,172,451,999	$1,322,958,048	$1,357,021,272	$1,513,044,333	$1,658,520,783
Fund Balance End of Year	**$1,322,958,048**	**$1,357,021,272**	**$1,513,044,333**	**$1,658,520,786**	**$1,872,614,598**

[1] Includes all Governmental funds and Component Unit – School Board funds.
Source: FY 2023 Annual Comprehensive Financial Report: Exhibit V - Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds, Schedule 36 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Component Unit – School Board, and Note XXII Prior Period Adjustments and changes in Accounting Principles.

The following tables compare governmental fund balances for fiscal years 2019 through 2023 and show the governmental fund balances as a percentage of all revenues over that same time period. This data includes all governmental funds, including General, Special Revenue, Debt Service, Capital Project and the County's Component Unit.

GOVERNMENTAL FUNDS BALANCES[1]
(FOR THE FISCAL YEAR ENDING JUNE 30)

	2019	2020	2021	2022	2023
Fund Balance	$1,322,958,048	$1,357,021,272	$1,513,044,333	$1,658,520,786	$1,872,614,598
Nonspendable	1,257,141	1,880,939	3,397,072	2,499,169	3,460,537
Restricted	549,550,057	520,780,572	489,426,159	500,933,041	485,723,629
Committed	520,681,009	584,282,035	683,635,981	773,555,940	927,105,644
Assigned	150,945,913	177,752,329	256,574,732	272,702,779	274,899,065
Remaining Unassigned Fund Balance	$100,523,928	$72,325,397	$80,010,386	$108,829,854	$181,425,723

1 Includes all Governmental funds and Component Unit – School Board funds.
Source: FY 2023 Annual Comprehensive Financial Report: Exhibit III – Balance Sheet for Governmental Funds, Schedule 35 – Balance Sheet for Component Unit – School Board.

GOVERNMENTAL FUNDS BALANCE AS A PERCENTAGE
OF GOVERNMENTAL FUNDS REVENUES[1]
(FOR THE FISCAL YEAR ENDING JUNE 30)

Fiscal Year	Fund Balance	Revenues	Fund Balance as a Percentage of Revenue
2018	$1,172,451,999	$2,112,326,908	55.5%
2019	1,322,958,048	2,231,698,969	59.3
2020	1,357,021,272	2,380,436,357	57.0
2021	1,513,044,333	2,669,510,728	56.7
2022	1,658,520,786	2,829,142,665	58.6
2023	1,872,614,598	3,140,340,033	59.6

1 Includes all Governmental funds and Component Unit – School Board funds.
Source: FY 2023 Annual Comprehensive Financial Report: Exhibit III – Balance Sheet, Governmental Funds and Schedule 35 – Balance Sheet, Governmental Funds, Component Unit – School Board

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The following table compares the County's statement of revenues, expenditures and changes in fund balance for fiscal years 2019 through 2023 for the General Fund only.

GENERAL FUND BALANCES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(FOR THE FISCAL YEAR ENDING JUNE 30)

Revenues:	**2019**	**2020**	**2021**	**2022**	**2023**
General Property Taxes	$1,296,127,650	$1,414,605,678	$1,533,783,329	$1,692,001,602	$1,904,234,267
Other Local Taxes	164,062,365	173,145,186	188,122,240	205,972,923	213,734,420
Permits and Licenses	25,850,493	21,733,966	22,945,387	24,729,516	24,350,515
Intergovernmental	99,188,573	119,351,951	177,302,900	132,389,431	119,010,825
Charges for Services	41,509,071	34,131,804	23,571,362	35,599,703	38,662,190
Fines and Forfeitures	1,929,794	1,541,034	1,263,916	1,662,929	1,729,355
Use of Money and Property	24,414,454	21,480,879	9,429,784	(3,436,605)	40,079,393
Gifts and Donations	172,075	62,211	409,112	65,324	118,945
Miscellaneous	1,324,768	206,995	3,230,850	1,073,511	3,436,138
Recovered Costs	10,684,252	10,137,940	10,268,082	9,622,592	12,178,989
Payment from Component Unit	6,881,758	11,537,377	17,886,572	8,999,369	769,227
Total Revenues	$1,672,145,253	$1,807,935,021	$1,988,213,534	$2,108,680,295	$2,358,304,263
Expenditures:					
General Government Administration	$107,640,994	$113,693,723	$125,474,571	$122,334,437	$119,093,541
Judicial Administration	16,089,312	17,069,046	18,888,976	20,806,853	23,982,821
Public Safety	194,279,634	211,748,919	234,665,496	245,683,769	266,989,587
Public Works	20,308,544	21,306,191	27,249,135	25,379,597	27,457,923
Health and Welfare	83,237,457	89,477,617	96,268,002	98,987,675	107,748,467
Education	823,022,048	903,341,751	977,445,308	1,039,604,026	1,113,531,198
Parks, Recreation, and Culture	65,024,002	67,839,313	70,495,204	76,894,688	84,641,486
Capital Outlay	-	-	-	24,086,005	61,684,707
Principal Payment and Interest - Leases	-	-	-	9,122,2111	20,739,494
Community Development	53,898,123	62,565,985	62,410,568	68,727,971	69,116,917
Total Expenditures	$1,363,500,114	$1,487,042,545	$1,612,897,260	$1,731,627,232	$1,894,986,141
Revenues Over (Under) Expenditures	$308,645,139	$320,892,476	$375,316,274	$377,053,063	$463,318,123
Other Financing Sources (Uses)					
Net Transfers In (Out)	($293,691,688)	($331,732,376)	($325,766,288)	($343,067,617)	($436,025,220)
Impact of Prior Year Restatement (Note XXIII)	-	-	-	-	-
Leases Issued, Subscriptions Commenced, Public-Private Partnerships Entered	-	-	-	24,004,811	61,148,860
Return of fiscal reserve from component unit	-	-	-	-	-
Sale of Capital Assets	262,140	115,087	45,449	121,708	171,247
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$15,215,591	($10,724,813)	$49,595,435	$58,111,965	$88,613,009
Fund Balance Beginning	$361,269,101	$376,484,692	$365,759,879	$415,355,314	$473,467,279
Fund Balance End of Year	**$376,484,692**	**$365,759,879**	**$415,355,314**	**$473,467,279**	**$562,080,289**

Source: FY 2023 Annual Comprehensive Financial Report: Exhibit V – Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds.

GENERAL FUND BALANCES
(FOR THE FISCAL YEAR ENDING JUNE 30)

	2019	2020	2021	2022	2023
Fund Balance	$376,484,692	$365,759,879	$415,355,314	$473,467,279	$562,080,289
Nonspendable	791,889	951,975	1,578,889	525,215	1,155,627
Committed	239,793,705	261,538,533	290,827,693	305,349,112	334,867,830
Assigned	46,912,547	46,433,645	51,892,274	53,798,321	53,870,258
Remaining Unassigned Fund Balance	**$88,986,551**	**$56,835,726**	**$71,056,458**	**$113,794,631**	**$172,186,574**

Source: FY 2023 Annual Comprehensive Financial Report: Exhibit III Balance Sheet, Governmental Funds.

GENERAL FUND BALANCE AS A PERCENTAGE
OF GENERAL FUND REVENUES
(FOR THE YEAR ENDED JUNE 30)

Fiscal Year	Fund Balance	Revenues	Fund Balance as a Percentage of Revenue
2019	$376,484,692	$1,672,145,253	22.5%
2020	365,759,879	1,807,935,021	20.2
2021	415,355,314	1,988,213,534	20.9
2022	473,467,279	2,108,680,295	22.5
2023	562,080,289	2,358,304,264	23.8

Source: FY 2023 Annual Comprehensive Financial Report: Exhibit III- Balance Sheet, Governmental Funds & Exhibit V – Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds.

Capital Improvement Program

The County's Capital Improvement Program (CIP) provides for the acquisition, design, construction, and replacement of the County's infrastructure. The CIP is developed and adopted biennially, with the six-year period moving out two years every other fiscal year. The CIP provides a detailed explanation of the means of financing the improvements. The adopted CIP is the result of a process that balances the need for public facilities with the fiscal ability of the County to meet those needs and operate the facilities once complete.

The County funds major repairs and renovations of existing facilities through the Capital Asset Preservation Program Fund. The fund receives an annual appropriation of local tax funding from the General Fund, as well as additional revenue from surcharges collected by the Clerk of Circuit Court on recordation taxes. This recordation tax surcharge is legally earmarked for the ongoing maintenance of Court-related facilities. Projects less than $10,000 are funded in the operating budgets.

The County, typically every four years, prepares a ten-year Capital Needs Assessment (CNA) that provides an estimate of capital facility needs for the ten-year period beyond the end of the six-year CIP period. The CNA applies stated service levels to projected demographic information. The County has updated this document for the period from FY 2021 through FY 2030. This analysis provides a broad long-range view of infrastructure requirements.

The following table provides a functional area summary of the County's FY 2025 – FY 2030 CIP expenditures, and sources of financing for those expenditures. FY 2025 is the first year of the CIP biennium. The following table shows the CIP budget as adopted by the Board on April 2, 2024.

CAPITAL IMPROVEMENT PROGRAM
USES AND SOURCES OF FUNDS
(Fiscal Year Ending June 30, in $1000s)

EXPENDITURES	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	CIP Total
General Government							
Administration	$38,052	$30,421	$37,473	$36,130	$39,793	$37,461	$219,330
General Government	67,269	65,677	43,288	36,572	51,860	38,441	303,107
Health and Welfare	1,797	206	9,131	-	-	-	11,134
Information Technology	12,001	15,258	19,540	14,601	19,100	5,818	86,317
Parks, Recreation, and Culture	25,326	160,093	32,183	23,112	14,984	15,250	270,948
Public Safety	29,893	11,025	53,926	46,107	4,849	58,418	204,218
Towns	15,554	7,367	5,137	4,930	7,199	5,488	45,676
Transportation	249,516	144,206	241,682	187,718	483,064	98,502	1,404,687
Subtotal, General Government	**$439,409**	**$434,253**	**$442,360**	**$349,170**	**$620,849**	**$259,377**	**$2,545,418**
Schools							
Elementary Schools	-	-	-	$7,690	$69,170	-	$76,860
High Schools	$448,770	-	-	-	-	-	448,770
Other School Facilities	65,090	$48,360	$66,170	77,473	106,450	$106,370	469,913
Subtotal, Schools	**$513,860**	**$48,360**	**$66,170**	**$85,163**	**$175,620**	**$106,370**	**$995,543**
Total Expenditures	**$953,269**	**$482,613**	**$508,530**	**$434,333**	**$796,469**	**$365,747**	**$3,540,961**

FUNDING SOURCES	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	CIP Total
Local Tax Funding	$103,354	$96,580	$93,812	$65,961	$99,399	$93,195	$552,302
Local Tax Funding Roads	30,000	31,100	32,400	33,700	35,000	36,400	198,600
General Obligation Bonds	669,836	219,287	215,150	209,230	488,548	148,146	1,950,198
Appropriation-Backed Bonds	48,782	51,713	74,069	48,043	70,798	46,441	339,845
Cash Proffers	14,934	3,827	4,309	32	1,635	1,000	25,736
Revenue Sharing	3,948	4,172	5,000	7,250	-	-	20,370
RSTP	-	-	758	17,600	22,508	4,148	45,014
Smart Scale	2,363	10,810	6,618	7,139	-	2,824	29,754
Other State Grants	-	3,000	10,172	-	-	-	13,172
CMAQ	-	-	1,585	561	82	-	2,228
Other Federal Grants	10,991	-	18,328	10,000	-	15,000	54,319
NVTA 70% Regional	36,750	19,000	22,200	13,800	55,000	-	146,750
NVTA 30% Local	23,963	30,815	16,862	16,733	19,609	14,773	122,755
Fees (Landfill and Transit)	8,347	12,309	7,266	4,285	3,890	3,821	39,918
Total, Funding Sources	**$953,269**	**$482,613**	**$508,530**	**$434,333**	**$796,469**	**$365,747**	**$3,540,961**

Source: FY 2025 Adopted Budget, April 2, 2024.

Debt Administration

Limitations on Incurrence of Debt

Pursuant to the Constitution of Virginia (the "Constitution") and the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Virginia Code, a county in Virginia is authorized to issue bonds and notes secured by a pledge of its full faith and credit. The Constitution and the Public Finance Act of 1991 do not limit the amount of indebtedness which may be incurred by counties.

The Constitution and the Public Finance Act of 1991 do, however, limit a county's power to create debt. They provide that no bonds or notes (other than refunding bonds, revenue anticipation notes, revenue bonds, and other obligations excluded from the referendum requirement under Section 10(a) of Article VII of the Constitution) shall be issued until their issuance has been authorized by a majority of the qualified voters of the County voting in an election on the question. Certain contractual obligations of the County are not subject to the referendum requirement.

Authorized and Unissued General Obligation Bonds

As of June 30, 2024, the County had the following authorized and unissued general obligation bonds that were approved by voter referendum:

Purpose	Year of Authorization	Amount Authorized	Amount Unissued
General Government	2016	$111,615,000	$1,620,000
Schools	2016	233,070,000	38,464,000
General Government	2017	15,660,000	-
Schools	2017	81,761,000	4,123,000
General Government	2018	152,585,000	84,610,076
Schools	2018	98,820,000	-
General Government	2019	121,550,000	74,137,200
Schools	2019	93,940,000	12,305,000
General Government	2020	184,551,000	156,643,500
Schools	2020	123,755,000	4,827,000
General Government	2021	75,433,000	75,433,000
Schools	2021	135,026,000	44,957,000
General Government	2022	126,028,000	118,163,224
Schools	2022	268,224,000	219,875,000
General Government	2023	216,193,000	213,482,000
Schools	2023	362,711,000	353,750,000
Total		**$2,400,922,000**	**$1,402,390,000**

Source: Office of Management and Budget, July 2024.

Debt Information

Information on the County's indebtedness is presented in the following tables. Included is information on long-term debt, key debt ratios, rapidity of principal retirement, selected debt service schedules and financing agreement, revenue obligations and installment purchase agreements.

The following table shows the County's total long-term debt expected as of June 30, 2024.

STATEMENT OF LONG-TERM DEBT

General Government[1]	$888,661,469
Schools	1,050,467,819
Total Long-Term Debt as of June 30, 2023	**$1,939,129,288**
Additional Long-Term Debt issued after June 30, 2023	$253,160,000
Refundings issued after June 30, 2023	-
Long-Term Debt paid since June 30, 2023	(171,101,755)
Long-Term Debt at June 30, 2024[2]	**$2,021,187,533**

[1] Includes outstanding principal on general obligation bonds, financing agreements, revenue obligations and installment purchase agreements.

[2] As of June 30, 2024. The table does not include the Series 2024C Bonds or the County's General Obligation Refunding Bonds, Series 2024B.

Source: Office of Management and Budget, July 2024.

The following table shows the County's history of outstanding long-term debt and key debt ratios.

OUTSTANDING LONG TERM DEBT AND KEY DEBT RATIOS[1]
(FISCAL YEAR ENDING JUNE 30)

	2019	2020	2021	2022	2023
Long Term Debt[1]	$1,779,254,147	$1,863,149,345	$1,943,023,168	$2,023,920,123	$2,104,806,826
Debt to Estimated Full Assessed Value	1.76%	1.71%	1.67%	1.49%	1.34%
Ratio of Per Capita Debt to Per Capita Income	5.35%	5.25%	5.14%	5.12%	4.71%
Debt Service to Expenditures	8.01%	7.00%	7.48%	7.53%	6.86%

[1] Including Leases and unamortized bond premium. The FY 2023 Outstanding Debt Ratios were calculated as of June 30, 2023.
Source: FY 2023 Annual Comprehensive Financial Report: Table M – County Policy Debt Margin (1).

The table below shows the County's progress toward retirement of its long-term debt with a stated goal of retiring more than 60% maturing within ten years.

RAPIDITY OF PRINCIPAL RETIREMENT
LONG-TERM DEBT[1]

Maturing Within	Amount Maturing	Percent Retired
5 years	$ 782,962,533	38.7%
10 years	1,383,762,533	68.5
15 years	1,848,397,533	91.5
20 years	2,019,267,533	99.9
25 years	2,021,187,533	100.0

[1] As of June 30, 2024.
Source: Office of Management and Budget, July 2024 (prior to the issuance of the County's General Obligation Refunding Bonds, Series 2024B and the Series 2024C Bonds).

The final table in this section details the amount of debt service on general obligation bonds, financing agreements, revenue obligations and installment purchase agreements that are currently required for public improvement and school construction purposes from July 1, 2024 through 2048.

LOUDOUN COUNTY
GENERAL OBLIGATION DEBT, FINANCING AGREEMENTS, REVENUE OBLIGATIONS & INSTALLMENT PURCHASE AGREEMENTS
FOR PUBLIC IMPROVEMENT AND SCHOOL CONSTRUCTION PURPOSES
DEBT SERVICE REQUIREMENTS

	Outstanding General Obligation Debt, Financing Agreements, Revenue Obligations & Installment Purchase Agreements for Public Improvement and School Construction Purposes (as of June 30, 2024)			Less: Refunded Bonds*†	General Obligation Refunding Bonds, Series 2024B*†			EDA Revenue Refunding Bonds, Series 2024C*			Total
Fiscal Year Ending June 30	Principal	Interest	Total	Total Debt Service	Principal	Interest	Total	Principal	Interest	Total	Total Debt Service
2025	$178,899,205	$79,653,543	$258,552,748	$2,475,081	-	$1,512,894	$1,512,894	-	$427,556	$ 427,556	$258,018,116
2026	161,015,968	72,106,412	233,122,380	8,364,081	$4,105,000	1,984,125	6,089,125	$1,210,000	561,750	1,771,750	232,619,174
2027	156,583,044	64,594,360	221,177,404	8,057,206	4,070,000	1,779,750	5,849,750	1,205,000	501,375	1,706,375	220,676,323
2028	144,984,316	57,614,249	202,598,564	7,775,806	4,055,000	1,576,625	5,631,625	1,200,000	441,250	1,641,250	202,095,633
2029	141,480,000	51,278,916	192,758,916	7,523,506	4,075,000	1,373,375	5,448,375	1,195,000	381,375	1,576,375	192,260,160
2030	127,565,000	45,390,753	172,955,753	7,304,881	4,120,000	1,168,500	5,288,500	1,190,000	321,750	1,511,750	172,451,122
2031	123,905,000	39,791,097	163,696,097	7,074,325	4,165,000	961,375	5,126,375	1,180,000	262,500	1,442,500	163,190,647
2032	118,325,000	34,547,593	152,872,593	6,851,834	4,215,000	751,875	4,966,875	1,175,000	203,625	1,378,625	152,366,258
2033	116,625,000	29,795,560	146,420,560	6,617,413	4,255,000	540,125	4,795,125	1,170,000	145,000	1,315,000	145,913,272
2034	114,380,000	25,248,340	139,628,340	6,395,956	4,320,000	325,750	4,645,750	1,160,000	86,750	1,246,750	139,124,883
2035	107,655,000	21,097,636	128,752,636	6,152,569	4,355,000	108,875	4,463,875	1,155,000	28,875	1,183,875	128,247,817
2036	101,740,000	17,381,443	119,121,443	-	-	-	-	-	-	-	119,121,443
2037	94,465,000	13,914,416	108,379,416	-	-	-	-	-	-	-	108,379,416
2038	86,715,000	10,729,149	97,444,149	-	-	-	-	-	-	-	97,444,149
2039	74,060,000	7,869,652	81,929,652	-	-	-	-	-	-	-	81,929,652
2040	65,880,000	5,572,994	71,452,994	-	-	-	-	-	-	-	71,452,994
2041	40,945,000	3,659,980	44,604,980	-	-	-	-	-	-	-	44,604,980
2042	30,965,000	2,173,390	33,138,390	-	-	-	-	-	-	-	33,138,390
2043	21,810,000	1,025,855	22,835,855	-	-	-	-	-	-	-	22,835,855
2044	11,270,000	317,850	11,587,850	-	-	-	-	-	-	-	11,587,850
2045	450,000	82,560	532,560	-	-	-	-	-	-	-	532,560
2046	470,000	63,210	533,210	-	-	-	-	-	-	-	533,210
2047	490,000	43,000	533,000	-	-	-	-	-	-	-	533,000
2048	510,000	21,930	531,930	-	-	-	-	-	-	-	531,930
Total	**$2,021,187,533**	**$583,973,887**	**$2,605,161,420**	**$74,592,659**	**$41,735,000**	**$12,083,269**	**$53,818,269**	**$11,840,000**	**$3,361,806**	**$15,201,806**	**$2,599,588,835**

* As of August 29, 2024 pricing date.
† On or about the date of delivery of the Series 2024C Bonds, the County is expected to deliver its General Obligation Refunding Bonds, Series 2024B to refund the County's outstanding Public Improvement General Obligation Bonds, Series 2014B and General Obligation Public Improvement Bonds, Series 2015A (the "GO Refunded Bonds" and together with the Series 2015A Bonds to be refunded with proceeds of the Series 2024C Bonds, the "Refunded Bonds").
Source: Office of Management and Budget. Data regarding outstanding general obligation debt, financing agreements, revenue obligations, and installment purchase agreements is calculated as of June 30, 2024. Table includes debt service on the four outstanding Loudoun County Public Schools equipment leases that are outstanding in the total principal amount of $22,647,533. Totals may not add due to rounding.

Financing Agreements, Revenue Obligations and Installment Purchase Agreements

The table below sets forth outstanding financing agreements, revenue obligations and installment purchase agreements as of June 30, 2024.

Issue	Outstanding Principal	Projects
VML/VACo Revenue Bonds (Taxable RZEDBs), Series 2010A	$ 355,000	Design of a juvenile detention center
EDA Public Facility Lease Revenue Bonds, Series 2015	43,490,000	Road construction, improvement and equipping of County office facilities, improvement of solid waste facilities
EDA Public Facility Lease Revenue Bonds, Series 2015A*	14,355,000	Road construction, improvement and equipping of County office facilities, improvement of solid waste facilities
EDA Public Facility Lease Revenue Bonds, Series 2016A	16,345,000	Refunding of 2008B VRA Bonds, group residence, youth shelter, General District Court Building, County office facilities, road construction, stormwater management facility
EDA Public Facility Lease Revenue Bonds, Series 2016B	39,390,000	Road construction, purchase, design, renovation and equipping of County facilities, improvement of solid waste facilities, Juvenile Detention Center; Public Safety Firing Range, Community Center upgrade
EDA Public Facility Lease Revenue Bonds, Series 2018 (Taxable)	76,395,000	Soccer Facilities for DC United and Loudoun United and Metro Parking Garages
EDA Public Facility Lease Revenue Bonds, Series 2019A&B	15,715,000	Solid waste facilities, General District Court Building, land management information system replacement, Rt 7 pedestrian improvements, transit connector bridge
VRA Infrastructure Revenue Bonds, Series 2020C	1,980,000	Refunding of Series 2010A VRA Revenue Bonds issued to finance the expansion and improvement of solid waste facilities
EDA Public Facility Lease Revenue and Refunding Bonds, Series 2020A	230,775,000	Refunding of TIFIA Loan and BANs for Dulles Metrorail Project, General District Court Building, land management information system replacement, Public Safety Firing Range, County facilities, network infrastructure, school buses and equipment
School Vehicle Lease – 2020	2,538,558	Acquisition of school buses and equipment
School Vehicle Lease – 2021	2,507,823	Acquisition of school buses and equipment
EDA Public Facility Revenue Bonds, Series 2021A	49,710,000	Refunding of 2011 IDA Bonds, General District Court Building, network infrastructure, land acquisition for LCPS, County facilities, school buses and equipment
EDA Public Facility Revenue Bonds, Series 2021B (Taxable)	11,160,000	Solid waste facilities, soccer facilities
EDA Public Facility Revenue Bonds, 2022A	47,285,000	Renovations to Loudoun County Government Center, various county facilities and Department of Parks, Recreation and Community Services facilities, public safety and school equipment, school buses, land acquisition for schools, Juvenile Detention Center
EDA Public Facility Revenue Bonds, Series 2022B	13,045,000	Solid waste facilities, soccer facilities located at Philip A. Bolen Park, renovation and equipping of leased office space for use by County departments
School Vehicle Lease – 2022	7,601,152	Acquisition of school buses and equipment
EDA Public Facility Revenue Bonds, Series 2023	34,925,000	Renovations to Loudoun County Government Center and courthouse complex, Metrorail Phase 2 funding commitment, various county facilities, school buses, Juvenile Detention Center
School Vehicle Lease – 2023	10,000,000	Acquisition of school buses and equipment
EDA Public Facility Revenue Bonds, Series 2024A	26,855,000	MHSADS Crisis Receiving Center, Eastern Services Center, School Bus Replacement & Acquisition, Consolidated Shops and Warehouse Facility, County Renovation Program and DIT Renovations, Fire & Rescue Station #07 – Aldie Station, and General Government Office Building Phase I
EDA Public Facility Revenue Bonds, Series 2024B (Taxable)	15,075,000	Rehabilitation and conversion of the Union Street School, Design and construction of exhibits for Northern Virginia Science Center museum
Total Outstanding Principal*	**$659,502,533**	

* Does not reflect the expected refunding of the Series 2015A Bonds by the Series 2024C Bonds.
Source: Office of Management and Budget, July 2024. Totals may not add due to rounding.

The scheduled minimum payments on outstanding financing agreements, revenue obligations and installment purchase agreements for the fiscal years ending June 30 are illustrated below. All payments are subject to annual appropriation.

Fiscal Year	Financing Agreements, Revenue Obligations and Installment Purchase Agreements[1]
2025	$55,469,205
2026	50,375,968
2027	51,308,044
2028	48,434,316
2029-2033	205,490,000
2034-2038	178,765,000
2039-2043	66,170,000
2044-2048	3,490,000
Total Payments	**$659,502,533**

[1] Subject to annual appropriation.
Source: Office of Management and Budget, July 2024.

Overlapping and Underlying Debt

As of June 30, 2023, the County has the following overlapping and underlying debt. This debt is not considered a general obligation of the County; and therefore, is not reflected in the County's financial statements.

Overlapping[1]	
Commonwealth of Virginia (Route 28 Tax District)	$83,408,819
Dulles Town Center Community Development Authority	8,255,000
Tall Oaks	772,586
Greenlea Community Bridge	42,133
Total	**$92,478,538**
Underlying[2]	
Leesburg	$108,336,283
Middleburg	15,238,991
Round Hill	3,740,000
Purcellville	50,527,521
Hamilton	-
Lovettsville	1,215,272
Total	**$189,965,009**

1 Source: FY 2023 Annual Comprehensive Financial Report: Table M – Overlapping Debt.
2 Source: Office of Management and Budget, March 2024.

Future Financing

After the issuance of the County's General Obligation Refunding Bonds, Series 2024B, it is estimated that the County will have $1,402,390,000 aggregate principal amount of unissued general obligation bonds that have been approved by the voters at referenda held in the County in years 2016 through 2023. In accordance with the FY 2025 – FY 2030 Capital Improvement Program, the County expects over such six-year period, subject to market conditions, to issue $1,950,687,271 aggregate principal amount of general obligation debt and undertake $339,845,318 of other debt financing.

Debt History

The County has never defaulted on any of its general obligation bonds, federal loans, financing agreements, revenue obligations or installment purchase agreements.

Operating Data

Personal and Real Property Tax Revenues

Ad valorem property taxes contributed 88.98% of the County's governmental funds revenues in Fiscal Year 2023. The County levies an *ad valorem* tax on the assessed value of real and personal property located within the County. Other local taxes contributed 11.02% of the County's governmental funds revenues in Fiscal Year 2023. These include: (1) a one percent local sales tax (collected by the state and remitted to the County); (2) a tax on consumer utility bills of nine percent each for gas, electric, water and telephone on bills up to $30 per month for residential classes and eight percent on the first $900 per month for industrial and commercial classes; (3) property transfer recordation taxes; (4) an automobile license tax; and (5) various business, professional and occupational taxes.

The following table shows the County's principal tax revenues by source for each of the last ten fiscal years. Total tax revenues have increased substantially over the last ten years.

PRINCIPAL TAX REVENUES BY SOURCE
(Fiscal Year Ending June 30)

Fiscal Year	Real Property Taxes	Personal Property Taxes[1]	General Sales Tax	Utility Tax	Other Taxes	Total
2014	$734,443,275	$226,590,998	$81,669,562	$21,415,296	$53,518,767	$1,117,637,898
2015	771,075,285	249,790,699	91,534,573	22,548,783	61,153,617	1,196,102,957
2016	806,720,698	295,180,396	93,154,168	21,555,702	59,248,112	1,275,859,076
2017	841,592,721	341,002,934	119,944,008	21,807,354	70,807,725	1,395,154,742
2018	882,778,385	392,511,949	107,249,687	22,094,646	68,325,234	1,472,959,901
2019	902,732,739	465,992,985	96,749,252	22,173,117	67,947,926	1,555,596,019
2020	946,137,033	544,243,185	103,330,091	22,452,354	73,079,265	1,689,241,927
2021	983,645,303	628,191,345	138,428,144	21,939,876	77,748,669	1,849,953,337
2022	1,031,618,962	744,554,670	132,543,121	22,757,789	76,791,152	2,008,265,694
2023	1,124,948,366	870,715,405	140,057,198	23,094,242	84,000,999	2,242,816,210

[1] Includes the amount reimbursed by the Commonwealth pursuant to the Commonwealth's Personal Property Tax Relief Act of 1998.
Source: FY 2023 Annual Comprehensive Financial Report: Exhibit V – Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds, Schedule 1 – Schedule of Revenues, Expenditures, and Changes in Fund Balance for General Fund, Schedule 3 – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Other Governmental Funds, and Table E – Tax Revenues by Sources, Governmental Funds.

An annual ad valorem tax is levied by the County on the assessed value of real property subject to taxation within the County as of January 1. The County assesses real property at 100% of its fair market value (with the exception of public service properties which are assessed by the State Corporation Commission). Real property taxes are due December 5 and June 5 of the fiscal year in which they are levied. A penalty of 10% of the tax owed along with interest of 10% for the first year is assessed on delinquent taxes. Subsequent years' rates are set by the Board of Supervisors and are currently 10%. When delinquent real estate taxes are not paid within two years, the property may be sold by the County at public auction to pay the amounts due.

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The following table sets forth the assessed value of all taxable property in the County since 2014.

HISTORICAL ASSESSED VALUE

Fiscal Year	Real Property Assessed Value[1]	Percentage Change from Prior Year	Personal Property Assessed Value[2]	Percentage Change from Prior Year	Total Assessed Value	Percentage Change From Prior Year
2014	$65,721,873,607	9.5%	$5,473,927,446	2.4%	$71,195,801,053	8.9%
2015	70,227,596,891	6.9	6,359,687,750	16.2	76,587,284,641	7.6
2016	73,224,740,358	4.3	7,276,955,002	14.4	80,501,695,360	5.1
2017	77,685,993,732	6.1	8,317,533,632	14.3	86,003,527,364	6.8
2018	83,013,916,736	6.9	10,092,167,106	21.3	93,106,083,842	8.3
2019	88,980,546,617	7.2	12,159,214,566	20.5	101,139,761,183	8.6
2020	95,221,198,095	7.0	13,630,678,230	12.1	108,851,876,325	7.6
2021	100,074,936,282	5.1	16,098,818,867	18.1	116,173,755,149	6.7
2022	118,222,104,776	18.1	18,626,623,720	15.7	136,848,728,496	17.8
2023	133,012,963,535	12.5	22,858,073,714	22.7	155,871,037,249	13.9
2024	149,849,310,170	12.7	23,858,608,047	4.4	173,707,918,217	11.4

[1] As of January 1 of the year shown.
[2] As of June 30 of the year shown.
NOTE: Real and personal property values include Public Service Corporation Property but exclude exempt property.
As of 2014, all Public Service Corporation Property except motor vehicles is shown under real property.
Source: Office of Management and Budget, July 2024. Real property values for FY 2020 and earlier are from the annual Fair Market Value Form and Form 757. Real property values for FY 2021 through FY 2024 are from the Commissioner of the Revenue's January 2021, January 2022, January 2023, and January 2024 Assessment Summaries, respectively. Personal property values for 2024 are consistent with the Office of Management and Budget tax year 2024 forecast.

The County is required to levy taxes on the assessed value of real and personal property without limit to the rate or amount to the extent necessary to pay principal of and interest on its general obligation bonds.

General Property Tax Collections

The following table sets forth information concerning the County's general property tax collection rate for each of its ten most recent fiscal years. The data shows that the County has a high rate of collections for taxes levied, collecting approximately $1.9 billion in general property taxes in 2023.

GENERAL PROPERTY TAX COLLECTION RATE
(FISCAL YEAR ENDING JUNE 30)

Fiscal Year	Total Tax Levy[1]	Current Tax Collections[1]	Percentage of Tax Collections[1,3]	Delinquent Tax Collections[1,3]	Total tax Collection	Total Tax Collections to Tax Levy[2]
2014	$913,036,450	$897,169,471	98.26%	$15,790,34	$912,959,811	99.992%
2015	972,693,913	963,827,628	99.09	8,804,024	972,631,652	99.994
2016	1,050,597,364	1,016,281,573	96.73	34,246,579	1,050,528,152	99.993
2017	1,130,175,434	1,090,009,645	96.45	40,054,539	1,130,064,184	99.990
2018	1,218516,248	1,190,308,082	97.69	27,866,915	1,218,174,997	99.972
2019	1,336,807,030	1,283,331,322	96.00	39,378,331	1,322,709,653	98.945
2020	1,456,751,284	1,406,414,552	96.54	35,748,811	1,442,163,363	98.999
2021	1,558,697,420	1,517,705,197	97.37	39,035,600	1,556,740,797	99.874
2022	1,726,249,421	1,679,446,644	97.29	41,788,543	1,721,235,187	99.710
2023	1,947,574,176	1,901,445,743	97.63	Not Available	1,901,445,743	97.631

1 Exclusive of penalties and interest.
2 Percentages are calculated using levy adjusted for fiscal year.
3 Does not include land redemptions.
Source: FY 2023 Annual Comprehensive Financial Report: Table I – Property Tax Levies and Collections.

Largest Real Property Taxpayers

The following table shows the County's 25 largest taxpayers of ad valorem real property taxes and the assessed value of property owned by each taxpayer. The table excludes public service company property owners (i.e., public utilities) since the value of their property is assessed by the Virginia State Corporation Commission. The aggregate assessed value of the 25 largest taxpayers represents 9.9% of the County's total taxable real property value as of January 1, 2024.

TOP 25 REAL ESTATE ASSESSMENTS
AS OF JANUARY 1, 2024

Taxpayer	Assessment	Percentage of Tax Base
DIGITAL LOUDOUN 3 LLC	$1,485,751,210	1.0%
NTT GLOBAL DATA CENTERS VA LLC	1,145,597,220	0.79
EQUINIX LLC	961,180,870	0.67
DIGITAL LOUDOUN PKWY CTR NORTH LLC	894,054,650	0.62
ALIGNED ENERGY DATA CENTERS IAD PROPCO LLC	732,831,680	0.51
MICROSOFT CORP	730,436,250	0.51
QTS SHELLHORN, LLC	683,976,240	0.47
AMAZON DATA SERVICES INC	632,488,610	0.44
ISKANDAR VENTURES LLC	586,265,350	0.41
AMAZON DATA SERVICES, INC	573,792,830	0.40
BEAUMEADE DC BUILDING LLC	564,860,480	0.39
FOX PROPERTIES LLC	510,793,900	0.35
JAMSHID VENTURES LLC	488,554,460	0.34
C1 NORTHERN VA - STERLING I-III LLC	466,590,580	0.32
REDWOOD-ERC ASHBURN LLC	420,589,420	0.29
ALIGNED ENERGY DATA CENTERS (ASHBURN)\ PROPCO LLC	390,843,560	0.27
ASHBURN ACQUISITION CO II LLC	385,635,370	0.27
GI TC LOUDOUN LLC	366,810,600	0.25
DIGITAL LOUDOUN IV LLC	341,073,740	0.24
ALSHAIN VENTURES LLC	340,529,260	0.24
ZCOLO LLC	334,535,590	0.23
KAVEH VENTURES LLC	318,965,740	0.22
DARAB VENTURES ONE LLC	318,902,910	0.22
GRIZZLY VENTURES LLC	297,963,110	0.21
WHEELER SURVEY COMPANY LLC	295,065,820	0.20
Total Top 25	**$14,268,089,450**	**9.9%**

Source: Loudoun County Office of the Commissioner of the Revenue and the Office of Management and Budget, January 2024. Assessed values are based on values in the January 2024 Assessment Summary. Based upon the Tax Year 2023 Assessment Information from the State Corporation Commission (for public utility property) there are four property owners whose January 1, 2023 values would place them in the top 25. These are Virginia Electric & Power Company ($1.635 billion), Potomac Energy Center ($426.6 million), Northern Virginia Electric Cooperative ($305.0 million) and MCI Communications Services, Inc. ($296.7 million). All Public Service Corporation Property except motor vehicles is included.

Commitments and Contingencies

The County participates in a number of Federal and state grants, entitlements and shared revenue programs. These programs are subject to program compliance audits by the applicable Federal or state agency or its representatives. The amounts, if any, of expenditures that may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial. Furthermore, the U.S. Office of Management and Budget, in 2 CFR Part 200, Subpart F, establishes audit requirements for an annual independent organization-wide audit for local governments receiving Federal assistance.

Insurance

The County General Government's property and liability including automobile and public officials' liability are administered through the Virginia Association of Counties Group Self-Insurance Risk Pool (VACORP). These coverages have variable per occurrence limits in place by coverage type ranging from $1 million to $50 million. The general liability and automobile coverage each have a $250,000 deductible, $2 million per occurrence limit along with a $10 million aggregate limit. The County is also insured for constitutional officers and law-enforcement liability risk through the State Division of Risk Management. These programs have a $1.5 million per occurrence limit through the state plan as well as an excess policy for an additional $3 million through VACORP. These policies insure the County Sheriff's Office, 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). Additionally. The Schools carries cyber risk liability insurance with a $2,000,000 limit (per occurrence and annual aggregate) providing coverage due to network security breaches (including hacking and viruses) and online privacy matters (including identity theft). Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the Schools' previous commercial insurance programs.

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

CIGNA Healthcare is contracted as the third-party administrator for the medical plans. The County and Schools offer two (2) medical plan options, a Point of Service (POS) Plan and an Open Access Plus (OAP) Plan. Additionally, the County offers a Consumer Driven Health Plan (CDHP) with Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA) whereas Schools offer a High Deductible Health Plan with Health Savings Accounts (HDHP). In-network services for the POS are covered at 100% with a $20 office visit copay for Primary Care Physicians, and a $35 office visit copay for Specialists. Participants may choose to receive services out-of-network, subject to a $1,500 deductible and 20% co-insurance. Services for the OAP are covered at 90% in-network coinsurance, subject to a $250 deductible and, 70% out-of-network, subject to a $1,500 deductible. The CDHP option also provides both in and out-of-network benefits. The CDHP includes a $1,500 in-network deductible and 10% in-network coinsurance, $2,500 out-of-network deductible and 30% coinsurance along with an Employer HSA/HRA contribution.

Express Scripts is the third-party administrator for prescription drug benefits. Prescription drug coverage is included with all medical plans utilizing a three tier copay structure and mail-order option. Delta Dental of VA is the third-party administrator for dental benefits providing coverage for preventative, restorative, major services and orthodontia utilizing a coinsurance 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 copay structure for exams and materials.

The County and Schools purchase specific stop-loss insurance from Connecticut General Life Insurance Company (CIGNA) limiting claims against the self-insurance program to $600,000 per occurrence for individual claims for the County and $600,000 for Schools. The following table shows the amounts that have been accrued as a liability within the self-insurance fund based upon an estimate from the County's outside actuary, Segal Consulting.

Fiscal Year	Claim Types	Primary Government	Component Unit - Schools	TOTAL
2022	Unpaid Claims Beginning of Fiscal Year	$4,650,332	$12,888,300	$17,538,632
	Incurred Claims (Including IBNR)	68,221,131	214,029,548	282,250,679
	Claim Payments	(66,740,313)	(209,290,001)	(276,030,314)
	Unpaid Claims End of Fiscal Year	**$6,131,150**	**$17,627,847**	**$23,758,997**
2023	Unpaid Claims Beginning of Fiscal Year	6,131,150	17,627,847	23,758,997
	Incurred Claims (Including IBNR)	78,193,431	221,951,089.00	300,144,520.00
	Claim Payments	(76,960,886)	(223,481,036.00)	(300,441,922.00)
	Unpaid Claims End of Fiscal Year	**$7,363,695**	**$16,097,900**	**$23,461,595**

Source: FY 2023 Annual Comprehensive Financial Report: Note X – Risk Management.

As of the July 1, 2021 actuarial valuation, there are 3,107 active employees and 780 retirees, including individuals who qualify for disability retirement, enrolled in the health insurance program. During fiscal year 2023, total claims of $78,193,431 were recorded for health care benefits. These amounts are not accrued over the employees' time of service, but are expensed as incurred.

Retirement and Pension Plans

All full-time, salaried permanent (professional) employees of the County and Schools are automatically covered by the Virginia Retirement System (VRS), an agent multiple-employer defined benefit plan, through one of three different benefit structures, and group term life insurance including basic and accidental death and dismemberment. Members hired before July 1, 2010, and who have service credits before July 1, 2010, and were vested as of January 1, 2013 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, or employees who were not vested as of January 1, 2013 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 1.65 percent of the average of the member's 60 consecutive months of highest compensation for each year of credited service. Employees hired on or after January 1, 2014 are enrolled in a Hybrid Retirement Plan (the "Hybrid Plan"), which combines the features of a defined benefit plan and a defined contribution plan. Also enrolled in the Hybrid Plan are VRS Plan 1 and VRS Plan 2 members who are eligible and opted into the plan during a special election window. The member's retirement benefit is funded through mandatory and voluntary contributions made by the member and employer to both the defined benefit and a defined contribution plan. Under the Hybrid Plan, AFC is the same as Plan 2.

The Virginia General Assembly, in its 2011 session, passed legislation requiring all members to pay either 100% or a phased in percentage of the 5% member contribution along with a matching salary adjustment effective

July 1, 2012. The Board of Supervisors elected to implement the full 5 percent employee contribution and provide a 5 percent pay adjustment to offset the pension funding requirement effective with the first pay date in July. VRS is a qualified governmental defined benefit retirement plan administered by a Board of Trustees. An independent consulting firm performs an annual plan valuation. The actuarially determined contribution rates for VRS employers are established every two years. The rate is sufficient to fund the normal cost for all members and finance the unfunded accrued liability of the Plan. The promised benefits of the plan are included in the actuarially calculated employer contribution rates which are developed using the entry age normal cost method. The County's recommended employer contribution rate for the year ended June 30, 2023 was 13.72% of covered employee compensation. This rate was based on a rate determined from an actuarial valuation as of June 30, 2021. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were $45,077,208 and $35,364,013 for the years ended June 30, 2023 and June 30, 2022, respectively. The County's net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021 in accordance with GAAP, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022. Actuarial assumptions were that payroll will increase by 3.50% to 5.35% annually, an inflation factor of 2.5% and a 6.00% investment rate of return, net of expenses. As of June 30, 2022, the Plan's fiduciary net position as a percentage of the total pension liability was 89.65% for the primary government, 93.13%% for the component unit non-professional plan, and 82.61%%* for the component unit professional plan.

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* Amount presented has a measurement date of the previous fiscal year end.

The following tables show trend information for annual pension costs of General Government and Component Unit- Schools employees.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	2022	2021	2020	2019
Total pension liability				
Service cost	$39,711,226	$34,237,921	$29,898,862	$26,173,780
Interest	74,962,943	60,812,750	56,074,678	52,327,222
Changes in benefit terms	-	48,397,703	-	-
Differences between expected and actual experience	(36,691,925)	60,005,478	15,374,939	6,683,672
Change in assumptions	-	-	-	26,646,550
Benefit Payments, including refunds of employee contributions	(34,592,941)	(32,472,248)	(29,837,381)	(27,416,623)
Net change in total pension liability	43,389,303	170,981,604	71,511,098	84,414,601
Total pension liability - beginning	1,088,147,361	917,165,757	845,654,659	761,240,058
Total pension liability - ending (a)	$1,131,536,664	$1,088,147,361	$917,165,757	$845,654,659
Plan fiduciary net position				
Contributions - employer	$33,078,012	$31,656,956	$24,981,478	$22,340,603
Contributions - employee	14,459,189	13,921,539	12,568,770	11,019,669
Net investment income	(1,757,642)	215,231,954	14,521,477	47,430,170
Benefit Payments, including refunds of employee contributions	(34,592,941)	(32,472,248)	(29,837,381)	(27,416,623)
Administrative expense	(611,473)	(507,754)	(474,482)	(448,703)
Other	18,949	18,014	(17,494)	(30,100)
Net change in total pension liability	10,594,094	227,848,461	21,742,368	52,895,016
Plan fiduciary net position - beginning	1,003,857,329	776,008,868	754,266,500	701,371,484
Plan fiduciary net position - ending (b)	1,014,451,423	1,003,857,329	776,008,868	754,266,500
Net pension liability - ending (a) - (b)	$117,085,241	$84,290,032	$141,156,889	$91,388,159
Plan fiduciary net position as a percentage of the total Pension liability	89.65%	92.25%	84.61%	89.19%
Covered-employee payroll	$303,553,760	$288,610,511	$258,473,630	$228,040,805
Net pension liability as a percentage of covered-employee payroll	38.57%	29.21%	54.61%	40.08%

COMPONENT UNIT - NON-PROFESSIONAL PLAN

	2022	2021	2020	2019
Total pension liability				
Service cost	$6,378,766	$5,848,757	$5,625,101	$5,330,056
Interest	14,346,139	12,519,488	11,568,079	10,573,312
Differences between expected and actual experience	413,814	4,000,688	4,094,215	5,812,334
Changes in Assumption	-	6,057,512	-	5,348,446
Benefit Payments, including refunds of employee contributions	(8,174,912)	(7,312,524)	(7,072,355)	(6,392,665)
Net change in total pension liability	12,963,807	21,113,921	14,215,040	20,671,483
Total pension liability - beginning	210,244,086	189,130,165	174,915,125	154,243,642
Total pension liability - ending (a)	$223,207,893	$210,244,086	$189,130,165	$174,915,125
Plan fiduciary net position				
Contributions - employer	$4,272,680	$4,259,920	$3,497,885	$3,387,225
Contributions - employee	3,590,757	3,188,065	3,184,680	3,010,797
Net investment income	(309,996)	44,891,184	3,060,374	10,117,648
Benefit Payments, including refunds of employee contributions	(8,174,912)	(7,312,524)	(7,072,355)	(6,392,665)
Administrative expense	(127,766)	(108,411)	(102,475)	(96,958)
Other	4,825	4,272	(3,679)	(6,411)
Net change in total pension liability	(744,412)	44,922,506	2,564,430	10,019,636
Plan fiduciary net position - beginning	208,127,543	163,205,037	160,640,607	150,621,971
Plan fiduciary net position - ending (b)	207,383,131	208,127,543	163,205,037	160,640,607
Net pension liability - ending (a) - (b)	$15,824,762	$2,116,543	$25,925,128	$14,274,518
Plan fiduciary net position as a percentage of the total Pension liability	93.13%	98.99%	86.29%	91.84%
Covered-employee payroll	$77,464,722	$69,489,477	$6,796,479	$63,808,087
Net pension liability as a percentage of covered-employee payroll	19.78%	3.05%	38.15%	22.37%

Source: FY 2023 Annual Comprehensive Financial Report: Exhibit XV.

COMPONENT UNIT - SCHOOLS - PROFESSIONAL PLAN

Fiscal Year	Employer's Proportion of the Net Pension Liability (asset)	Employer's Proportionate Share of the Net Pension Liability (asset)	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	8.48%	$806,938,333	$796,158,822	101.35%	82.61%
2022	8.17	634,184,094	726,702,816	82.27	85.46
2021	7.97	1,159,377,165	701,172,761	165.35	71.47
2020	7.44	979,305,522	626,445,257	156.33	73.51
2019	7.17	842,841,000	580,077,082	145.30	74.81
2018	6.86	843,087,000	542,902,050	155.29	72.92

Source: FY 2023 Annual Comprehensive Financial Report: Exhibit XVI.

For additional information relating to the retirement plans, see Note XVIII – Retirement Plans in "APPENDIX B – AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023."

Other Post-Employment Benefits

The Loudoun County OPEB Trust Fund is a single-employer defined benefit healthcare plan (the Plan) administered by the County. The Plan provides healthcare coverage 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 up to 90 percent of the full active premium rate to continue coverage. In order to participate, a retiree must be a full-time employee who retires directly from the County, and is eligible to receive a retirement benefit from the VRS. In addition, they must immediately begin receiving a retirement annuity benefit from VRS.

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

The County participates in the Virginia Pooled OPEB Trust Fund, which was established as an investment vehicle for participating employers to accumulate assets to fund OPEB. Plan assets for purposes of GAAP are usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, in which (a) contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer or plan administrator, for the payment of benefits in accordance with the terms of the plan.

In addition to retiree health benefits, the County directly funds the costs of health insurance and death benefits provided to hazardous duty employees and volunteers under Virginia's Line of Duty Act ("LODA") program. The County will pay the health insurance premiums for eligible employees and their spouse and family members assuming a full retirement at the level of coverage in existence at the time of disability. The death benefit is a one-time payment to the beneficiary of a covered individual.

The County and the School Board are also a participating employer in the Virginia Retirement System Group Term Life Insurance (VRS GLI) Program, a defined benefit program that provides basic group life insurance benefits for employees. All full-time, permanent employees are automatically covered by the VRS GLI Program upon employment. This program provides a natural death benefit, an accidental death benefit, and special circumstance benefits including accidental dismemberment, safety belt, repatriation, felonious assault and accelerated death benefits.

The School Board is a participant in the VRS Health Insurance Credit (HIC) Program and the VRS Virginia Local Disability Program (VLDP). The HIC Program provides a tax free reimbursement in the form of a credit for qualified health insurance premiums eligible retirees pay for single coverage. The credit is determined based on a fixed amount per year of service, and is added to monthly retirement benefits. The VLDP provides short- and long-term disability benefits to eligible employees who are in the VRS Hybrid Plan.

Under GAAP, the County and School Board were required to report the net OPEB liability on the government-wide financial statements effective with the 2018 Annual Comprehensive Financial Report. The table below shows the net liability for each plan as of June 30, 2023 and the associated funding ratios.

County	Retiree Health Benefits	LODA Program	VRS GLI Program	Total All Programs
Total OPEB Liability	$111,978,419	$28,718,600	$51,372,465	$192,069,484
Plan Net Position	$94,061,272	$0	$34,527,171	$128,588,443
Net OPEB Liability	$17,917,147	$28,718,600	$16,845,309	$63,481,056
Plan Net Position as a Percentage of Total OPEB Liability	84.00%	0.00%	67.21%	66.95%

School Board	Retiree Health Benefits	VRS GLI Program	VRS HIC Program	VRS VLDP Program	Total All Programs
Total OPEB Liability	$523,425,170	-	$123,596,763	$3,041,561	$675,066,416
Plan Net Position	$255,450,883	$97,046,597	$20,546,985	$3,120,709	$271,329,200
Net OPEB Liability	$267,974,287	$48,425,627	$107,291,552	$(79,148)	$423,612,318
Plan Net Position as a Percentage of Total OPEB Liability	59.71%	65.71%	10.42%	68.06%	40.19%

Source: (i) FY 2023 Annual Comprehensive Financial Report: Note XI, Exhibit XIX, Exhibit XXI and (ii) Loudoun County Public Schools FY 2023 Annual Comprehensive Financial Report, Note IV.C.

For additional information relating to the Other Post-Employment Benefit Plans, see Note XI – Other Post-Employment Benefit Plans in "APPENDIX B – AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023."

Employee Relations and Collective Bargaining

Pursuant to legislation passed by the Virginia General Assembly and effective May 1, 2021, collective bargaining is permitted between counties, cities, towns, and school boards and their employees where the locality has provided for it in a local ordinance or resolution. The Board of Supervisors adopted a local ordinance on December 7, 2021, authorizing collective bargaining between the County and labor unions or employee associations. The ordinance established three separate employee bargaining units: Fire and Rescue, Labor and Trades, and General Government. Under the terms of the ordinance, mandatory subjects of bargaining will include wages, benefits, and working conditions. Other labor-related subjects may be permitted subjects of bargaining, to the extent that they are not excluded by the provisions of the ordinance. Consistent with the State legislation that no collective bargaining ordinance may include provisions that restrict a locality's ability to establish a budget or appropriate funds, Loudoun County's adopted ordinance requires any tentative bargaining agreement that affects the County's budget process and is intended to begin at the start of the upcoming fiscal year be received by the Board of Supervisors for consideration by December 1. The Board has added new positions to the County's Department of Human Resources, Office of

Management and Budget and to the County Attorney's Office to prepare for and to administer collective bargaining activities.

The Fire and Rescue bargaining unit, represented by the International Association of Fire Fighters (IAFF) Local 3576 as a bargaining agent, is party to a three-year contract (covering FY 2025, FY 2026, and FY 2027), which was ratified by the Board of Supervisors on May 7, 2024. Furthermore, following a showing of interest petition submitted for the remaining two bargaining units (Labor & Trades and General Government), a representation election for these bargaining units was completed in March 2024. The General Government bargaining unit elected the Service Employees International Union (SEIU) Local 512 as a bargaining agent, while the Labor and Trades unit declined representation. Negotiations between the County and SEIU for General Government unit employees are currently under way and are expected to be completed on or about December 2024.

In March 2023, the Loudoun County School Board adopted a resolution to allow collective bargaining with teachers and other licensed employees and has begun programming its collective bargaining administration staffing. In January 2024, the Legislative, Audit and Policy Committee of the School Board created a joint committee to discuss and resolve initial concerns presented by the Loudoun Education Association regarding the draft collective bargaining resolution.

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APPENDIX B

AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Supervisors
County of Loudoun, Virginia

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the "Specifications"), issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and Specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Specifications will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Specifications, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Other Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's basic financial statements for the year ended June 30, 2022, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The comparative actual amounts for the year ended June 30, 2022 in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information was subjected to the audit procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, comparative actual amounts for the year ended Juen 30, 2022 in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tysons Corner, Virginia
December 13, 2023

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Management's Discussion and Analysis

Douglass Community Center in Leesburg offers numerous recreational and educational opportunities and resources. On May 31, 2023, members of the Board of Supervisors, representatives of the Town of Leesburg, and the Loudoun Departments of Parks, Recreation and Community Services (PRCS) as well as members of the community attended a ribbon-cutting ceremony celebrating the grand opening of the one-of-a-kind destination playground at the Community Center.

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COUNTY OF LOUDOUN, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

This section of the annual comprehensive financial report presents our discussion and analysis of the County of Loudoun, Virginia's (the County) financial activities for the fiscal year ended June 30, 2023. 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.

Throughout the report, the "County" is also referred to as the "Primary Government". The "Total Reporting Entity'' represents the entity as a whole, composed of the County and its component unit, the School Board. Since Loudoun County Public Schools and the County have a material relationship, the Total Reporting Entity presents a more accurate and comprehensive picture of the fiscal operations of the County.

FINANCIAL HIGHLIGHTS FOR FY 2023

The Total Reporting Entity, which includes the School Board component unit, has a positive net position of $2.9 billion at June 30, 2023, which represents an increase of $480.6 million or 20.2% over FY 2022 net position. (Exhibit I).

The Total Reporting Entity's Governmental Activities has expenses net of program revenues of $3.4 billion and general revenues of $3.9 billion, resulting in an increase in net position of $480.6 million. (Exhibit II)

The total cost of the County's governmental programs increased by 9.9% during fiscal year 2023, while the County's total general revenues increased by 14.7% from the prior year.

As of June 30, 2023, the County's total governmental funds reported combined fund balances of $1.61 billion. Approximately 70.1%, or $1.12 billion is unrestricted and available to meet the County's current and future needs. (Exhibit III)

At the end of the current fiscal year, the unassigned fund balance of $172.2 million was 30.6% of total General Fund balance after adding $28.8 million to the County's fiscal reserve. (Exhibit III)

Total General Fund revenues, including other financing sources and uses, exceeded final budget expectations by $157.3 million. General fund expenditure savings totaled $57.9 million compared to final budget expectations. (Exhibit XIII)

In May 2023, the County sold $189.7 million in General Obligation Bonds, Series 2023A, to provide funding for the design, construction, renovation and equipping of various school facilities, parks and recreation facilities, public safety facilities, and transportation projects.

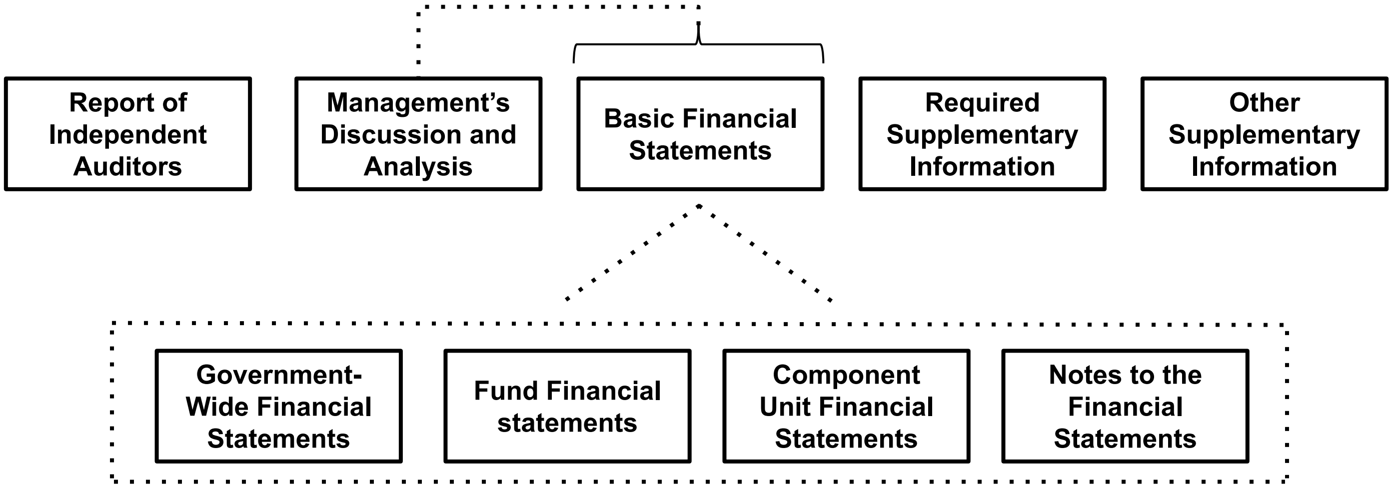
In May 2023, the County sold $37.2 million of Public Facility Revenue Bonds, Series 2023B, through the EDA, to provide funding for the design, construction, renovation and equipping of government office space, a new courthouse building and renovations to the existing courthouse, public safety facilities, transportation projects and school equipment.

USING THE FINANCIAL SECTION OF THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT

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

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

COMPONENTS OF THE FINANCIAL SECTION



GOVERNMENT-WIDE STATEMENTS

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

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

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

Governmental activities – All of the County's basic services are reported here: public safety (law enforcement and traffic control, fire and rescue services, corrections and detention, and inspections); health and welfare (health, mental health, developmental services, substance abuse, and social services); education (elementary, secondary, and community college support); parks, recreation and cultural (including libraries and museums); community development (planning and zoning, building and development, environmental management, economic development, and cooperative extension); limited public works (sanitation, 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 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 Funds 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 Funds are used to account for the financing of goods or services provided among County departments on a cost-reimbursement basis and include such activities as central duplicating, telephone, mail, and vehicle services. The Self-Insurance Fund is used to account for the accumulation of resources to pay for losses incurred by the partial, or total retention of risk of loss rather than transferring the risk to a third party through the purchase of commercial insurance, and includes such uninsured risks as health, workers' compensation, and vehicle self-insurance programs.

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

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement can be found in the section titled "Notes to the Financial Statements" of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Position:

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

Table 1
Summary Statement of Net Position
Comparison as of June 30, 2023 and 2022 (thousands)

	Primary Government			Component Unit-Schools		
	FY 23	**FY 22**	**Increase / (Decrease)**	**FY 23**	**FY 22**	**Increase / (Decrease)**
Current and Other Assets	$ 3,439,888	$ 3,070,667	$ 369,221	$ 545,364	$ 524,496	$ 20,868
Capital Assets	2,046,858	1,837,651	209,207	2,283,117	2,176,306	106,811
Total Assets	**5,486,745**	**4,908,318**	**578,427**	**2,828,481**	**2,700,802**	**127,679**
Total Deferred Outflows of Resources	**151,870**	**189,245**	**(37,375)**	**574,631**	**519,460**	**55,171**
Other Liabilities	651,672	643,656	8,016	221,005	212,237	8,768
Long-term Liabilities	2,547,598	2,364,227	183,371	1,384,815	1,115,847	268,968
Total Liabilities	**3,199,270**	**3,007,883**	**191,387**	**1,605,820**	**1,328,084**	**277,736**
Total Deferred Inflows of Resources	**1,162,715**	**1,063,480**	**99,235**	**216,177**	**541,240**	**(325,063)**
Net Position						
Net Investment in Capital Assets	1,600,662	1,535,476	65,186	2,190,242	2,103,308	86,934
Restricted	217,469	228,928	(11,459)	4,614	2,019	-
Unrestricted	(541,501)	(738,203)	196,702	(613,742)	(754,388)	140,646
Total Net Position	**$ 1,276,630**	**$ 1,026,201**	**$ 250,429**	**$ 1,581,114**	**$ 1,350,939**	**$ 230,175**

Amounts may not foot due to rounding

The Statement of Net Position and the Statement of Activities provide the financial status and operating results of the primary government and its component unit as a whole. The overall change in both the Primary Government and Component Unit - Schools' Net Position relates to various reasons as outlined below:

Primary Government:

Total governmental activities net position increased by $480.6 million compared to the total governmental activities net position in FY 2022. Primary Government assets and deferred outflows of resources (outflows that are expected to occur in future periods) exceeded liabilities and deferred inflows of resources (inflows that are expected to benefit future periods) by $1.3 billion.

The largest portion of the Primary Government and Component Units' net position reflects the investment in capital assets, less any related debt used to acquire those long-term assets and are therefore not available for future spending. The investment in capital assets of $4.9 billion increased by 4.3% over the prior year. The Primary Government and the Component Unit use these capital assets to provide a variety of services to its residents.

The County's cash and cash equivalents and investments increased by $193.5 million, or 9.4% primarily due to tax revenues collected during the fiscal year, and expenditure savings.

The County's taxes receivable increased by $148.3 million, or 16.5% which is a direct result of the overall growth in the assessed value of taxable property. All taxable real and personal property values increased, the most significant in residential and commercial property.

As of June 30, 2023, the County had outstanding debt of $2.1 billion, an increase of $80.9 million compared to FY 2022. The County additionally had an increase in its pension liability of $30.9 million driven largely by service and interest costs net of employer and employee contributions and changes in assumptions and other inputs. The County implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements* (SBITA) in FY 2023 and now includes liability for the right to use subscription assets in the amount of $51.7 million.

Other liabilities increased $19.8 million as compared to FY 2022 due to an increase in landfill closure costs, increases in right to use lease liabilities, and employment related benefit liabilities.

Component Unit – Schools:

The Component Unit net position increased by $230.2 million compared to the Component Unit net position in FY 2022. Component Unit assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1.6 billion at the close of FY 2023.

Total assets increased by $127.7 million related to equipment purchases and a new elementary school opening. Total liabilities increased by $277.7 million, primarily from increases in pension and OPEB liabilities, and deferred outflows increased by $55.2 million, deferred inflows decreased by $325.1 million, also related to pension and OPEB.

Statement of Activities

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

Table 2
Changes in Net Position
Comparison for the years ended June 30, 2023 and 2022 (thousands)

	Primary Government			Component Unit-Schools		
	FY 23	FY 22	Increase / (Decrease)	FY 23	FY 22	Increase / (Decrease)
REVENUES						
Program Revenues:						
Charges for Services	$ 81,976	$ 75,342	$ 6,634	$ 21,082	$ 4,577	$ 16,505
Operating Grants and Contributions	97,839	125,845	(28,006)	116,213	123,523	(7,310)
Capital Grants and Contributions	57,008	25,028	31,980	200,787	171,800	28,987
General Revenues:						
Property Taxes	1,978,591	1,723,971	254,620	-	-	-
Other Taxes	246,776	237,431	9,345	-	-	-
Grants and Contributions not Restricted to Specific Programs	59,436	60,192	(756)	439,310	401,221	38,089
Other Revenue	78,300	30,752	47,548	30,845	28,965	1,880
Payment from Component Unit	769	8,999	(8,230)	-	-	-
Payment from Primary Government	-	-	-	1,077,365	1,015,554	61,811
Total Revenues	**$ 2,600,695**	**$ 2,287,560**	**$ 313,135**	**$ 1,885,602**	**$ 1,745,640**	**$ 139,962**
EXPENSES						
General Government Administration	$ 166,116	$ 172,875	$ (6,759)	$ -	$ -	$ -
Judicial Administration	27,548	23,546	4,002	-	-	-
Public Safety	293,643	269,725	23,918	-	-	-
Public Works	91,939	69,878	22,061	-	-	-
Health and Welfare	126,830	113,791	13,039	-	-	-
Parks, Recreation and Culture	106,878	92,100	14,778	-	-	-
Community Development	208,866	166,408	42,458	-	-	-
Education	1,279,716	1,197,089	82,627	1,655,426	1,632,079	23,347
Interest and Other Debt Service Charges	48,730	44,518	4,212	-	-	-
Total Expenses	**$ 2,350,266**	**$ 2,149,930**	**$ 200,336**	**$ 1,655,426**	**$ 1,632,079**	**$ 23,347**
Change in Net Position	250,429	137,630	112,799	230,176	113,561	116,615
Net Position Beginning of Year	1,026,201	888,571	137,630	1,350,939	1,237,378	113,561
Net Position End of Year	**$ 1,276,630**	**$ 1,026,201**	**$ 250,429**	**$ 1,581,114**	**$ 1,350,939**	**$ 230,176**

Amounts may not foot due to rounding

Revenues

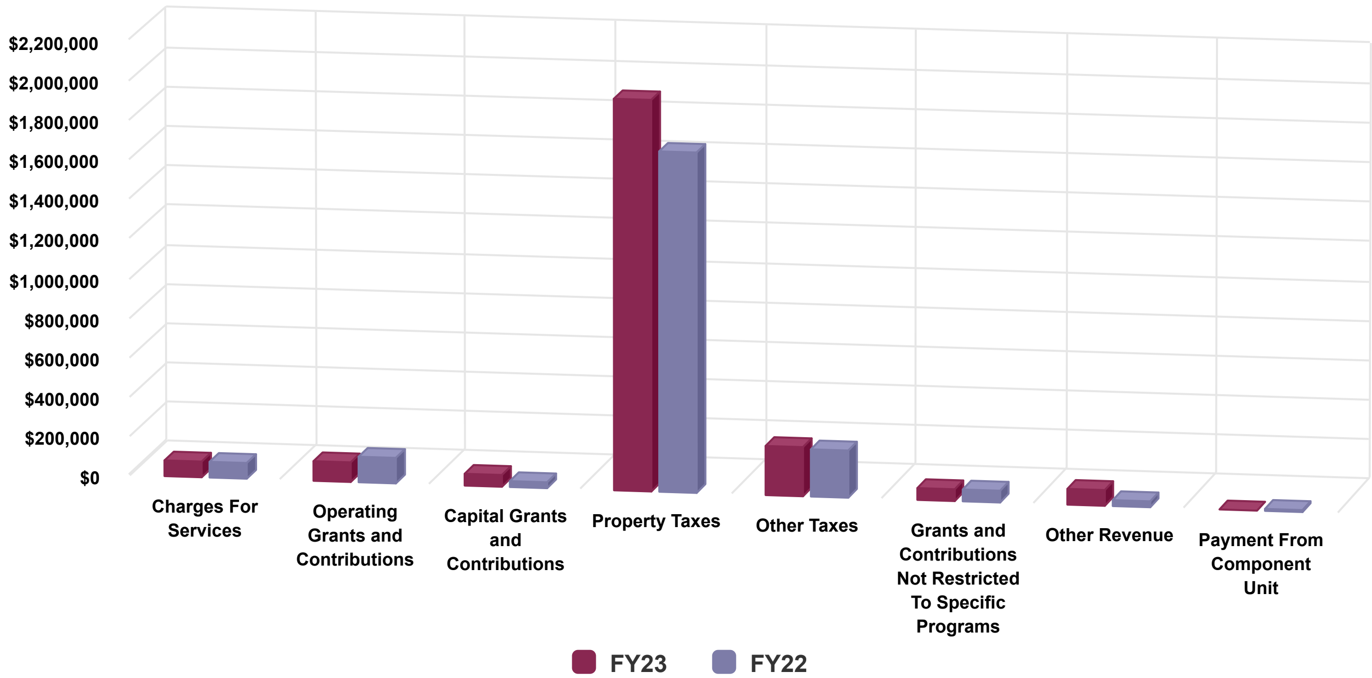
For the fiscal year ended June 30, 2023, the Primary Government revenues totaled approximately $2.6 billion, an increase of $313.1 million, or 13.7%, from the prior fiscal year.

Property tax revenue, the County's largest revenue source, increased by approximately $254.6 million from the prior fiscal year due to increases in real property and personal property taxes based on growth in assessment values. In FY 2023, performance in the real estate portfolio, particularly among commercial properties, and growth in business personal property computer equipment revenues is driving the increase.The real property tax rate was decreased during the FY 2023 budget process by $0.09 cents, which took effect for tax year (TY) 2022, beginning January 1, 2022, affecting the second half of FY 2022 and the first half of FY 2023. The commercial portfolio grew approximately 32% in TY 2022, 21% from revaluation and 11% from new construction and growth. This marks a record level of new construction and growth, led largely by data center development. Inclusive of revaluation and new construction, data center values grew 56% in TY 2022, accounting for 85% of the growth in the commercial portfolio. Residential revaluation continued to exceed pre-pandemic levels, although revaluation rates were lower than in TY 2021 as a result of higher interest rates. Residential revaluation was 7.8% while new construction and growth was 1.9%. Other personal property taxes continue to outperform budget, including vehicle taxes. The COVID-19 pandemic and supply chain issues that led to fewer new cars resulted in upwards pressure on used vehicle prices. This created a unique situation where vehicle values increased year-over-year despite aging. While the County relied on an assessment ratio in 2022 (80%) and in 2023 (95%), tax levies increased as vehicle values overall continued to grow. The TY 2022 levy grew 13.6%, compared to a pre-pandemic average of 2.5%. Collection rates for property tax remained consistent with prior years.

Program revenues are derived directly from the programs run by various departments and reduce the net cost for various functions. Total program revenues from governmental activities were $236.8 million, an increase of $10.6 million over FY 2022. Operating and capital grants and contributions represent the most significant of program revenues, totaling $156.8 million, an increase of $4.0 million over FY 2022. This modest increase is primarily due to the recognition of additional federal stimulus funding in FY 2023 from the first and second tranche of American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF). Charges for services had an overall increase of $6.6 million driven by the continued return of recreational programs to pre-pandemic levels and changing consumer behaviors in a post-pandemic environment.

The following chart compares the total revenues by category for the Primary Government for the fiscal years ended June 30, 2023 and 2022.

Chart 1: Primary Government Revenues ($000s) by Category with Prior Year Comparison



Expenses

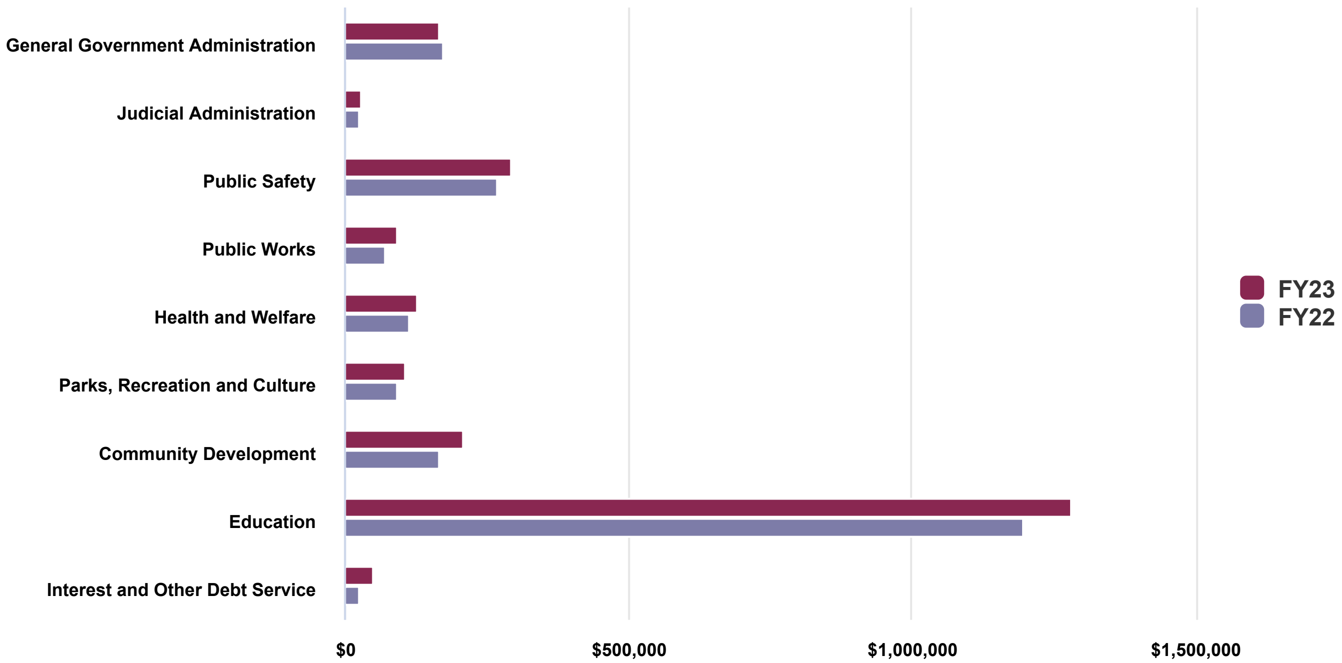
For the fiscal year ended June 30, 2023, expenses for governmental activities total $2.4 billion, representing an increase of $200.3 million, or 9.3%, over FY 2022.

Education continues to be one of the County's highest priorities and commitments. Of the total expenses, $1.3 billion represents education expenses including a transfer in anticipation of bond proceeds to schools for capital projects. Education expenses as part of governmental activities in FY 2023 increased by $82.6 million from the previous fiscal year. This increase is primarily the result of an increase in the transfer to the Component Unit - Schools for operating expenses offset with a decrease in contributions for capital projects. Public Safety, Community Development, and General Government Administration represent the next largest expense categories, totaling $293.6 million, $208.9 million, and $166.1 million respectively in FY 2023.

Expenses in most functional areas increased over the prior year, with the exception of General Government Administration which decreased by $6.8 million. The decrease is a result of reductions in the impacts of implementation of GASB Statement No. 87, *Leases* in the second year of implementation along with a reduction in general administration capital projects in FY 2023. The most significant increases included Community Development $42.5 million, Public Safety $23.9 million, Public Works $22.1 million, Parks, Recreation and Culture $14.8 million, and Health and Welfare $13.0 million. The increase in Community Development is a result of increased capital expenditures for various road and transit projects to include Dulles Rapid Transit, and construction of Belmont Ridge and Northstar Road segments. The increase in Public Safety was a result of additional staffing, and compensation increases, including merit increases for the general workforce and step increases for uniformed public safety personnel along with vehicle and equipment additions. The increase in expenses for Public Works is a result of an increase in the current year expense for landfill closure costs due to increased landfill capacity used, and the addition of staff and operating expenses for newly opened roads and sidewalks, and County facilities to include the new Youth Services Center, Courts Complex expansion, and restroom and concession facilities at the Phil Bolen Memorial Park. Increases in Parks, Recreation and Culture are primarily from full year staffing and operations of new facilities that opened in FY 2022 and partial year increases from facilities that opened during FY 2023 including Hanson Park, Lovettsville District Park, Douglass Community Center, the CASA programs at Hovatter and Thompson Elementary schools, and the expansion of the Youth After School program at Trailside Middle School, Increases for Health and Welfare are primarily due to personnel costs with the addition of 55 full time employees, and contractual services related to facility openings.

The following chart compares the total expenses by function for the Primary Government for the fiscal years ended June 30, 2023 and 2022.

Chart 2: Primary Government Expenses ($000s) by Function with Prior Year Comparison



Financial Analysis of the County's Funds

For the fiscal year ended June 30, 2023, the governmental funds reflect a combined fund balance of $1.61 billion as illustrated below (refer to Exhibit III).

Table 3
Governmental Funds
Financial Analysis of Fund Balance

	Fiscal Year 2023				
	General	Capital Projects	Debt Service	Non-Major Governmental	Total
Non-Spendable	$ 1,155,627	$ -	$ -	$ -	$ 1,155,627
Restricted	-	281,336,408	-	200,003,422	481,339,830
Committed	334,867,830	379,669,476	-	40,415,035	754,952,341
Assigned	53,870,258	80,687,160	38,112,365	26,587,270	199,257,053
Unassigned	172,186,574	-	-	-	172,186,574
Total Fund Balances	**$ 562,080,289**	**$ 741,693,044**	**$ 38,112,365**	**$ 267,005,727**	**$ 1,608,891,425**

The General Fund balance increased $88.6 million from the prior fiscal year primarily due to increased revenue from general property tax and other local taxes, and reduced expenditures related to personnel and vacancies as a result of tight labor market conditions, as well as expenditure savings related to contractual services. Tax revenue increases were the result of increased assessed values for both real and personal property, primarily from the commercial side of the real property portfolio. New construction and growth reached a record $4.4 billion in assessed value. Computer equipment and other personal property taxes continued to grow. The decline in availability of both new and used vehicles caused the prices of vehicles to increase and therefore their valuation for tax purposes also increased. Computer Equipment in Data Centers tax revenue increased primarily due to increased capacity of existing data centers.

The County maintains a fiscal reserve in the committed portion of fund balance equal to no less than 10% of the County and Component Unit - Schools' General Fund operating revenues. In FY 2023, the fiscal reserve increased by $28.8 million.

The Capital Projects fund balance increased $78.5 million from the prior fiscal year. This increase is primarily attributable to the transfer of resources from the Capital Project Financing Fund for new bond issuances and financing agreements offset by an increase in spending for capital projects.

Debt Service fund balance increased by $2.9 million from the prior fiscal year primarily based on an increase in interest on investment of unspent bond proceeds.

Non-major Governmental fund balances increased by $27.2 million from the prior fiscal year. This increase is primarily attributable to increases in interest on investment, affordable dwelling unit sales, Board appropriated funding for Affordable Housing, growth in transient occupancy tax, emergency transport services, and increased Northern Virginia Transportation Authority resources that were not transferred to the Capital Projects Fund to advance road projects due to project delays. The increases were offset by decreases in cash proffers from developers, which were $20.2 million less in FY 2023 than in FY 2022.

General Fund Budgetary Highlights

Table 4
General Fund Budget to Actual (thousands)

	Fiscal Year 2023			
	Original Budget	Amended Budget	Actual	Variance Positive / (Negative)
Revenues and Transfers In				
Taxes	$ 2,005,003	$ 2,005,003	$ 2,117,969	$ 112,966
Intergovernmental	138,004	166,220	119,011	(47,209)
Other and Transfers In	92,931	92,482	184,036	91,554
Total Revenues and Transfers In	**$ 2,235,938**	**$ 2,263,705**	**$ 2,421,016**	**$ 157,311**
Expenditures and Transfers Out				
Expenditures	$ 1,899,613	$ 1,952,426	$ 1,894,986	$ 57,440
Transfers Out	376,324	437,829	437,416	413
Total Expenditures and Transfers Out	**$ 2,275,937**	**$ 2,390,255**	**$ 2,332,402**	**$ 57,853**

The final amended budget for revenues and transfers exceeded the original budget by $27.8 million. This was primarily due to appropriation of SLFRF funds and FY 2022 fund balance. The final amended budget appropriations, which included expenditures and transfers out, exceeded the original budget by $114.3 million. This was primarily due to the appropriation SLFRF funds and additional transfers for capital projects.

Actual revenues and transfers exceeded amended budget amounts by $157.3 million while actual expenditures and transfers out were less than the amended budget amounts by $57.9 million. Highlights of the comparison of the amended budget to actual figures for the fiscal year ended June 30, 2023, are included in the following paragraphs.

Tax revenues exceeded amended budget amounts by $113.0 million. This positive budget variance was primarily from higher January 2023 property values than was anticipated in the FY 2023 budget. Real property taxes, driven by increases in assessments and continued growth of data centers provided $62.3 million of the increase. The large increases in vehicle property taxes accounted for $25.6 million of the increase. The FY 2023 budget, like the FY 2022 budget, anticipated a decline in vehicle values in response to the spike in unemployment two years prior. Contrary to expectations, supply chain challenges kept vehicle values from declining, and in fact led to increases in vehicle values. While the Board of Supervisors concurred with the application of an assessment ratio, overall, the value of the vehicle portfolio still increased significantly in Tax Years 2022 and 2023.

Local sales and use taxes and business license taxes continued to increase based on steady on-line consumer spending, in addition to a return of consumers to brick and mortar establishments. This overperformance began in FY 2021 and was likely the result of increased spending on goods (versus services) during the COVID-19 pandemic as fewer services were available but also as household income grew thanks to federal stimulus monies. Another contributing factor was the Supreme Court's Wayfair decision which found that businesses that did not have a physical presence in the state but did have an economic nexus, were required to remit sales and use tax to localities. The County does not receive sufficient data from the state to identify the exact impact of this ruling, however, this change had a year over year 6-14% impact on growth in sales and use tax revenues from FY 2021 through FY 2023 and is expected to continue at a moderate rate as consumers begin to feel the impacts of sustained inflation. Business licenses for personal services and business services had the highest year over year growth in excess of budget projections at 22% and 26% growth respectively.

All other local taxes (e.g., consumer utility tax, motor vehicle licenses, bank franchise taxes and transient occupancy taxes) had modest positive or negative variances.

Intergovernmental revenues fell short of the amended budget by $47.2 million. Resources received before eligibility requirements were met for programs such as pandemic recovery activities and broadband initiatives were budgeted upon receipt. Since the timing of these grant funds crosses fiscal years, not all funding was spent in FY 2023. Revenues not meeting recognition requirements were reclassified as liabilities, to be recognized next fiscal year as spending continues.

Revenue from use of money and property exceeded the budget by $33.5 million due to interest on investment far exceeding expectations, driven by rising interest rates. At the time the FY 2023 budget was being developed, the Federal Reserve had not started increasing interest rates. The sudden increase in rates resulted in much higher revenues than would have been anticipated.

Lease, subscription, and public private partnership inflows totaled $61.1 million and were offset by outflows as required by GASB Statements No. 87, *Leases*, No. 96, *Subscription Based Information Technology Arrangements,* and 94, *Public-Private Partnerships*.

Other revenues and transfers were less than the amended budget by $3.1 million. Of that total, charges for Services were $6.2 million below budget as revenue losses related to the lingering effects of the pandemic continued to be realized in areas such as after school activity fees, community center fees, summer camp and day care fees. These variances are primarily in the Department of Parks, Recreation, and Community Services. Some of this shortfall is attributed to programs with cost-recovery requirements, like camps and summer programming. Program budgets are based on full capacity, so when program enrollment is less than maximum capacity, costs are also lower, leading to expenditure savings that offset the shortfall. Some of the shortfall is also related to new normal levels of participation in other programs that do not have cost-recovery requirements such as recreation and community center activities. Other miscellaneous revenue and fees were $1.4 million below budget.

Actual expenditures and transfers were $57.8 million, or 2.4%, less than amended budget amounts. Salaries and benefits realized savings of $18.6 million from vacancy savings and tight labor market conditions. Due to the tight labor market and competition for candidates, the County has experienced some challenges in filling vacant positions and many positions are taking a longer time to hire than originally anticipated. Most of the expenditure savings were in operations and maintenance areas. Contractual services was $74.1 million less than budget due to delays and underspending in ARPA funding, transportation, and mental health and substance abuse contracts. Expenditure savings in other charges of $7.8 million, and materials and supplies of $6.9 million are also attributed to expenditures offset by revenue shortfalls related to charges for services and programs for which revenues are intended to cover the cost of services, such as in Parks and Recreation and Community Services and transit. Debt service was higher than budget by $20.7 million due to the implementation of GASB Statements No. 87, *Leases*, and No. 96, *Subscription Based Information Technology Arrangements* The amounts recorded in debt service were offset with reductions in other charges based on the lease and subscription payments re-classified as principal and interest for right to use leased assets and technology.

Capital Assets

At the end of FY 2023, the Primary Government had invested approximately $2.0 billion in a variety of capital assets as reflected in the following schedule. This represents a net increase (including additions and deductions) of $209.2 million or 11.4% over FY 2022. More detailed information on capital assets can be found in Note VIII of the Notes to the Financial Statements.

Table 5
Primary Government - Change in Capital Assets

	Balance At June 30, 2022	Net Additions / Deletions	Balance At June 30, 2023
Capital Assets			
Land	$ 207,510,032	$ 33,951,903	$ 241,461,935
Buildings	666,738,908	100,640,536	767,379,445
Right-to-use lease buildings	63,308,512	13,227,491	76,536,003
Improvements Other Than Buildings	199,276,001	43,415,359	242,691,360
Equipment	316,151,105	41,315,934	357,467,039
Right-to-use lease equipment	25,720,623	5,536,989	31,257,612
Right-to-use subscription	-	64,080,540	64,080,540
Public-Private Partnership building	-	27,238,448	27,238,448
Infrastructure	732,206,054	20,720,009	752,926,063
Construction in Progress	232,608,665	(62,551,355)	170,057,310
Subscription in Progress	-	221,129	221,129
Accumulated Depreciation and Amortization	(605,868,520)	(78,591,188)	(684,459,708)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	**$ 1,837,651,380**	**$ 209,205,795**	**$ 2,046,857,176**

The Component Unit - Schools capital assets reflected in the following table totaled $2.3 billion, which represents a net increase of $106.9 million.

Table 6
Component Unit - Schools - Change in Capital Assets

	Balance At June 30, 2022	Net Additions / Deletions	Balance At June 30, 2023
Capital Assets			
Land	$ 173,433,737	$ -	$ 173,433,737
Buildings	2,506,455,565	86,461,383	2,592,916,948
Right-to-use lease buildings	1,656,526	2,200,224	3,856,750
Improvements Other Than Buildings	13,614,629	9,740	13,624,369
Equipment	166,053,035	9,234,802	175,287,837
Right-to-use lease equipment	29,936,828	1,689,419	31,626,247
Right-to-use subscription	-	12,344,772	12,344,772
Infrastructure	1,121	78,350	79,471
Construction in Progress	133,742,536	67,719,034	201,461,570
Accumulated Depreciation and Amortization	(848,703,063)	(72,811,252)	(921,514,315)
Total Capital Assets, Net of Accumulated Depreciation and Amortization	**$ 2,176,190,915**	**$ 106,926,472**	**$ 2,283,117,387**

For FY 2023, the County adopted a six-year Capital Improvement Program (CIP) that totals $3.0 billion, with transportation projects totaling $1.09 billion, school construction and renovation projects totaling $820.0 million, and county construction projects totaling $1.12 billion. Funding for the FY 2023 - FY 2028 CIP decreased slightly, $115 million, from the FY 2022 adopted CIP primarily due to decreases in transportation projects. While transportation projects have typically been the largest portion of the CIP, County projects have been increasing, and in FY 2023 County projects represent the largest portion, specifically general government projects. Health and welfare project funding increased by $3.8 million, Parks and Recreation projects increased by $16.2 million, Town projects increased by $4.9 million, and general government and administration projects increased by $9.4 million. These increases were offset by decreases in information technology projects of $35.0 million, public safety projects of $18.3 million, school construction projects of $9.8 million, and transportation projects of $85.7 million. The $3.0 billion Adopted FY 2023 - FY 2028 plan is principally funded with $942.0 million in local tax funding, $52.9 million in proffers, $38.4 million in landfill fees, $316.3 million in intergovernmental assistance, and $1.67 billion in debt financing.

The following graphs provide an overview of adopted expenditures in each programmatic category of the FY 2023 - FY 2028 Adopted CIP Budget.

Chart 3: Amount ($000s) and Percentage of County Project Expenditures by Type

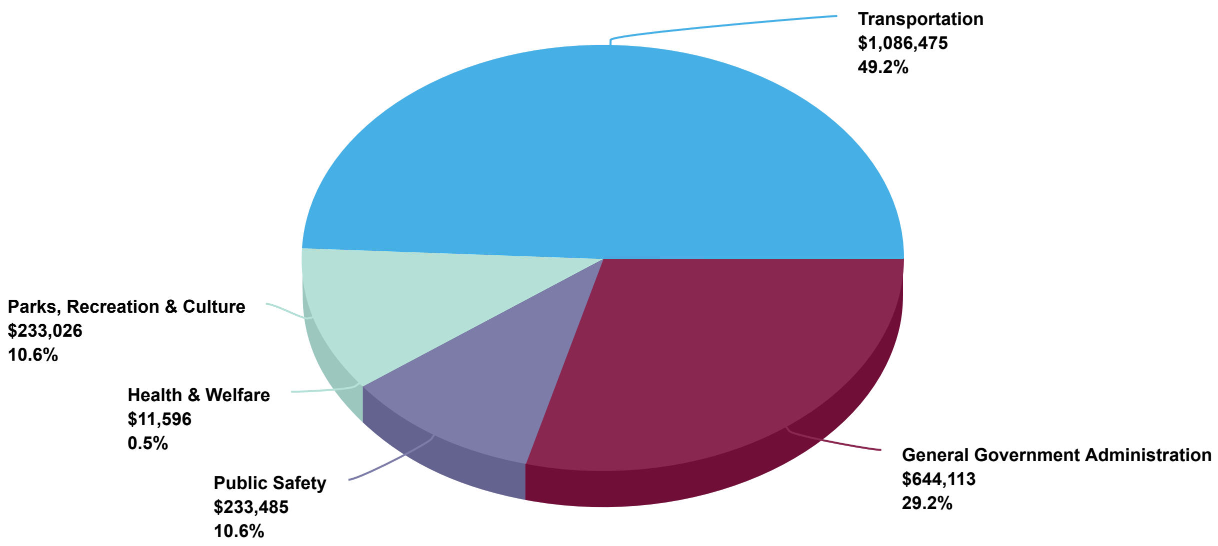
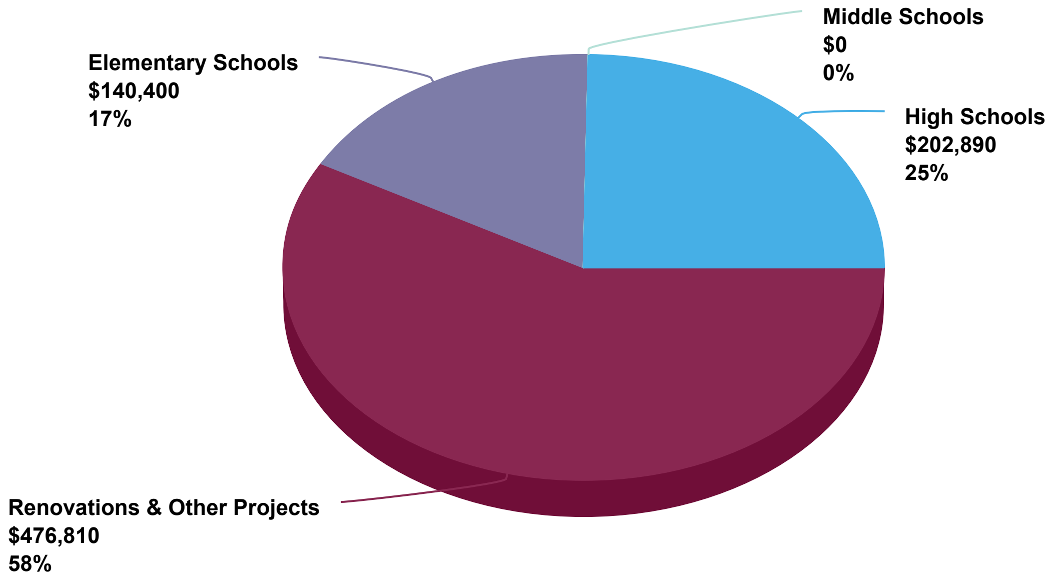


Chart 4: Amount ($000s) and Percentage of School Project Expenditures by Type



Additional information is available in the FY 2023 Adopted Budget, Volume 2 which can be found on the County website at www.loudoun.gov/budget.

Long Term Debt

At the end of FY 2023, the County had $2.1 billion in outstanding general obligation bonds, premiums, and financing agreements. This represents a net increase of $80.9 million from last year. More detailed information on long term debt can be found in Note XIV of the notes to the financial statements.

In FY 2023, Moody's Investors Services, Inc. reaffirmed the County's bond rating of Aaa, Fitch Credit Rating Services and S&P Global reaffirmed the County's bond rating of AAA. These are the highest ratings available from each of these firms.

Economic Factors

Loudoun County's economic and demographic conditions in many ways benefit from the relative stability, high income, and low unemployment characteristics of the Washington, DC region. Today, thanks in part to the diversity of Loudoun's business base and the financial strength of the long-term investors in the community, the County's commercial environment has been able to withstand downturns in the national and international economies over time and has weathered the impact of the pandemic better than the national economy and many other regions. As of June 2023, the County's unemployment rate was 2.5 percent, which is 1.3 percentage points below the corresponding U.S. unemployment rate of 3.8 percent and 0.3 percentage points below the corresponding Virginia unemployment rate of 2.8 percent. These rates remained consistent with FY2022 rates. The County's real property tax base is made up primarily of residential units but with a stable agricultural community and a healthy business climate that has helped to maintain commercial property values. The assessed value of commercial property increased by 32%, which marks a record level of new construction and growth, led largely by data center development, which grew by 56%. This accounted for 85% of the growth in the commercial portfolio. Agricultural properties increased by 13.3% due to revaluation. The assessed value of taxable residential properties increased by 9.7 percent. Residential revaluation continued to exceed pre-pandemic levels, although revaluation rates were lower than in 2021 as a result of higher interest rates.Other personal property taxes continue to outperform forecasts, including vehicle taxes. The COVID-19 pandemic and supply chain issues that led to fewer new cars resulted in upwards pressure on used vehicle prices. This created a unique situation where vehicle values increased year-over-year despite aging. While the County relied on an assessment ratio in 2022 (80%) and in 2023 (95%), tax levies increased as vehicle values overall continued to grow. The calendar year 2022 levy grew 13.6%, compared to a pre-pandemic average of 2.5%.

While Loudoun remains a beautiful community with a thriving rural economy, growth has brought a five-fold increase in population since 1980. Since the late 1990s, Loudoun County has experienced success in attracting office, light industrial, data center, and retail businesses, which sparked commercial construction activity at an unprecedented scale. As a result, Loudoun has transformed from a bedroom community to a highly desirable employment center.Loudoun County's employment is projected to grow by 39,300 jobs between 2020 and 2030. By 2030, the employment is expected to be approximately 227,000 jobs and by 2050 it is expected to be approximately 266,000 jobs.

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

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

Currently Known Facts Likely to Impact Future Financial Condition

In April 2023, the Board set the calendar year 2023 real property tax rate at $0.875 per $100 of assessed value, $0.015 lower than the previous rate of $0.89 for calendar year 2022. The assessed value for real property grew by $16.4 billion or 14.46 percent during calendar year 2022 allowing the tax rate to be decreased while still providing sufficient revenue to support Loudoun County Public Schools and County Government operations that continue to feel the impact of the County's continued population growth.

During the adoption of the FY 2023 budget, the Board added $22.3 million in local tax funding and 196 full time equivalent positions to County Government operations in such areas as child protective services, mental health clinical care coordination, affordable housing, fire and rescue, law and traffic safety enforcement, and internal operations. Several resources were added to address specific Board Strategic Initiatives, including staffing to support collective bargaining, equity and inclusion resources, health care data privacy protection, staffing resources for transitioning the Loudoun Health Department from a state agency to one that is locally administered and staffing resources to execute the Unmet Housing Needs Strategic Plan.

The County received a total allocation of $80,324,909 in American Recovery Plan Act Funds of which $40 million was received in FY 2021 and the remaining $40 million was received in FY 2022. As of June 2023, the County utilized $43.4 million of the total amount and will obligate the remaining funds prior to December 2024 in the following program areas: preservation of affordable housing and displacement services, additional non-profit support, water and wastewater projects, childcare funding, and transformative initiatives for resident support.n community feedback and Board priorities.

Pursuant to legislation passed by the Virginia General Assembly, effective May 1, 2021, allowing collective bargaining between counties, cities, towns, and school boards and their employees where the locality has provided for it in a local ordinance or resolution, the Board adopted a local ordinance on December 7, 2021, authorizing collective bargaining between the County and labor unions or employee associations. The County ordinance established three separate employee bargaining units: Fire and Rescue, Labor and Trades, and General Government. Consistent with the State legislation that no collective bargaining ordinance may include provisions that restrict a locality's ability to establish a budget or appropriate funds, Loudoun County's adopted ordinance requires any tentative bargaining agreement that affects the County's budget process and is intended to begin at the start of the upcoming fiscal year be received by the Board for consideration by December 1. As of February 2023, the Fire and Rescue bargaining unit elected a bargaining agent as a representative to engage in collective bargaining negotiations. Negotiations between the County and the International Association of Fire Fighters (IAFF Local 3756) began in February 2023 and are expected to be ongoing through much of 2023. Under the terms of the ordinance, mandatory subjects of bargaining will include wages, benefits, and working conditions. Other labor-related subjects may be permitted as subjects of bargaining, to the extent that they are not excluded by the provisions of the ordinance. It is anticipated that FY 2025 will be the first fiscal year that could be impacted by collective bargaining agreements. In anticipation of forthcoming petitions, the Board has added new positions to the County's Departments of Human Resources and Finance and Budget and to the Office of the County Attorney to prepare for and administer collective bargaining.On March 28, 2023, the Loudoun County School Board adopted a resolution to allow collective bargaining with teachers and other licensed employees and has begun programming its collective bargaining administration staffing.

As a contributing jurisdictional member of the WMATA Compact, members make annual operating and capital payments to sustain the regional Metrorail system. Revenue service of the Silver Line Phase 2 began on November 15, 2022. For FY 2022, the amount due from Loudoun for the System-wide Operating Subsidy payment was $6.1 million. The FY 2022 Capital Subsidy was $5.5 million based on the WMATA Six Year Capital Improvement Program and is included in the Capital Funding Agreement (CFA). The County received the Coronavirus Aid Relief and Economic Security (CARES) Act credit and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) credit from WMATA which was applied to Loudoun's operating and capital subsidy obligations for FY 2022. The funds initially appropriated by the County for these payments, which included Local Gasoline Tax for operating and NVTA 30 percent funds for capital, will be available for future payments. In FY 2023, the amount due from Loudoun for the System-wide Operating Subsidy payment was $13 million and the Capital Subsidy payment was $5.8 million. Loudoun also contributed $1.8 million, in NVTA 30 percent funds, to DRPT as part of the capital subsidy to WMATA. $9.8 million in American Rescue Plan Act (ARPA) credit and CRRSAA credit were applied to Loudoun's operating subsidy obligations for FY 2023, fully expending the credits The revenue service of the Silver Line Phase 2 began in mid FY 2023 and Loudoun became eligible for the receipt of State funding assistance which is channeled through the Northern Virginia Transportation Commission based on the Subsidy Allocation Model in FY 2023. Due to applying the credits and utilizing new state funding assistance funds from the opening of the metro, Loudoun's appropriated funding, which includes Gas Tax for operating and NVTA 30 percent funds for capital, will not be fully expended and will be available for future payments. The County's estimated FY 2024 operating and capital subsidies are $16 million and $7.6 million, respectively.

At the October 17, 2023 Business Meeting, the Board approved the creation of a Revenue Stabilization Fund to address inherent volatility in the real and business tangible personal property tax levied on the County's data centers. The recommended size of the fund is 10 percent of annual data center related real and business personal property tax revenue. The initial establishment of funds will occur with use assignment of FY 2023 year end fund balance and through budget appropriations beginning in FY 2025.

Impact of New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) issued Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangement associated with conduit debt obligations, and related note disclosures. This statement clarifies the definition of conduit debt obligation, establishes that conduit debt obligation is not a liability of the issuer, and establishes standards for accounting and financial report of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations.The County does have conduit debt obligations meeting the criteria contained in this statement for the Route 28 Tax District. The County is not responsible for making principal or interest payments on the bonds, and does not report a liability for the bonds.

The Governmental Accounting Standards Board issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* This Statement addresses issues related to public-private and public-public partnership arrangements (PPP) in which a government (transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement defines a service concession arrangement (SCA) as a PPP in which the operator collects and is compensated by fees from third parties and the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services, and the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Implementation of this statement resulted in the County recording an asset and deferred inflow of resources in the amount of $27,238,448 in the Government Wide Statement of Net Position, and the same amount for Capital Outlay and Other Financing Source in the Governmental Funds. Additional information is provided in the Notes to the Financial Statements: Note VII - Capital Assets.

The Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). This statement defines a SBITA as a contract that conveys control of the right to use another party's information technology software alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government should recognize a right-to-use subscription, intangible asset and a corresponding subscription liability at the commencement of the subscription term, when the subscription asset is placed in service. Implementation of this statement resulted in recording $64,080,540 subscription asset and $51,719,523 subscription liability in the Government Wide Statement of Net Position. Additional information is provided in the Notes to the Financial Statements: Note XIII - Lease and Subscription Liabilities.

The Governmental Accounting Standards Board issued Statement No. 99, *Omnibus 2022*.This Statement addresses a variety of topics and includes specific provisions about the following:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument. The County does not currently have investments in derivative instruments.

- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives. Additional information is provided in the Notes to the Financial Statements: Note XIII Lease and Subscription Liability.

- Clarification of provisions in Statement No. 94, *Public-Private and PublicPublic Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset. Additional information is provided in the Notes to the Financial Statements: Note VII - Capital Assets.

- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short term SBITA, and recognition and measurement of a subscription liability. Additional information is provided in the Notes to the Financial Statements: Note XIII Lease and Subscription Liability.

- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt. The County does not currently have interest rate swaps or agreements referencing LIBOR.

- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP). This requirement is for State governments.

- Disclosures related to nonmonetary transactions. The County does not currently have nonmonetary transactions that are impacted by this statement.

- Pledges of future revenues when resources are not received by the pledging government. The County does not currently have pledges of future revenues that meet the requirements of this statement.

- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments*, as amended, related to the focus of the government-wide financial statements. The County displays information about the overall reporting government, except for fiduciary activities.

- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The County has updated all terminology consistent with this statement.

- Terminology used in Statement 53 to refer to resource flows statements. The County has updated all terminology consistent with this statement.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to George Govan, Director, Department of Finance and Procurement, County of Loudoun, Virginia, 1 Harrison Street, SE, 4th Floor – MSC #41D, Leesburg, VA 20175. The telephone number is (703) 777-0290 and the County's web site is www.loudoun.gov.

Basic Financial Statements

The Douglass Community Center playground replacement project created a themed experience that embraces the global impact and contributions that African Americans have made as a part of American history. The playground includes one-of-a-kind custom-made structures and replicas that depict African American history and culture, including the Hall of Heroes, which is inspired by the architecture of the National Museum of African American History and Culture in Washington, D.C., and is the center structure that sets the tone for the themed playground concept.

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Exhibit I

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	Primary Government Governmental Activities	Component Unit School Board	Total Reporting Entity
ASSETS			
Cash and Cash Equivalents	$ 1,704,526,278	$ 12,047,274	$ 1,716,573,552
Restricted Cash	362,570,178	9,618,885	372,189,063
Investments	203,270,618		203,270,618
Taxes:			
Delinquent	79,914,521	-	79,914,521
Not Yet Due	966,308,902	-	966,308,902
Accounts	23,449,740	31,617,951	55,067,691
Due from Other Governments	58,511,600	14,614,452	73,126,052
Due from Primary Government	-	460,171,996	460,171,996
Due from Component Unit	-	58,865	58,865
Due from OPEB Trust	46,365	-	46,365
Inventory	65,409	1,983,035	2,048,444
Prepaid Items	6,193,745	15,136,689	21,330,434
Notes and Loans Receivable, Net	18,382,296	-	18,382,296
Lease Receivable	16,647,310	35,080	16,682,390
OPEB Asset	-	79,148	79,148
Capital Assets:			
Non-depreciable	559,750,458	374,895,307	934,645,765
Depreciable and Amortizable, Net	1,487,106,718	1,908,222,080	3,395,328,798
Capital Assets, Net	2,046,857,176	2,283,117,387	4,329,974,563
Total Assets	**5,486,744,138**	**2,828,480,763**	**8,315,224,901**
DEFFERED OUTFLOWS OF RESOURCES			
Deferred Amounts Related to Pensions	123,041,860	314,318,212	437,360,072
Deferred Amounts Related to OPEB	27,102,108	260,312,384	287,414,492
Deferred Amounts on Refunding Debt	1,726,406	-	1,726,406
Total Deferred Outflows of Resources	**151,870,374**	**574,630,596**	**726,500,970**
LIABILITIES			
Accounts Payable	86,607,396	87,385,287	173,992,683
Accrued Interest Payable	7,103,815	624,732	7,728,547
Accrued Liabilities	11,561,168	116,941,074	128,502,242
Unearned Revenues	53,922,406	4,682,121	58,604,527
Due to Component Unit	460,171,996	41,943	460,213,939
Other Liabilities	32,305,068	11,330,164	43,635,232
Long-term Liabilities:			
Due Within One Year	235,696,928	42,242,268	277,939,196
Due in More Than One Year	2,311,900,794	1,342,572,993	3,654,473,787
Total Long-term Liabilities	2,547,597,722	1,384,815,261	3,932,412,983
Total Liabilities	**3,199,269,571**	**1,605,820,582**	**4,805,090,153**
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Not Yet Due	966,308,902	-	966,308,902
Prepaid Taxes	62,352,745	-	62,352,745
Leases	16,863,403	35,043	16,898,446
Public-Private Partnership	27,238,448		27,238,448
Deferred Amounts Related to Pensions	64,720,391	166,494,138	231,214,529
Deferred Amounts Related to OPEB	19,895,459	49,647,776	69,543,235
Deferred Amounts on Refunding Debt	5,335,868	-	5,335,868
Total Deferred Inflows of Resources	**1,162,715,216**	**216,176,957**	**1,378,892,173**
NET POSITION			
Net Investment in Capital Assets	1,600,662,447	2,190,242,112	4,921,110,546 (A)
Restricted for:			
Capital Projects	15,177,300	-	15,177,300
Legal Agreement	-	4,513,801	4,513,801
Permanent Fund-Nonexpendable	-	20,620	20,620
Public Facilities and Services	82,321,902	-	82,321,902
Affordable Housing	60,866,533	-	60,866,533
Transportation	51,455,961	-	51,455,961
Library Services	4,933,755	-	4,933,755
Tourism	38,916	-	38,916
OPEB Asset	-	79,148	79,148
Other Purposes	2,673,756	-	2,673,756
Unrestricted	(541,500,845)	(613,741,861)	(2,285,448,693) (A)
Total Net Position	**$ 1,276,629,725**	**$ 1,581,113,820**	**$ 2,857,743,545**

(A) The sum of the columns does not equal the Total Reporting Entity column by a difference of $1,130,205,987 because the debt related to the School Board Component Unit is reflected in the Primary Government's governmental activities column reducing unrestricted net position. The assets are reflected in the School Board Component Unit column as Net Investment in Capital Assets. The Total Reporting Entity column matches the asset with the debt and reports the net amount on the Net investment in Capital Assets line.

See accompanying notes to the financial statements.

Exhibit II

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government	Component Unit	
Functions/Programs Activities	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**School Board**	**Total Reporting Entity**
Primary Government:							
General Government Administration	$ 166,115,528	$ 1,815,489	$ 4,762,368	$ -	$ (159,537,671)	$ -	$ (159,537,671)
Judicial Administration	27,547,747	1,047,407	4,451,661	-	(22,048,679)	-	(22,048,679)
Public Safety	293,643,450	24,031,823	22,681,076	1,047,020	(245,883,531)	-	(245,883,531)
Public Works	91,939,287	11,721,642	5,334,319	31,271,340	(43,611,986)	-	(43,611,986)
Health and Welfare	126,830,368	8,913,826	28,828,381	-	(89,088,161)	-	(89,088,161)
Parks, Recreation and Culture	106,877,856	20,470,871	775,587	876,420	(84,754,978)	-	(84,754,978)
Community Development	208,866,367	13,975,030	30,981,874	23,813,180	(140,096,283)	-	(140,096,283)
Education	1,279,716,291	-	23,858	-	(1,279,692,433)	-	(1,279,692,433)
Interest and Other Debt Service Charges	48,730,064	-	-	-	(48,730,064)	-	(48,730,064)
Total Primary Government	$ 2,350,266,958	$ 81,976,088	$ 97,839,124	$ 57,007,960	$ (2,113,443,786)	$ -	$ (2,113,443,786)
Component Unit:							
School Board	$ 1,655,426,318	$ 21,081,889	$ 116,213,094	$ 200,786,729		$ (1,317,344,606)	$ (1,317,344,606)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					$ 1,978,591,200	$ -	$ 1,978,591,200
Local Sales and Use Taxes					140,057,198	-	140,057,198
Consumer Utility Taxes					23,094,242	-	23,094,242
Business License Taxes					54,495,075	-	54,495,075
Franchise License Taxes					161,025	-	161,025
Motor Vehicle Licenses					7,479,950	-	7,479,950
Bank Franchise Taxes					2,204,986	-	2,204,986
Taxes on Recordation and Wills					12,201,102	-	12,201,102
Transient Occupancy Taxes					7,082,011	-	7,082,011
Payment from County					-	1,077,364,838	1,077,364,838
Payment from Component Unit					769,227	-	769,227
Grants and Contributions Not Restricted to Specific Programs					59,436,218	439,310,456	498,746,674
Revenue from Use of Money and Property					54,805,301	1,615,697	56,420,998
Miscellaneous					23,494,358	29,228,883	52,723,241
Total General Revenues					2,363,871,893	1,547,519,874	3,911,391,767
Change in Net Position					250,428,107	230,175,268	480,603,375
Net Position at Beginning of Year					1,026,201,618	1,350,938,552	2,377,140,170
Net Position at End of Year					$ 1,276,629,725	$ 1,581,113,820	$ 2,857,743,545

See accompanying notes to the financial statements.

Exhibit III

COUNTY OF LOUDOUN, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	General	Capital Projects	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 1,702,430,728	$ -	$ -	$ 2,095,550	$ 1,704,526,278
Restricted Cash	174,942,584	169,320,224	16,337,361	9	360,600,178
Investments	203,270,618	-	-	-	203,270,618
Receivables, Net:					
Taxes:					
Delinquent	78,076,690	-	-	1,837,831	79,914,521
Not Yet Due	966,308,902	-	-	-	966,308,902
Accounts	19,382,171	6,499	104,764	3,915,569	23,409,003
Due from Other Governments	49,833,062	7,244,216	-	1,434,322	58,511,600
Interfund Receivables	-	630,872,254	116,924,485	264,516,565	1,012,313,304
Prepaid Items	754,173	-	-	4,205,059	4,959,232
Lease Receivables	461,359	-	16,185,951	-	16,647,310
Notes and Loans Receivable, Net	401,455	-	-	17,980,841	18,382,296
Total Assets	$ 3,195,861,742	$ 807,443,193	$ 149,552,561	$ 295,985,746	$ 4,448,843,242
LIABILITIES					
Liabilities:					
Accounts Payable	$ 27,413,318	$ 39,409,700	$ 22,024	$ 11,874,409	$ 78,719,451
Accrued Liabilities	10,861,478	217,610	8,532	65,882	11,153,502
Unearned Revenues	47,223,327	36,324	-	6,662,755	53,922,406
Interfund Payables	1,097,283,689	-	-	851,587	1,098,135,276
Due to Component Unit	333,658,673	26,086,515	93,195,898	6,973,486	459,914,572
Other Liabilities	28,899,084	-	1,815,018	1,590,955	32,305,057
Total Liabilities	1,545,339,569	65,750,149	95,041,472	28,019,074	1,734,150,264
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	60,007,919	-	-	268,585	60,276,504
Property Taxes Not Yet Due	966,308,902	-	-	-	966,308,902
Prepaid Taxes	61,660,385	-	-	692,360	62,352,745
Leases	464,678	-	16,398,725	-	16,863,403
Total Deferred Inflows of Resources	1,088,441,884	-	16,398,725	960,945	1,105,801,554
FUND BALANCES:					
Non-spendable	1,155,627	-	-	-	1,155,627
Restricted	-	281,336,408	-	200,003,422	481,339,830
Committed	334,867,830	379,669,476	-	40,415,035	754,952,341
Assigned	53,870,258	80,687,160	38,112,365	26,587,270	199,257,053
Unassigned	172,186,574	-	-	-	172,186,574
Total Fund Balances	562,080,289	741,693,044	38,112,365	267,005,727	1,608,891,425
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,195,861,742	$ 807,443,193	$ 149,552,561	$ 295,985,746	$ 4,448,843,242

See accompanying notes to the financial statements.

Exhibit IV

COUNTY OF LOUDOUN, VIRGINIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

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

Total Fund balances - governmental funds		$ 1,608,891,425
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	2,589,758,057	
Less accumulated depreciation and amortization	(612,355,267)	1,977,402,790
Delinquent taxes and other long term assets not available to pay for current period expenditures are deferred in the governmental funds.		60,276,504
For debt refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt are reported as a deferred outflow of resources or deferred inflow of resources on the Statement of Net Position.		
Unamortized deferred loss on refunding of debt	1,726,406	
Unamortized deferred gain on refunding of debt	(5,335,868)	(3,609,462)
Amounts related to differences between expected and actual earnings and experience or for contributions made after the measurement date are deferred in the governmental activities and expensed in future periods.		150,143,968
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences	(37,544,118)	
Landfill closure and post closure care costs	(30,456,763)	
Net OPEB Liability	(63,481,056)	
Public-Private Partnership	(27,238,448)	
Unamortized deferred amounts on OPEB	(19,895,459)	
Net Pension Liability	(117,085,241)	
Total Pension Liability (LOSAP)	(35,015,605)	
Unamortized deferred amounts on pension investments	(64,720,391)	
Lease Liability	(85,045,275)	
Information Technology Arrangement Liability	(51,719,523)	
Bonds payable	(1,278,025,000)	
Revenue Bonds payable	(2,275,000)	
Financing Agreements payable	(636,210,000)	
Unamortized premium	(188,296,826)	(2,637,008,705)
Interest on long-term liabilities is not accrued in the governmental funds, but is rather recognized as an expenditure when due.		(7,096,096)
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of Internal Service Funds are included in governmental activities in the Statement of Net Position.		127,629,302
Net Position of Governmental Activities		$ 1,276,629,725

See accompanying notes to the financial statements.

Exhibit V

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General	Capital Projects	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
General Property Taxes	$ 1,904,234,267	$ -	$ -	$ 43,357,804	$ 1,947,592,071
Other Local Taxes	213,734,420	161,025	-	33,256,995	247,152,440
Permits and Licenses	24,350,515	-	-	-	24,350,515
Fines and Forfeitures	1,729,355	-	-	9,587	1,738,942
Use of Money and Property	40,079,393	67,556	9,187,936	5,470,416	54,805,301
Charges for Services	38,662,190	-	-	7,859,864	46,522,054
Gifts and Donations	118,945	-	-	18,934,448	19,053,393
Miscellaneous	3,436,138	8,422	366,814	856,129	4,667,503
Recovered Costs	12,178,989	1,620,407	-	14,392,038	28,191,434
Intergovernmental - Commonwealth	98,300,803	14,429,026	-	6,099,447	118,829,276
Intergovernmental - Federal	20,710,022	9,384,154	-	14,158,698	44,252,874
Payment from Component Unit	769,227	-	-	-	769,227
Total Revenues	2,358,304,264	25,670,590	9,554,750	144,395,426	2,537,925,030
EXPENDITURES					
Current Operating:					
General Government Administration	119,093,541	21,819,597	314,677	5,151,811	146,379,627
Judicial Administration	23,982,821	-	-	151,305	24,134,126
Public Safety	266,989,587	2,714,648	-	7,042,097	276,746,332
Public Works	27,457,923	15,844,057	-	23,796,408	67,098,388
Health and Welfare	107,748,467	203,431	-	10,814,651	118,766,549
Parks, Recreation and Culture	84,641,486	5,476,225	-	1,752,856	91,870,566
Community Development	69,116,917	103,015,202	-	34,221,616	206,353,735
Education	1,113,531,198	701,163	36,945,995	128,405,000	1,279,583,356
Capital Outlay	61,684,707	140,988,332	-	4,193,043	206,866,083
Debt Service:					
Principal Payments - Debt	-	-	147,510,000	-	147,510,000
Interest - Debt	-	-	70,417,083	-	70,417,083
Principal Payments - Leases	9,072,835	84,739	-	-	9,157,574
Interest - Leases	2,101,225	308	-	-	2,101,533
Principal Payments - IT Subscriptions	9,306,438	404,014	15,886	-	9,726,338
Interest - IT Subscriptions	258,996	40,950	1,614	-	301,560
Service Charges	-	-	1,874,897	-	1,874,897
Total Expenditures	1,894,986,141	291,292,666	257,080,152	215,528,787	2,658,887,746
Excess (Deficiency) of Revenues Over (Under) Expenditures	463,318,123	(265,622,076)	(247,525,402)	(71,133,361)	(120,962,716)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,391,203	344,545,838	224,913,529	74,179,537	645,030,107
Transfers Out	(437,416,423)	(7,012,794)	(6,017,166)	(202,809,578)	(653,255,961)
Bonds Issued	-	-	-	189,690,000	189,690,000
Financing Agreements Issued	-	-	-	37,215,000	37,215,000
Leases Issued	19,273,781	-	-	-	19,273,781
IT Subscriptions Commenced	14,636,631	6,609,661			21,246,292
Public-Private Partnerships Entered	27,238,448	-	-	-	27,238,448
Refunding Bonds Issued	-	-	64,680,000	-	64,680,000
Premium on Bonds Issued	-	-	33,877,608	-	33,877,608
Premium on Financing Agreements	-	-	4,662,282	-	4,662,282
Payment to Refunded Bond Escrow Agent	-	-	(71,659,190)	-	(71,659,190)
Sale of Capital Assets	171,247	-	-	22,875	194,122
Total Other Financing Sources (Uses), net	(374,705,113)	344,142,705	250,457,063	98,297,834	318,192,489
Net Change in Fund Balances	88,613,010	78,520,629	2,931,661	27,164,473	197,229,773
Fund Balances at Beginning of Year	473,467,279	663,172,415	35,180,704	239,841,254	1,411,661,652
Fund Balances at End of Year	$ 562,080,289	$ 741,693,044	$ 38,112,365	$ 267,005,727	$ 1,608,891,425

(A) The total expenditures by function do not equal the total expenditures by function in Schedule 1 due to implementation of GASB Statements No. 87 Leases and No. 96 SBITAs. The capital outlay and debt service amounts related to leases and SBITAs are included in the expenditure totals by function in Schedule 1 and shown distinctly as Capital Outlay and Debt Service in Exhibit V. The total expenditures presented in both schedules agree.

See accompanying notes to the financial statements.

Exhibit VI

COUNTY OF LOUDOUN, VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Amounts reported for governmental activities (Exhibit II) are different because:		
Net change in fund balances - total governmental funds		$ 197,229,773
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	255,808,302	
Less current year depreciation and amortization	(78,476,157)	177,332,145
In the Statement of Activities, the loss on capital assets is reported while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of capital asset dispositions.		(2,381,675)
Certain transactions such as donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.		32,147,739
Public-Private Partnership acquisition of net assets that is applicable to a future reporting period that does not provide current financial resources to governmental funds		(27,238,448)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue related to taxes	30,622,279	
Change in deferred outflows related to OPEB	(8,333,702)	
Change in deferred outflows related to pensions	(23,111,073)	(822,496)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal Payments	238,470,691	
Bond and Loan Proceeds	(330,124,890)	
Lease Proceeds	(19,273,781)	
IT Subscription Proceeds	(61,445,861)	
Current year amortization of premium	31,303,188	
Current year amortization of deferred amount of refunding	(3,256,959)	(144,327,612)
Expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences liability	(1,225,029)	
Change in landfill closure/post-closure liability	(6,174,353)	
Change in Net OPEB Liability	(2,426,438)	
Change in Net Pension Liability	(32,795,209)	
Change in Total Pension Liability (LOSAP)	1,867,397	
Change in deferred inflows related to pensions	53,134,275	
Change in deferred inflows related to OPEB	10,874,736	
Change in accrued interest liability	(742,216)	22,513,163
Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue of the internal service funds is reported with governmental activities.		(4,024,482)
Change in Net Position of Governmental Activities		$ 250,428,107

Exhibit VII

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF FUND NET POSITION
PROPRIETARY - INTERNAL SERVICE FUNDS
AS OF JUNE 30, 2023

ASSETS	
Current Assets:	
Restricted Cash	$ 1,970,000
Receivables, Net	40,737
Interfund Receivables	85,868,337
Inventory	65,409
Prepaid Items	1,234,513
Total Current Assets	89,178,996
Long-term Assets:	
Capital Assets:	
Depreciable, Net	69,454,386
Total Long-term Assets	69,454,386
Total Assets	158,633,382
LIABILITIES	
Current Liabilities:	
Accounts Payable	7,887,945
Due to Component Unit	257,424
Claims Liabilities	13,383,840
Accrued Interest Payable	7,731
Accrued Liabilities	407,666
Lease Liabilities Due Within One Year	562,695
Total Current Liabilities	22,507,301
Long-term Liabilities:	
Claims Liabilities	3,822,490
Lease Liabilities Due in More Than One Year	4,674,289
Total Long-term Liabilities	8,496,779
Total Liabilities	31,004,080
NET POSITION	
Investment in Capital Assets	69,454,386
Unrestricted	58,174,916
Total Net Position	$ 127,629,302

See accompanying notes to the financial statements.

Exhibit VIII

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Operating Revenues:	
Charges for Services	$ 90,549,374
Use of Property	30,070
Miscellaneous	1,104,585
Total Operating Revenues	91,684,029
Operating Expenses:	
Personnel Services	362,401
Other Services and Charges	10,920,465
Materials and Supplies	1,454,153
Depreciation and Amortization	12,010,729
Claims	80,602,249
Total Operating Expenses	105,349,997
Operating Loss	(13,665,968)
Non-Operating Revenues (Expenses):	
Gain on Sale of Capital Assets	1,520,446
Interest Expense	(104,814)
Total Non-Operating Revenues (Expenses)	1,415,632
Net Loss Before Transfers	(12,250,336)
Transfers In	8,225,854
Total Transfers	8,225,854
Change in Net Position	(4,024,482)
Net Position at Beginning of Year	131,653,784
Net Position at End of Year	$ 127,629,302

See accompanying notes to the financial statements.

Exhibit IX

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CASH FLOWS
PROPRIETARY - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities	
Receipts from Customers	$ 91,893,003
Payments to Suppliers for Goods and Services	(8,213,229)
Payments for Interfund Services Used	243,386
Claims Paid	(80,019,770)
Payments to Employees	(382,503)
Net Cash Provided by Operating Activities	3,520,887
Cash Flows from Non-capital Financing Activities:	
Transfers In	8,225,854
Net Cash Provided by Non-capital Financing Activities	8,225,854
Cash Flows from Capital and Related Financing Activities:	
Additions to Capital Assets	(12,675,069)
Principal payments on obligations under leases	(534,124)
Interest payments on obligations under leases	(103,009)
Proceeds from Sale of Capital Assets	1,575,461
Net Cash Used in Capital and Related Financing Activities	(11,736,742)
Net Increase in Cash and Cash Equivalents	10,000
Cash and Cash Equivalents at Beginning of Year	1,960,000
Cash and Cash Equivalents at End of Year	$ 1,970,000
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	$ (13,665,968)
Adjustment Not Affecting Cash:	
Depreciation and Amortization	12,010,729
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:	
Receivables, Net	208,974
Interfund Services	243,386
Inventory	6,377
Prepaid Items	249,651
Accounts Payable	4,413,260
Claims Liabilities	582,479
Accrued Liabilities	(528,001)
Total Adjustments	17,186,855
Net Cash Provided by Operating Activities	$ 3,520,887
Non-Cash Capital Related Financing Activities:	
Capital Assets Acquired by Entering Leases	$ 1,498,239
Gain on Sale of Capital Assets	$ 1,520,446

See accompanying notes to the financial statements.

Exhibit X

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2023

	OPEB Trust Fund	Custodial Funds
ASSETS		
Cash and Cash Equivalents	$ -	$ 9,585,500
Restricted Investments at Fair Value	103,990,553	-
Accounts Receivable	625,000	-
Taxes Receivable for Local Governments	-	15,556,570
Total Assets	104,615,553	25,142,070
LIABILITIES		
Accounts Payable	10,507,916	8,655,860
Interfund Payables	46,365	-
Total Liabilities	10,554,281	8,655,860
NET POSITION		
Restricted for:		
Postemployment Benefits Other than Pensions	94,061,272	-
Individuals, Organizations, and Other Governments	-	16,486,210
Total Net Position	$ 94,061,272	$ 16,486,210

Exhibit XI

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	OPEB Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Employer	$ 2,500,000	$ -
Members	-	1,015,051
Other Contributors	-	55,891
Total Contributions	2,500,000	1,070,942
Investments:		
Net Appreciation in Fair Value of Investments	4,475,916	-
Investment Income	630,313	17,345
Total Investment Income	5,106,229	17,345
Less Investment Expense:		
Investment Management Fees	(38,420)	-
Net Investment Income	5,067,809	17,345
Property Taxes Collected for Other Governments	-	31,993,693
Total Additions	7,567,809	33,081,980
DEDUCTIONS		
Benefit Payments to Participants or Beneficiaries	7,831,365	-
Beneficiary Payments to Individuals or Organizations	-	1,196,360
Property Taxes Distributed to Other Governments	-	30,280,856
Administrative Expenses	-	352,280
Total Deductions	7,831,365	31,829,496
Net (Decrease) Increase in Net Position	(263,556)	1,252,484
Net Position at Beginning of Year, as restated (Note XXII)	94,324,828	15,234,438
Net Position at End of Year	$ 94,061,272	$ 16,486,922

See accompanying notes to the financial statements.

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Notes to the Financial Statements

The approximately 90-acre Lovettsville Community Park includes an equestrian facility, an off-leash dog area, amphitheater, a fishing pond, soccer and baseball fields, and hiking trails.

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Exhibit XII

COUNTY OF LOUDOUN, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

The County is a political subdivision of the Commonwealth of Virginia (the State), governed by a nine member elected Board of Supervisors and an appointed County Administrator. As required by GAAP, the financial statements present the government (the Primary Government) and its component unit, the Loudoun County Public School Board (the Schools). The County 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 Schools, described below, is the only component unit of the County.

The Loudoun County Public School Board - The Schools are responsible for elementary and secondary education within the County's jurisdiction. Members of the Schools' governing board (the School Board) are elected. They were most recently elected in November 2019 and assumed their responsibilities on January 1, 2020. 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 Annual Comprehensive Financial Report. A copy of that report may be obtained from the Schools website, http://www.lcps.org.

B. BASIS OF PRESENTATION

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

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

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, however interfund services provided and used, are not eliminated in the process of consolidation.

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

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

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

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 central service funds result from charges to County departments on a cost-reimbursement basis for goods or services provided, and include such activities as central duplicating, telephone, mail, and fleet management services. Revenue for the self-insurance fund is derived primarily from payroll deduction for health insurance premiums, which are set annually and are shared by employees of the Primary Government, and prescription rebates from third party 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 excess revenue or expenses for these funds are allocated to the appropriate functional activity in the Statement of Activities. The operations of these funds are generally intended to be self-supporting.

Additionally, the government reports the following fiduciary funds:

- OPEB Trust Funds – The Other Post Employment Benefits (OPEB) trust fund is used to account for the assets held in trust by the county for other postemployment benefits.
- Custodial Funds – These funds are used to account for monies received, held and disbursed on behalf of certain welfare recipients, certain inmates at the time of incarceration, certain Town's within the boundaries of the County, and monies provided by private donors and other miscellaneous sources, restricted to use for the purchase, maintenance and improvement of war memorials within the County.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Custodial funds within fiduciary fund financial statements are reported using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Accordingly, real and personal property taxes are recorded as unearned revenues and property taxes receivable when billed, net of allowances for uncollectible amounts. Real and personal property taxes recorded at June 30, and received within the first 60 days after year-end, are included in tax revenues with the related amount reduced from unearned revenues.

The property tax calendar is as follows:

	Real Property	Personal Property
Assessment Date	Jan 1	Jan 1
Lien Date	Apr 1	Apr 1
Levy Date	Apr 1	Apr 1
Due Dates	Jun 5/Dec 5	May 5/Oct 5

Sales and utility taxes, which are collected by the Commonwealth of Virginia or utility companies and subsequently remitted to the County, are recognized as revenues and amounts receivable when the underlying exchange transaction occurs, which is generally one to two months preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting of Federal, State and other grants for the purpose of specific programs are recognized when earned or at the time of the specific reimbursable expenditure. Revenues from general purpose grants are recognized during the period to which the grants apply. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt, which is recognized when due.

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. CASH AND TEMPORARY INVESTMENTS

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

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

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

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

All interest is credited to the General Fund, and is then allocated to various Special Revenue Funds. Allocation is based on the monthly interest rate earned on funds invested with the LGIP. For the Capital Projects and Debt Service Funds, interest income on cash held with fiscal agents and trustees is recorded within these respective funds.

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

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

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

F. INVENTORIES

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

G. PREPAID ITEMS

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

H. NONCURRENT NOTES AND LOANS RECEIVABLE

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

I. CAPITAL ASSETS

Capital assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as land, buildings, intangibles (software licenses, easements), right to use assets, road registered vehicles, and equipment.

The County capitalizes tangible assets with a value of more than $10,000.

The County will capitalize certain classes of intangible assets per the following guidelines:

- Easements and rights-of-way with a value greater than $1,000,000 and an expected life of 3 years or more.
- Internally generated computer software with a value greater than $1,000,000 and an expected useful life of three years or more.
- The County will capitalize Subscription-Based Information Technology Arrangements intangible right-to-use assets with a value greater than $100,000 and an expected life of five years or more.
- The County will capitalize all other intangible fixed assets with a value greater than $10,000 and an expected life of five years or more.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

Assets	Years
Buildings	45
Building Improvements	15 - 25
Other Improvements	10 – 20
Infrastructure	20 – 60
Vehicles	5 – 20
Office Equipment	5 – 10
Computer Equipment	5
Intangibles	5 – 20
Right-to-Use*	1 – 45

*Right-to-Use assets are amortized using the straight line method over the shorter of the lease or subscription term or the estimated useful lives

J. COMPENSATED ABSENCES

1. Primary Government Employees - In 1994, the Primary Government adopted a policy under which employees can accumulate and be paid-out upon employment separation, a maximum of 364 hours of earned but unused annual (vacation) leave. Employees with accrued balances in excess of 364 hours may utilize their accumulated balances in excess of 364 hours by the end of the leave year. Unused annual leave hours in excess of 364 at the end of the leave year are forfeited by each employee. As of June 30, 2023, $28,807,888 of earned but unused annual leave was accrued as compensated absences.

   In 2004, the Primary Government adopted a policy under which non-exempt employees will receive payment at year-end for unused exchange time, with the exception of exchange time earned during the last two full pay periods of the leave year, which will carry over to the following year. Non-exempt employees will receive payment of all exchange time leave balances upon separation from County employment. In 2021, the Primary Government changed the policy so that exempt employees are not eligible to earn exchange time leave. However, the County Administrator is authorized to designate certain exempt positions as eligible to earn exchange time leave based on operational need. As of June 30,2023, $188,242 of unused exchange time was accrued as compensated absences.

   Effective July 1, 2021, employees with 10 or more years of service are compensated for unused sick leave when they leave County employment. Employees meeting these criteria will be compensated for 25% of unused sick leave to a maximum amount of $20,000 per individual based on years of service. As of June 30, 2023, $8,547,987 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 annual leave as of the end of each fiscal year. Any excess annual hours are converted to sick leave. School employees who terminate their employment will have the annual leave prorated based on the total amount earned for the school year. Payment for earned annual leave will be calculated based upon the employee's regular rate of pay at the time of separation. Teachers do not accumulate annual leave. As of June 30, 2023, $30,742,701 of accumulated vacation leave was accrued as compensated absences.

   Any School retiree with ten or more years of service will receive 25% of their final daily wage for each day of unused sick leave, not to exceed an index of 25% of the previous year's average teacher salary for LCPS as reported in the State of Virginia's Annual School Report. The allowed maximum is $19,544 per individual for FY23. As of June 30, 2023, $20,202,662 of unused sick leave was accrued as compensated absences.

   Additionally, any School retiree with ten or more years of service is eligible for a salary supplement equal to 0.5% of the final annual salary multiplied by the number of years of service to LCPS. The amount shall not exceed $2,500 nor be less than $500. As of June 30, 2023, $7,467,917 of eligible retiree salary supplement was accrued.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. LONG-TERM OBLIGATIONS

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

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

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources*,* which represents a consumption of net assets that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The County has three items that qualify for reporting in this category, deferred amounts related to pensions, deferred amounts related to other post employment benefits, and deferred losses on refunding debt. These amounts are reported in the government-wide Statement of Net Position. Deferred amounts related to pensions and other post employment benefits may include employer contributions after the measurement date, which will be recognized as an expense in the next fiscal period, and amounts deferred due to differences in expected versus actual experience, proportionate share of the GLI, and changes in assumptions and other inputs, which will be amortized over a closed period equal to the average of the expected remaining service lives of plan participants. Deferred losses on refunding debt results from the difference in the carrying value of refunded debt and its reacquisition price and will be amortized over the shorter of the life of the refunded or refunding debt.

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

M. PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's defined benefit pension plans and the additions to/deductions from the County's defined benefit pension plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS), and County of Loudoun Volunteer Fire/Rescue Length of Service Award Program (LOSAP). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Virginia Retirement System (VRS) OPEB Plans and the additions to/deductions from the Loudoun County OPEB Trust Fund net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS), to include the VRS Group Life Insurance (GLI) Plan and Virginia's Line of Duty Act (LODA) Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. LEASES AND SUBSCRIPTIONS

The County recognizes a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements related to its leases of buildings and equipment. The County recognizes lease liabilities with an initial, individual value of $5,000 or more. The County recognizes a subscription liability and right-to-use subscription asset (Subscription Based Information Technology Arrangement, SBITA, asset) in the government-wide financial statements related to its information technology software contracts that convey the control of the right to use another party's software for the term of the contract. The County recognizes subscription liabilities with an initial, individual value of $100,000 or more.

At the commencement of a lease or subscription, the initial measurement of liability is at the present value of payments expected to be made during the contract term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at, or before the commencement date, plus certain initial direct costs. For subscriptions, capitalizable implementation costs less any incentives received from the vendor are also included in the asset measurement. Subsequently, the asset is amortized on a straight-line basis over the shorter of the term or the estimated useful life.

Key estimates and judgments related to leases and subscriptions include how the County determines (1) the discount rate it uses to discount the expected payments to present value, (2) term, and (3) payments. The County uses the interest rate charged by the lessor or vendor as the discount rate. When the interest rate charged by the lessor or vendor is not provided, the County uses its estimated incremental borrowing rate as the discount rate, unless an implied rate can be calculated. The term includes the noncancellable period of the lease or right to use the underlying information technology assets. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and any variable payments that are fixed in substance.

The County monitors changes in circumstances that would require a remeasurement of its lease and subscription and will re-measure the associated assets and liabilities if certain changes occur that are expected to significantly affect the amount of the liability.

Lease and subscription assets are reported with other capital assets and liabilities are reported with long-term debt on the statement of net position.

O. FUND BALANCE FLOW ASSUMPTIONS

The Board of Supervisors (Board) adopted a revised Fiscal Policy in December 2014, which establishes the spending order of fund balance when both restricted and unrestricted fund balance are available. For the General Fund, Special Revenue Funds, Capital Funds and the Debt Service Fund, when an expenditure is incurred, restricted fund balance is to be spent first, then committed fund balance, then assigned fund balance, and lastly unassigned fund balance

P. FUND BALANCE POLICIES

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

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

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

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. ACCOUNTING PRONOUNCEMENTS

The County has implemented the following GASB pronouncements in fiscal year 2023:

i. Statement No, 91, *Conduit Debt Obligations*. This Statement, issued in May 2019, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

ii. Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* This Statement, issued in March 2020, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

iii. Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). This Statement, issued in May 2020, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended.

iv. Statement No. 99, *Omnibus 2022.* This Statement, issued in April 2022, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The County is currently reviewing the following GASB pronouncements issued on or before June 30, 2023 and effective for future periods for their impact to the reporting entity:

i. Statement No. 100, *Accounting Changes and Error Corrections*. This Statement is effective for periods beginning in fiscal year 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

ii. Statement No. 101, *Compensated Absences* This statement, issued in June 2020, enhances recognition and measurement guidelines for compensated absences. This Statement is effective for periods beginning in fiscal year 2025.The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

iii. Implementation Guide No. 2023-1, *Implementation Guidance Update - 2023.* This Implementation Guide provides guidance that clarifies, explains, or elaborates on GASB Statements. This Implementation Guide amends Implementation Guide No. 2019-3, Leases, Question 4.16, and Implementation Guide No. 2021-1, Implementation Guidance Update—2021, Question 4.13.

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, Capital, and Debt Service Funds and the School's Operating and Debt Service Funds. The legal level of budgetary control for the General Fund is at the fund level, management control is maintained at the department level. The following Primary Government Special Revenue Funds also have legally adopted budgets: Route 28 Special Improvements, Children's Services Act, Legal Resource Center, Federally Forfeited Property Fund, Transient Occupancy Tax, Community Development Authority, Rental Assistance Program, Greenlea District, State and Federal Grants, Tall Oaks Water and Sewer, Public Facilities, Sheriff's Fund, Animal Shelter, Affordable Housing, Transportation District, Uran Holocaust, Horton Program for the Arts, Symington, EMS Transport, Metro Garages, and Plastic Bag Tax. The adopted budget also includes an appropriation for 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.

As of June 30, 2023, no funds had deficit fund balances.

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

NOTE III - BANK DEPOSITS AND INVESTMENTS

Investment Policy

In accordance with the *Code of Virginia*, the County's Investment Policy (Policy), as approved by the Finance Board on April 14, 2022 permits investments in U.S. Government obligations, obligations of the Commonwealth of Virginia or political subdivisions thereof, prime quality commercial paper, bankers' acceptances, repurchase agreements, certificates of deposit (non-negotiable only), money market funds, VML/VACo investment Pool, and the State Treasurer's Local Government Investment Pool (Virginia LGIP).

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

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

Investment Type	Maximum Diversification	Limits Within Investment Type
U.S. Treasury Obligations	100% of Portfolio	
State of Virginia LGIP	100% of Portfolio	
Non-Negotiable Certificates of Deposit or CDARS	90% of Portfolio	Maximum of 50% of the total portfolio with any one institution
Repurchase Agreements	60% of Portfolio	Maximum of 60% of the total portfolio with any one institution
U.S. Government Agency Securities & Government Sponsored Corporations	50% of Portfolio	Maximum of 35% of the total portfolio with any one issuer
High Quality Corporate Notes	50% of Portfolio	AA or Aa2 minimum
Money Market Accounts	50% of Portfolio	
Municipal Obligations	50% of Portfolio	AA minimum
Prime Quality Commercial Paper	35% of Portfolio	Maximum of 5% of the total portfolio may be invested in the commercial paper of one issuing corporation. A-1 / P-1 minimum
VML/VACo Investment Pool	20% of Portfolio	
Bankers' Acceptances	10% of Portfolio	Maximum of 25% of the total portfolio with any one institution
State Non-Arbitrage Pool (SNAP)	100% of Bond Proceeds Only	

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

The County limits exposure to interest rate risk by limiting the maturity of investments purchased. The General Portfolio will be structured so that securities mature concurrent with anticipated cash needs in conjunction with the following guidelines:

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

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

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

Credit Risk:

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

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

NOTE III - BANK DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2023, the Portfolio was invested as follows:

3.65% of the portfolio was invested in “Aaa”, ”AA+” or better rated agency obligations

1.81% was invested in “A-1+/P-1“ short term commercial paper

1.03% was invested in “A-1/P-1“ short term commercial paper

55.17% was invested in “AAAm” rated state run pooled money market fund

25.22% was invested in fully collateralized bank CD’s or MMKT/Savings/NOW Accounts

10.19% was invested in “AAA” rated U.S. Treasury securities

2.93% was invested in “Aaa/AA+” corporate bonds

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

Concentration of Credit Risk

As of June 30, 2023, there were no securities that exceeded 5% of the total portfolio, excluding the Virginia LGIP and U.S. Government guaranteed obligations.

Interest Rate Risk

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

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

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

As of June 30, 2023, the following securities were held that had call features:

Fund	Maturity Date	Issue	Fair Value	Par/Cost	Yield %	Step Features
General Fund	11/3/2023	FFCB	$ 9,817,869	$ 10,000,000	0.170	2.75 year, non-callable for 3 months, continuous calls
	3/15/2024	FHLB	9,629,147	10,000,000	0.375	3 year, non-callable for 3 months, quarterly calls
	4/29/2026	FHLB	4,506,848	5,000,000	0.900	5 year step up, one time call 04/22/2022 and steps to 1% through 04/29/2026
	6/01/2027	FFCB	4,768,698	5,000,000	3.450	5 year, continuous call after 09/1/2022
	7/07/2026	FHLB	8,977,412	10,000,000	1.030	5 year, non-callable for 6 months, quarterly calls
	7/21/2026	FHLB	9,060,015	10,000,000	1.190	5 year step up, non-callable for 3 months, quarterly calls
	8/25/2026	FHLB	4,498,066	5,000,000	0.970	5 year, non-callable for 1 year, annual calls
	8/26/2026	FHLB	8,962,716	10,000,000	0.900	5 year step up, non-callable for 1 year, annual calls

NOTE III - BANK DEPOSITS AND INVESTMENTS (Continued)

On June 30, 2023, the County had the following investments and maturities
(Cash and Cash Equivalents, and Investments in Exhibit I and Exhibit X)

		Maturity				
Account and Investment Type	**Fair Value**	**Less Than 3 Months**	**Between 3-6 Months**	**Between 6-12 Months**	**Between 13-24 Months**	**Between 24-60 Months**
Cash and Cash Equivalents						
Bank Deposits	$ 15,429,450	$ 15,429,450	$ -	$ -	$ -	$ -
Money Market Funds	139,079,880	139,079,880	-	-	-	-
LGIP	1,057,852,078	1,057,852,078	-	-	-	-
Certificates of Deposit (CD) – Commercial Banks	272,321,906	60,534,403	80,942,129	128,075,753	850,253	1,919,368
CD Account Registry Service	56,665,879	13,114,086	38,551,793	5,000,000	-	-
U.S. Government Agencies	19,591,841	-	19,591,841	-	-	-
Commercial Paper (CP)	54,416,233	44,592,983	9,823,250	-	-	-
U.S. Treasury Obligations	98,754,511	59,415,839	39,338,672	-	-	-
Subtotal	$ 1,714,111,778	$ 1,390,018,719	$ 188,247,685	$ 133,075,753	$ 850,253	$ 1,919,368
Investments						
U.S. Government Agencies	$ 50,402,902	$ -	$ -	$ 9,629,147	$ -	$ 40,773,755
U.S. Treasury Obligations	96,606,250	-	-	67,979,297	28,626,953	-
Corporate Notes	56,261,466	-	19,838,630	26,282,682	10,140,154	-
Subtotal	$ 203,270,618	$ -	$ 19,838,630	$ 103,891,126	$ 38,767,107	$ 40,773,755
Total Cash & Investments	**$ 1,917,382,396**	**$ 1,390,018,719**	**$ 208,086,316**	**$ 236,966,879**	**$ 39,617,360**	**$ 42,693,123**

The Component Unit's cash is not pooled with the Reporting Entity cash and investments and, therefore, is not included in the above presentation. These deposits were covered by Federal Depository Insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

Custodial Credit Risk

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

As of June 30, 2023, all of the County's securities, other than bank certificates of deposit, were held in a highly rated bank's safekeeping department in the County's name.

The County invests in an externally managed investment pool, the LGIP, which is not SEC-registered. The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. The portfolio meets all the criteria within GAAP and is valued by the amortized cost method. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

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

The Primary Government and component unit's OPEB trust fund participates in the Virginia Pooled OPEB Trust. Funds of participating jurisdictions are pooled and invested in the name of the Virginia Pooled OPEB Trust. The Board of Trustees of the Virginia Pooled OPEB Trust establishes investment objectives, risk tolerance, and asset allocation policies in light of market and economic conditions and generally prevailing prudent investment practices. At June 30, 2023, the Primary Government's share in this pool was $103,990,553 as reported on the face of the OPEB trust fund statement found in Exhibit X. At June 30, 2023, the Component Unit-Schools' share in this pool was $255,450,883 as reported on the face of the Component Unit trust fund statement found in Schedule 45.

The Primary Government is the administrator of a noncontributory, single employer, defined benefit Length of Service Award Program (LOSAP). The Plan was established and is maintained to provide retirement benefits to vested participants in the Plan at the time of their retirement from Fire and Rescue Volunteer Services. Investments are selected, monitored and evaluated by the LOSAP Committee of Loudoun County and investment services are provided by RBC Wealth Management. The County has a written policy establishing investment guidelines, and exercises prudent investing principals with a goal of achieving a long-term rate of return of 5.5%. General Fund plan contributions are currently held in an investment account with Comerica. Investments are held 100% in short-term money market investments. On June 30, 2023, the fair value of investments totaled $26,260,997.

Fair Value Measurements

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

NOTE III - BANK DEPOSITS AND INVESTMENTS (Continued)

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

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

Short-term investments, which generally include investments in money market type securities and commercial paper, are reported at amortized cost, which approximates fair value. As of June 30, 2023, U.S. Government and U.S. Treasury securities reported at amortized cost were $9,773,972 and $49,284,663, respectively.

The County had the following recurring fair value measurements on June 30, 2023.

U.S. Government securities of $60,220,771, U.S. Treasury securities of $146,076,099 and Corporate Notes of $56,261,466 are valued using significant other observable inputs, a level 2 input. Securities are valued at the end of the statement period with prices available from reference sources deemed reliable.

Restricted cash and investments

Restricted cash and investments consist of the following amounts:

Fund	Description	Governmental Activities	Component Unit - Schools	Fiduciary Activities
General Fund	Volunteer Fire and Rescue LOSAP Pension Benefits	$ 26,260,997	$ -	$ -
	General Obligation Bond Proceeds - Component Unit - Schools	148,343,976	-	-
	Facilities Escrow	-	130,000	-
	Deposits Held by Fiscal Agent for Section 125 Benefits	337,611	-	-
Total General Fund		**$ 174,942,584**	**$ 130,000**	**$ -**
Capital Projects Fund	General Obligation Bond Proceeds	169,320,224	-	-
Debt Service Fund	Bond Proceeds held for Debt Service	16,337,361	-	-
Non-Major	Affordable Housing Fund	9	-	-
	Unspent Lease Proceeds	-	4,648,885	-
Internal Service Funds	Self-insurance Fund	1,970,000	4,840,000	-
Fiduciary Funds	OPEB Trust Fund	-	-	103,990,553
Total Restricted Cash and Investments		**$ 362,570,178**	**$ 9,618,885**	**$ 103,990,553**

NOTE IV – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables for the Primary Government at June 30, 2023 are as follows:

	Taxes	Accounts	Due from Other Governments	Total Receivables
General Fund	$ 1,058,888,801	$ 19,396,253	$ 49,833,062	$ 1,128,118,116
Capital Projects Fund	-	6,499	7,244,216	7,250,715
Debt Service Fund	-	104,764	-	104,764
Non-Major Governmental Funds	1,841,297	3,915,569	1,434,322	7,191,188
Internal Service Funds	-	40,737	-	40,737
Gross Receivables	1,060,730,098	23,463,822	58,511,600	1,142,705,520
Less: allowance for uncollectible	(14,506,675)	(14,082)	-	(14,520,757)
Total Governmental Activities	**$ 1,046,223,423**	**$ 23,449,740**	**$ 58,511,600**	**$ 1,128,184,763**

Payables for the Primary Government at June 30, 2023 are as follows:

	Vendors	Accrued Interest	Accrued Liabilities	Total Payables
General Fund	$ 27,413,318	-	$ 10,861,478	$ 38,274,796
Capital Projects Fund	39,409,700	-	217,610	39,627,310
Debt Service Fund	22,024	7,096,084	8,532	7,126,640
Non-Major Governmental Funds	11,874,409	-	65,882	11,940,291
Internal Service Funds	7,887,945	7,731	407,666	8,303,342
Total Governmental Activities	**$ 86,607,396**	**$ 7,103,815**	**$ 11,561,168**	**$ 105,272,379**

NOTE V – INTERFUND BALANCES

Payments for all expenditures and receipts for all revenue collections are transacted through the General Fund on behalf of all other funds of the County for the primary purpose of providing operational support for the receiving fund. As a result, interfund payables are recorded in the General Fund when revenue is received on behalf of another fund and when amounts are transferred to other funds based on budgetary authorization. Interfund receivables are recorded in the General Fund when expenditures are paid on behalf of another fund. All interfund balances are expected to be paid within one year. The composition of interfund balances as of June 30, 2023 is as follows:

Governmental Activities	Interfund Receivables	Interfund Payables
General Fund	$ -	$ 1,097,283,689
Capital Projects Fund	630,872,254	-
Debt Service Fund	116,924,485	-
Non-Major Governmental Funds	264,516,565	851,587
Internal Service Funds	85,868,337	-
Fiduciary Funds	-	46,365
Total	**$ 1,098,181,641**	**$ 1,098,181,641**

NOTE VI – INTERFUND TRANSFERS

The primary purpose of interfund transfers is to provide funding for operations, debt service, and capital projects. Transfers move revenue from the fund that statute or budget requires to collect it to the fund that statute or budget requires to expend it and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization. Interfund transfers for the year ended June 30, 2023 consist of the following:

	Transfers In					
Transfers Out	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Internal Service Funds	Total
General Fund	$ -	$ 168,721,900	$ 199,402,538	$ 61,919,587	$ 7,372,398	$ 437,416,423
Capital Projects Fund	-	-	4,736,919	1,422,419	853,456	7,012,794
Debt Service Fund	-	6,017,166	-	-	-	6,017,166
Non-Major Governmental Funds	1,391,203	169,806,772	20,774,072	10,837,531	-	202,809,578
Total Primary Government	**$ 1,391,203**	**$ 344,545,838**	**$ 224,913,529**	**$ 74,179,537**	**$ 8,225,854**	**$ 653,255,961**

During the year ending June 30, 2023, the County made the following one-time transfers:

1) One-time transfers to the Debt Service Fund to fund general long-term debt principal, interest and related costs include $199,402,538 from the General Fund.
2) One-time transfers to the Capital Projects Fund to finance capital construction include $56,889,961 from the General Fund.
3) One-time transfers related to the Transportation District Fund include $40,250,076 from the General Fund and the Public Facilities Fund. Additionally, the Transportation District Fund transferred $40,250,076 to the Capital Projects Fund to finance capital construction.
4) One-time transfers to the Affordable Housing Fund of $2,200,000 from the General Fund.
5) One-time transfers to the Debt Service Fund to return $93,750 of unspent project funds from the Capital Projects Fund.

NOTE VII - NONCURRENT NOTES AND LOANS RECEIVABLE - PRIMARY GOVERNMENT

Noncurrent notes and loans receivable consisted of the following at June 30, 2023

Notes & Loans Receivable	$ 19,210,260
Allowance for Uncollectible Accounts	(827,964)
Net Notes & Loans Receivable	**$ 18,382,296**

Of the gross amount of notes and loans receivable, $598,171 represents loans to towns and Loudoun Water for the expansion of sewage services. Sewage connection fees are used to repay these loans. The remaining $18,612,089 represents loans to individuals and families under the Affordable Housing and Public Employee Home Ownership Grant programs, and loans to developers of affordable multi-family apartments who are also seeking financing through Virginia Housing (VA) for Low-Income Housing Tax Credits(LIHTCs) or the United States Department of Housing and Urban Development(HUD) 221(d)(4) Affordable programs.

NOTE VIII - CAPITAL ASSETS

Capital assets activity for the Primary Government for the year ended June 30, 2023 is as follows:

	Balance June 30, 2022	Additions/ Increases	Retirement/ Decreases	Transfer	Balance June 30, 2023
Capital Assets Not Being Depreciated					
Land	$ 207,510,032	$ 33,951,903	$ -	$ -	$ 241,461,935
Infrastructure	135,084,884	12,925,199	-	-	148,010,083
Construction in Progress	232,608,665	85,682,831	-	(148,234,185)	170,057,311
Subscription in Progress	-	221,129	-	-	221,129
Total Capital Assets not Being Depreciated	**575,203,581**	**132,781,062**	**-**	**(148,234,185)**	**559,750,458**
Depreciable and Amortizable Capital Assets:					
Buildings	666,738,908	1,068,240	(1,025,260)	100,597,557	767,379,445
Right-to-use lease buildings	63,308,512	15,975,952	(2,748,461)	-	76,536,003
Improvements	199,276,001	414,597	(7,334)	43,008,096	242,691,360
Equipment	316,151,105	36,687,401	(10,551,331)	4,628,532	346,915,707
Right-to-use lease equipment	25,720,623	5,536,989	-	-	31,257,612
Right-to-use subscription	-	64,080,540	-	-	64,080,540
Public-Private Partnership building	-	27,238,448	-	-	27,238,448
Infrastructure	597,121,170	18,346,141	-	-	615,467,311
Total Depreciable Capital Assets	**1,868,316,319**	**169,348,308**	**(14,332,386)**	**148,234,185**	**2,171,566,426**
Less Accumulated Depreciation & Amortization					
Acc Depr - Buildings	(178,075,911)	(17,490,972)	650,424	-	(194,916,459)
Acc Amort - Right-to-use lease buildings	(8,098,404)	(9,017,350)	1,122,313	-	(15,993,441)
Acc Depr - Improvements	(53,764,215)	(11,819,133)	7,334	-	(65,576,014)
Acc Depr - Equipment	(182,923,704)	(25,836,028)	10,115,625	-	(198,644,107)
Acc Amort - Right-to-use lease equipment	(1,055,175)	(2,308,784)	-	-	(3,363,959)
Acc Amort - Right-to-use subscription	-	(9,648,200)	-	-	(9,648,200)
Acc Amort - Public-Private Partnership building	-	(379,993)	-	-	(379,993)
Acc Depr - Infrastructure	(181,951,111)	(13,986,424)	-	-	(195,937,535)
Total Accumulated Depreciation & Amortization	**(605,868,520)**	**(90,486,884)**	**11,895,696**	**-**	**(684,459,708)**
Depreciable Capital Assets, Net	**1,262,447,799**	**78,861,424**	**(2,436,690)**	**148,234,185**	**1,487,106,718**
Total Capital Assets, Net	**$ 1,837,651,380**	**$ 211,642,486**	**$ (2,436,690)**	**$ -**	**$ 2,046,857,176**

Primary Government capital assets, net of accumulated depreciation and amortization, at June 30, 2023 are comprised of the following:

General Capital Assets, Net	$ 1,977,402,790
Internal Service Fund Capital Assets, Net	69,454,386
Total Capital Assets, Net	**$ 2,046,857,176**

Depreciation and amortization were charged to governmental functions as follows:

General Government Administration	$ 32,557,036
Judicial Administration	2,413,348
Public Safety	13,217,547
Public Works	19,058,635
Health & Welfare	4,845,136
Parks Recreation & Culture	12,642,134
Community Development	5,753,048
Total Depreciation and Amortization	**$ 90,486,884**

In FY 2023 the County adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (PPP). The County recorded a PPP that qualifies as a Service Concession Arrangement (SCA). The County entered into an agreement in FY 2016 for the construction and operation of a parking garage on County owned land adjacent to the Metrorail Silver Line Ashburn Station. The term of the agreement is 40 years following commencement of revenue service for the Silver Line, which was November 15, 2022. The operator will pay the County variable payments over the term of the agreement contingent on operating income. No payments have been received as of June 30, 2023. Variable payments have not been included in the initial determination of a receivable. The agreement contains no provision for fixed payments and no receivable has been recorded. Upon termination of the agreement, the parking garage will become property of the County. The PPP asset is measured as the underlying asset value when placed in service. The asset is depreciated over the useful life of 45 years, consistent with the County's depreciation of buildings.

NOTE VIII – CAPITAL ASSETS (Continued)

Capital asset activity for the Component Unit - Schools for the year ended June 30, 2023 is as follows:

	Balance June 30, 2022	Additions/ Increases	Retirements/ Decreases	Balance June 30, 2023
Capital Assets Not Being Depreciated				
Land	$ 173,433,737	$ -	$ -	$ 173,433,737
Construction in Progress	133,742,536	167,390,316	(99,671,282)	201,461,570
Total Capital Assets not Being Depreciated	**307,176,273**	**167,390,316**	**(99,671,282)**	**374,895,307**
Depreciable Capital Assets				
Buildings	2,506,455,565	86,461,383	-	2,592,916,948
Machinery and equipment	166,053,035	19,721,392	(10,486,590)	175,287,837
Right-to-use lease equipment, being amortized				
Buildings	1,656,526	2,200,224	-	3,856,750
Equipment	29,936,828	2,040,211	(350,792)	31,626,247
Right-to-use subscription	-	12,344,772	-	12,344,772
Improvements other than buildings	13,614,629	9,740	-	13,624,369
Infrastructure	1,121	78,350	-	79,471
Total Depreciable Capital Assets	**2,717,717,704**	**122,856,072**	**(10,837,382)**	**2,829,736,395**
Less Accumulated Depreciation				
Acc Depr - Buildings	(711,452,063)	(62,308,857)	-	(773,760,920)
Acc Depr - Machinery and equipment	(127,217,635)	(12,288,298)	10,427,628	(129,078,305)
Less accumulated amortization				
Buildings	(311,679)	(520,602)	-	(832,281)
Equipment	(3,943,442)	(3,940,162)	-	(7,883,604)
Acc Amortz - Right-to-use subscription	-	(2,952,584)	-	(2,952,584)
Acc Depr - Improvements other than buildings	(5,777,543)	(1,228,321)	-	(7,005,864)
Acc Depr - Infrastructure	(701)	(56)	-	(757)
Total Accum Depreciation & Amortization	**(848,703,063)**	**(83,238,880)**	**10,427,628**	**(921,514,315)**
Depreciable Capital Assets Net	**1,869,014,642**	**39,617,192**	**(409,754)**	**1,908,222,081**
Total Capital Assets, Net	**$ 2,176,190,915**	**$ 207,007,508**	**$ (100,081,036)**	**$ 2,283,117,387**

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

Program	Program Authorization	Transferred to Fixed Assets by June 30, 2023	Non-Capital Projects in Process at June 30, 2023	Non-Capital Projects Completed by June 30, 2023	Capital Construction in Progress at June 30, 2023	Capital Construction Commitments at June 30, 2023	Remaining to be Committed at June 30, 2023
General Government Administration	$ 1,718,083,315	$ 294,597,917	$ 197,078,390	$ 19,240,456	$ 12,555,120	$ 37,373,649	$ 1,157,237,782
Judicial Administration	520,765,349	74,382,066	-	-	55,555,068	7,053,202	383,775,012
Public Safety	1,297,344,803	298,809,318	15,473,204	10,953,226	44,625,724	26,007,024	901,476,308
Public Works	454,116,823	27,019,919	69,960,556	28,476,626	835,424	10,862,312	316,961,986
Health & Welfare	119,061,548	25,365,479	3,627,325	1,883,781	938,281	2,713,794	84,532,888
Parks, Recreation & Cultural	1,729,816,142	273,843,801	23,529,186	20,121,075	54,760,395	62,422,655	1,295,139,029
Community Development	5,936,177,285	125,348,364	1,018,551,864	460,622,846	787,299	84,394,833	4,246,472,078
Total	**$ 11,775,365,264**	**$ 1,119,366,864**	**$ 1,328,220,525**	**$ 541,298,011**	**$ 170,057,311**	**$ 230,827,470**	**$ 8,385,595,083**

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

At June 30, 2023, the Schools had contractual commitments of $154,470,084 in the Capital Improvements Fund for construction of various projects.

NOTE IX - ENCUMBRANCES

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

General Fund	$	21,199,950
Capital Projects Fund		230,827,470
Internal Service Funds		25,759,833
Non-Major Governmental Funds		9,421,934
Total	**$**	**287,209,187**

NOTE X - RISK MANAGEMENT

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

The School's property and liability insurance program is provided through membership in the Virginia Association of Counties Group Self-Insurance Risk Pool. Member jurisdictions contribute to the pool based on their risk exposures and past claims experience. The property coverage program consists of blanket replacement cost, business real and personal property insurance, boiler and machinery insurance, comprehensive crime and employee dishonesty insurance, and automobile physical damage insurance. The business real and personal property insurance carries a $5,000 deductible per occurrence with the balance of the property coverages carrying a $2,500 deductible per occurrence. The liability insurance program consists of first dollar insurance for general liability, school board legal professional liability, automobile liability, and excess liability for a total limit of $11 million per occurrence (no annual aggregate, deductible or retention applies). Additionally, the Schools carries cyber risk liability insurance with a $2,000,000 limit (per occurrence and annual aggregate) providing coverage due to network security breaches (including hacking and viruses) and online privacy matters (including identity theft). 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 $1,000,000 for claims arising on or before June 30, 2023. 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, CASCO, subcontracted through the County benefits consultant, Segal.

In 1990, the Schools received a Certificate as a Qualified Self-Insurer from the Virginia Workers' Compensation Commission. At that time, the Schools began to self-insure statutory workers' compensation and employer's liability coverages. At the same time, the Schools purchased excess workers' compensation and employer's liability insurance. The excess insurance limits individual claims against the self-insurance program with a specific retention level of $600,000 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 Risk Solutions. Workers' Compensation claims that arose from incidents occurring prior to the self-insured program are covered under the Schools' previous commercial insurance carrier.

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

NOTE X – RISK MANAGEMENT (Continued)

WORKERS' COMPENSATION	Primary Government	Component Unit - Schools	Total
Fiscal Year 2022			
Unpaid Claims Beginning of Fiscal Year	$ 8,683,223	$ 5,236,156	$ 13,919,379
Incurred Claims (including IBNR)	5,641,996	3,896,229	9,538,225
Claim Payments	(3,832,518)	(3,437,345)	(7,269,863)
Unpaid Claims End of Fiscal Year	**$ 10,492,701**	**$ 5,695,040**	**$ 16,187,741**
Fiscal Year 2023			
Unpaid Claims Beginning of Fiscal Year	$ 10,492,701	$ 5,695,040	$ 16,187,741
Incurred Claims (including IBNR)	2,408,818	2,970,525	5,379,343
Claim Payments	(3,058,884)	(2,910,189)	(5,969,073)
Unpaid Claims End of Fiscal Year	**$ 9,842,635**	**$ 5,755,376**	**$ 15,598,011**

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

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

CIGNA Healthcare is contracted as the third-party administrator for the medical plans. The County and Schools offer two (2) medical plan options, a Point of Service (POS) Plan and an Open Access Plus (OAP) Plan. Additionally, the County offers a Consumer Driven Health Plan (CDHP) with Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA) whereas Schools offer a High Deductible Health Plan with Health Savings Accounts (HDHP). In-network services for the POS are covered at 100% with a $20 office visit copay for Primary Care Physicians, and a $35 office visit copay for Specialists. Participants may choose to receive services out-of-network, subject to a $1,500 deductible and 20% co-insurance. Services for the OAP are covered at 90% following a participant's 10% in-network co-insurance, subject to a $250 deductible and, 70% out-of-network, after a participant's 30% co-insurance, subject to a $1,500 deductible. The CDHP option also provides both in and out-of-network benefits. The CDHP includes a $1,500 in-network deductible and 10% in-network coinsurance, $2,500 out-of-network deductible and 30% coinsurance along with an Employer HSA/HRA contribution.

Express Scripts is the third-party administrator for prescription drug benefits. Prescription drug coverage is included with all medical plans utilizing a three tier copay structure and mail-order option. Delta Dental of VA is the third-party administrator for dental benefits providing coverage for preventative, restorative, major services and orthodontia utilizing a coinsurance 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 copay structure for exams and materials.

The County and Schools purchase specific stop-loss insurance from Connecticut General Life Insurance Company (CIGNA) limiting claims against the self-insurance program to $600,000 per occurrence for individual claims for the County and for Schools. The following table shows the amounts that have been accrued as a liability within the self-insurance fund based upon an estimate from the County and School's outside actuary.

NOTE X – RISK MANAGEMENT (Continued)

HEALTH INSURANCE	Primary Government	Component Unit - Schools	Total
Fiscal Year 2022			
Unpaid Claims Beginning of Fiscal Year	$ 4,650,332	$ 12,888,300	$ 17,538,632
Incurred Claims (Including IBNR)	68,221,131	214,029,548	282,250,679
Claim Payments	(66,740,313)	(209,290,001)	(276,030,314)
Unpaid Claims End of Fiscal Year	**$ 6,131,150**	**$ 17,627,847**	**$ 23,758,997**
Fiscal Year 2023			
Unpaid Claims Beginning of Fiscal Year	$ 6,131,150	$ 17,627,847	$ 23,758,997
Incurred Claims (Including IBNR)	78,193,431	221,951,089	300,144,520
Claim Payments	(76,960,886)	(223,481,036)	(300,441,922)
Unpaid Claims End of Fiscal Year	**$ 7,363,695**	**$ 16,097,900**	**$ 23,461,595**

NOTE XI – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

A. OPEB TRUST

General Information about the OPEB Trust Plan

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

Benefits provided: The Plan provides health, dental and vision insurance for eligible retirees and their family through the County's self-insured group health insurance plan, which covers both active and retired members. Retired employees of the County who participate in the retiree medical plans pay a percentage, based on the type of retirement, years of service and type of coverage, of up to 90 percent of the full active premium rate to continue coverage.

Employees covered by benefit terms: As of the July 1, 2021 valuation, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefit payments	780
Active Plan Members	3,107
Total Participants	**3,887**

Contributions: The contribution requirements of plan members of the County are established and may be amended by the Board of Supervisors. The contributions are based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits. The County contributed $2,500,000 to the trust during fiscal year 2023.

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

For the year ended June 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan expenses, was 5.60%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested and other cash flow during the year.

NOTE XI – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Net OPEB Liability

The components of the net OPEB liability are as follows:

Description	FY 2023	FY 2022
Total OPEB Liability	$ 111,978,419	$ 112,361,932
Plan Fiduciary Net Position	94,061,272	94,324,828
Net OPEB Liability	$ 17,917,147	$ 18,037,104
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	84.0%	83.9%

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of July 1, 2021 using update procedures to roll forward the total OPEB liability to the measurement date of June 30, 2023. The following actuarial assumptions, applied to all periods included in the measurement, were utilized unless otherwise specified:

Investment Return: 6.00%, net of investment expense and including inflation

Healthcare Trend: 6.25% initially, grading down to 4.25% ultimate, 4.00% for Medicare

Salary Increase: 3.50%

Mortality rates are based on Pub2010G Headcount with Generational Mortality with SSA Scale (non-safety) and Pub2010S Headcount with Generational Mortality with SSA Scale (safety) (pre/post-retirement), Pub2010G DIS Headcount with Generational Mortality with SSA Scale (non-safety) and Pub2010S DIS Headcount with Generational Mortality with SSA Scale (safety) (post-disablement).

Changes in Actuarial assumptions

The rates of retirement, termination and disability were changed since the prior valuation to mirror the VRS rates. In addition, the discount rate was changed.

Actuarial Methods for Determining Employer Contributions

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

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

Expected Return

The long-term expected rate of return on OPEB plan investments is 6.00% and was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a downward risk adjustment is applied to the baseline expected return.

Best estimates of real rates of return for each major asset class included in the OPEB plan's target asset allocation as of the June 30, 2023 measurement date, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Real Return – Portfolio	Weight
Domestic Equity	6.25%	25.0%
Non-US Equity	6.50%	15.0%
US Fixed Income - Investment	2.15%	46.0%
Global Funds	4.95%	9.0%
Real Estate	4.85%	5.0%
Total Weighted Average Real Return	4.21%	100.0%
Plus Inflation	2.50%	
Total Return w/o Adjustment	6.71%	
Risk Adjustment	-0.71%	
Total Expected Return	**6.00%**	

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

Discount Rate

NOTE XI – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that the County's contributions will continue in addition to the benefits paid.

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

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

The prior year blended rate was 6.00%.

Changes in Net OPEB Liability - OPEB Trust

Changes in Net OPEB Liability	FY 2023	FY 2022
Service Cost	$ 884,580	$ 873,107
Interest	6,563,272	7,447,484
Difference between expected and actual experience	-	(11,897,120)
Changes in assumptions	-	5,642,785
Benefit payments	(7,831,365)	(6,710,142)
Net change in total OPEB liability	$ (383,513)	$ (4,643,886)
Total OPEB liability - beginning	112,361,932	117,005,818
Total OPEB liability - ending (a)	111,978,419	112,361,932
Plan fiduciary net position		
Contributions - employer	$ 2,500,000	$ 5,500,000
Net investment income	5,106,230	(12,486,738)
Benefit payments	(7,831,365)	(6,710,142)
Administrative expense	(38,420)	(64,238)
Net change in plan fiduciary net position	$ (263,555)	$ (13,761,118)
Plan fiduciary net position - beginning	94,324,827	108,085,945
Plan fiduciary net position - ending (b)	94,061,272	94,324,827
Net OPEB Liability - Beginning of Year	18,037,105	8,919,873
Net OPEB Liability - End of Year (a-b)	$ 17,917,147	$ 18,037,105
Plan fiduciary net position as a percentage of the total OPEB Liability	84.0%	83.9%
Covered employee payroll *	$ 104,387,752	$ 122,870,836
Net OPEB liability as a percentage of covered – employee payroll	17.2%	14.7%

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the plans, calculated using the discount rate of 6.00%, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

Discount Rate	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Total OPEB Liability	$ 125,259,896	$ 111,978,419	$ 100,881,382
Plan Net Position	94,061,272	94,061,272	94,061,272
Net OPEB Liability	$ 31,198,624	$ 17,917,147	$ 6,820,110
Ratio of Plan Net Position to Total OPEB Liability	75.1%	84.0%	93.2%

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability of the plans, calculated using the healthcare trend rate of from 6.25% to an ultimate rate of 4.25/4.50% for pre-Medicare and from 4.00% for post-Medicare, as well as what each plan's net OPEB liability would be if it were calculated using trend rates for each year that are 1.00% lower or 1.00% higher than the current rates:

Ultimate Trend Rate	1% Decrease 3.25%/3.50%	Current Ultimate Trend Rate 4.25%/4.50%	1% Increase 5.25%/5.50%
Total OPEB Liability	$ 103,960,728	$ 111,978,419	$ 121,413,606
Plan Net Position	94,061,272	94,061,272	94,061,272
Net OPEB Liability	$ 9,899,456	$ 17,917,147	$ 27,352,334
Ratio of Plan Net Position to Total OPEB Liability	90.5%	84.0%	77.5%

NOTE XI – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

OPEB Expense

County's OPEB Expense	FY 2023	FY 2022
Service Cost	$ 884,580	$ 873,107
Interest on Total OPEB Liability	6,563,272	7,447,484
Difference between expected and actual experience*	(2,363,384)	(2,363,382)
Changes in actuarial assumptions*	(712,255)	(712,255)
Projected Earnings on Plan investments	(5,475,665)	(6,405,491)
Difference between projected and actual earnings*	1,709,995	1,727,898
Administrative expense	38,420	64,238
Total OPEB Expense	**$ 644,963**	**$ 631,599**

* Portions recognized for expense

Deferred Inflow/Outflow Summary

As of June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ 6,837,054	$ -
Differences between expected and actual experience	1,602,023	7,138,272
Changes in actuarial assumptions	3,385,671	3,681,626
Total	**$ 11,824,748**	**$ 10,819,898**

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

Year ended June 30	Amount
2024	$ (645,188)
2025	(1,025,314)
2026	2,601,465
2027	73,887
Total Amount to be Recognized	**$ 1,004,850**

B. LINE OF DUTY ACT PROGRAM

General Information about the Line of Duty Act Program

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

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

Employees covered by benefit terms: As of the July 1, 2021 valuation, the following employees were covered by the benefit terms:

Active plan members	2,004
Inactive plan members currently receiving benefit payments	22
Total Participants	**2,026**

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of July 1, 20211, using update procedures to roll forward the total OPEB liability to the measurement date of June 30, 2023. The following actuarial assumptions, applied to all periods included in the measurement, were utilized unless otherwise specified:

NOTE XI – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Healthcare Trend: 6.25%, initially, grading down to 4.25% ultimate, 4.00% for Medicare

Salary Increase: 3.50%

Mortality rates are based on Pub2010S Headcount with Generational Mortality with SSA20 Scale (pre/post-retirement), Pub2010S DIS Headcount with Generational Mortality with SSA20 Scale (post-disablement).

Changes in Actuarial assumptions.

The rates of retirement, termination and disability were changed since the prior valuation to mirror the VRS rates. In addition, the discount rate was updated based on changes in the municipal bond index rate.

Actuarial Methods for Determining Employer Contributions

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

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

The Actuarial Determined Employer Contribution (ADEC) for fiscal year 2023 was $2,898,000, using a full prefunding discount rate of 3.50%.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13%. There is no prefunding of benefits in a separate trust for this plan, therefore the discount rate is equal to the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023.

Changes in Total OPEB Liability - LODA

Changes in Net LODA OPEB Liability	FY 2023	FY 2022	FY 2021	FY 2020
Total OPEB Liability				
Service Cost	$ 876,142	$ 846,514	$ 817,888	$ 517,916
Interest	1,775,906	1,924,773	1,134,668	960,534
Difference between expected and actual experience	-	(1,548,046)	-	(2,405,830)
Changes in assumptions	(128,757)	(3,107,626)	10,520,902	1,590,326
Benefit payments	(492,600)	(380,197)	(314,079)	(358,946)
Net Change in Total OPEB Liability	$ 2,030,691	$ (2,264,582)	$ 12,159,379	$ 304,000
Total LODA OPEB Liability - Beginning of Year	$ 26,687,909	$ 28,952,491	$ 16,793,112	$ 16,489,112
Total LODA OPEB Liability - End of Year	$ 28,718,600	$ 26,687,909	$ 28,952,491	$ 16,793,112
Plan Fiduciary Net Position				
Contributions - employer	492,600	380,197	314,079	358,946
Benefit payments	(492,600)	(380,197)	(314,079)	(358,946)
Net Change in Plan Fiduciary Net Position	$ -	$ -	$ -	$ -
Plan Fiduciary Net Position - Beginning or Year	-	-	-	-
Plan Fiduciary Net Position - End of Year	-	-	-	-
Total LODA OPEB Liability - Beginning of Year	$ 26,687,909	$ 28,952,491	$ 16,793,112	$ 16,489,112
Total LODA OPEB Liability - End of Year	$ 28,718,600	$ 26,687,909	$ 28,952,491	$ 16,793,112
Plan fiduciary net position as a percentage of the total LODA OPEB Liability	0.0%	0.0%	0.0%	0.0%
Covered - employee payroll	$ 114,143,533	$ 126,076,062	$ 115,073,295	$ 102,000,284
Total OPEB liability as a percentage of covered – employee payroll	25.2%	21.2%	25.2%	16.5%

Sensitivity of the Total LODA OPEB Liability to Changes in the Discount Rate

The following presents the Total LODA OPEB liability of the plans, calculated using the discount rate of 4.13%, as well as what the Total LODA OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

Discount Rate	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Total LODA OPEB Liability	$ 32,325,704	$ 28,718,600	$ 25,679,952
Plan Net Position	-	-	-
Net LODA OPEB Liability	$ 32,325,704	$ 28,718,600	$ 25,679,952
Ratio of Plan Net Position to Total LODA OPEB Liability	0%	0%	0%

NOTE XI – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Sensitivity of the Total LODA OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Total LODA OPEB liability of the plans, calculated using the healthcare trend rate from 6.25% to an ultimate rate of 4.25% for pre-Medicare and 4.00% for post-Medicare, as well as the Total LODA OPEB liability would be if it were calculated using trend rates for each year that are 1.00% lower or 1.00% higher than the current rates:

Ultimate Trend Rate	1% Decrease 3.25%/3.50%	Current Ultimate Trend Rate 4.25%/4.50%	1% Increase 5.25%/5.50%
Total OPEB Liability	$ 24,725,877	$ 28,718,600	$ 33,659,632
Plan Net Position	-	-	-
Net OPEB Liability	$ 24,725,877	$ 28,718,600	$ 33,659,632
Ratio of Plan Net Position to Total OPEB Liability	0%	0%	0%

LODA OPEB Expense

County's OPEB - LODA Expense	FY 2023	FY 2022
Service Cost	$ 876,142	$ 846,514
Interest on Total OPEB Liability	1,775,906	1,924,773
Difference between expected and actual experience*	(319,566)	(319,556)
Changes in actuarial assumptions*	760,317	770,211
Total OPEB Expense	**$ 3,092,799**	**$ 3,221,942**

Deferred Inflow/Outflow Summary

As of June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,913,772
Changes in actuarial assumptions	8,950,894	2,748,383
Total	**$ 8,950,894**	**$ 5,662,155**

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

Year ended June 30	Amount
2024	$ (440,751)
2025	(440,751)
2026	(440,751)
2027	(440,751)
2028	(440,751)
After 2028	(1,084,984)
Total Amount to be Recognized	**$ (3,288,739)**

C. VIRGINIA RETIREMENT SYSTEM GROUP LIFE INSURANCE PROGRAM

General Information about the Group Life Insurance Program

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

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

NOTE XI – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

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

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

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS

Eligible Employees

The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:

- City of Richmond
- City of Portsmouth
- City of Roanoke
- City of Norfolk
- Roanoke City Schools Board

Basic group life insurance coverage is automatic upon employment. Coverage end for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

Benefit Amounts

The benefits payable under the Group Life Insurance Program have several components.

- Natural Death Benefit – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- Accidental Death Benefit – The accidental death benefit is double the natural death benefit.
- Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
  - Accidental dismemberment benefit
  - Safety belt benefit
  - Repatriation benefit
  - Felonious assault benefit
  - Accelerated death benefit option

Reduction in Benefit Amounts

The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently $8,984 effective July 1, 2023.

Contributions: The contribution requirements for the VRS GLI program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia***,** as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the VRS GLI Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or a part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the VRS GLI Program from the County were $1,777,181 and $1,643,323 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

NOTE XI – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

As of June 30, 2023, the County reported a liability of $16,845,309 for its proportionate share of the Net VRS GLI OPEB Liability. The Net VRS GLI OPEB Liability was measured as of June 30, 2022 and the total VRS GLI OPEB liability used to calculate the Net VRS GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2021. The covered employer's proportion of the Net VRS GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 1.39900% as compared to 1.402560% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized VRS GLI OPEB expenses of $1,343,265. Since there was a change in proportionate share between measurement dates, a portion of the VRS GLI OPEB expense was related to deferred amounts from changes in proportion.

Deferred Inflow/Outflow Summary

As of June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to the VRS GLI OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,333,936	$ 675,793
Changes in actuarial assumptions	628,304	1,640,801
Net difference between projected and actual earnings on plan investments	-	1,052,584
Changes in proportionate share	2,587,045	44,228
Employer contributions subsequent to the measurement date	1,777,181	-
Total	**$ 6,326,466**	**$ 3,413,406**

$1,777,181 reported as deferred outflows of resources related to the VRS GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net VRS GLI OPEB Liability in fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VRS GLI OPEB will be recognized in OPEB expense as follows:

Year ended June 30	Amount
2024	$ 505,597
2025	473,115
2026	(225,100)
2027	516,379
2028	(134,112)
Total Amount to be Recognized	**$ 1,135,879**

Actuarial Assumptions

The total VRS GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.5 percent
Salary increases, including inflation –	
General state employees	3.5 percent – 5.35 percent
Teachers	3.5 percent – 5.95 percent
SPORS employees	3.5 percent – 4.75 percent
VaLORS employees	3.5 percent – 4.75 percent
JRS employees	4.0 percent
Locality – General employees	3.5 percent – 5.35 percent
Locality – Hazardous Duty employees	3.5 percent – 4.75 percent
Investment rate of return	6.75 Percent, net of investment expenses, including inflation

Mortality rates – Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-Retirement:

NOTE XI – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally;110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95%of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally;95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70

NOTE XI – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Net VRS GLI OPEB Liability

The net VRS OPEB liability (NOL), for the VRS GLI Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the Group Life Insurance Program are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total VRS GLI OPEB Liability	$ 3,672,085
Plan Fiduciary Net Position	2,467,989
Employers' Net VRS GLI OPEB Liability	$ 1,204,096
Plan Fiduciary Net Position as a Percentage of the Total VRS GLI OPEB Liability	67.21%

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi - Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
Inflation			2.50%
* Expected arithmetic nominal return			7.83%

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

NOTE XI – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Sensitivity of the Net VRS GLI OPEB Liability to Changes in the Discount Rate

The following table presents the proportionate share of the net VRS GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net VRS GLI OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (5.75%) or 1.00% higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net VRS GLI OPEB Liability	**$ 24,511,896**	**$ 16,845,309**	**$ 10,649,657**

GLI Program Fiduciary Net Position

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report. A copy of the 2022 VRS Annual Comprehensive Financial Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2022-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

D. COMBINED OPEB PLANS

The OPEB Plans, OPEB Trust, LODA, and VRS GLI, have been reported separately since each plan has different and distinct characteristics, reporting requirements, and valuations. For purposes of aiding the reader of these financial statements in gaining a full understanding of the impact of total OPEB requirements on the net position of the County, the following combining schedule is presented:

	OPEB TRUST	LODA	VRS GLI	Total OPEB Combined
Net OPEB Liability	$ 17,917,147	$ 28,718,600	$ 16,845,309	$ 63,481,056
OPEB Expense	644,963	3,092,799	1,343,265	5,081,027
Deferred Outflows of Resources				
Net Difference Between Projected and Actual Earnings on Plan Investments	6,837,054	-	-	6,837,054
Differences Between Expected and Actual Experience	1,602,023	-	1,333,936	2,935,959
Employer Contributions After the Measurement Date	-	-	1,777,181	1,777,181
Changes in Proportion	-	-	2,587,045	2,587,045
Changes in Actuarial Assumptions	3,385,671	8,950,894	628,304	12,964,869
Total Deferred Outflows of Resources	11,824,748	8,950,894	6,326,466	27,102,108
Deferred Inflows of Resources				
Net Difference Between Projected and Actual Earnings on Plan Investments	-	-	1,052,584	1,052,584
Differences Between Expected and Actual Experience	7,138,272	2,913,772	675,793	10,727,837
Changes in Proportion	-	-	44,228	44,228
Changes in Actuarial Assumptions	3,681,626	2,748,383	1,640,801	8,070,810
Total Deferred Inflows of Resources	$ 10,819,898	$ 5,662,155	$ 3,413,406	$ 19,895,459

NOTE XII - LEASE RECEIVABLE

The Primary Government is a lessor of seven facilities and recognized a lease receivable and a deferred inflow of resources for each lease. These leases have initial terms of 5 to 40 years and contain one or more renewal options. The County has included renewal periods in the lease term when it is reasonably certain that the renewal option will be exercised.

The County is leasing out approximately 54 acres of land and the sports stadium and training facilities that have been constructed within a County park. The County financed the construction of the facilities by issuing Facility Construction Bonds at total par amount of $17.6M. The principal and interest payments for the debt issued by the County are not secured by the lease payments, however the amount of the lease payments are consistent with the amount of debt service, and the incremental borrowing rate of the Facility Construction Bonds was applied to the value of this lease. The weighted average of All Inclusive Cost True Interest Cost (All-InTIC) rate applicable to each Facility Construction Bonds issued was utilized to discount the lease payments related to this lease.

Except for the Stadium lease, the interest rate implicit in the County leases was not readily determinable, nor explicitly stated in the agreements. Therefore, the County utilized its incremental borrowing rate to discount the lease payments. The total lease receivable for the Primary Government as of June 30, 2023 was $16,647,310.

The Component Unit leases out buildings and land with initial terms up to twenty years, with one or more option renewals, generally for three or five year periods. The renewal periods were included in the lease term when there was reasonable certainty that the renewal option will be exercised. The Component Unit utilized its incremental borrowing rate to discount the lease payments.

NOTE XIII - LEASE AND SUBSCRIPTION LIABILITY

A. LEASE LIABILITY

The Primary Government is a lessee of 631 individual right-to-use assets and recognized a lease liability and an intangible right-to-use lease asset for each lease.This note provides information for leases where the County is a lessee. For leases where the County is a lessor, see Note XII - Lease Receivable.

The County has entered into various lease contracts and is obligated as lessee primarily for real estate facilities, telecommunication and office equipment. The lease terms range from two to twenty five years. The County has included the renewal periods in the lease term when it is reasonably certain that it will exercise the renewal option. Certain real estate leases require additional payments for common area maintenance, real estate taxes and insurance, which are expensed as incurred as non lease component costs.

When the interest rate implicit in the lease contracts was not readily determinable, and when there was no stated rate, the County utilized its incremental borrowing rate to discount the lease payments. The incremental borrowing rate ranged from 0.29% to 3.59% based on the term of the lease. The only exception was a lease contract for a County library in which the lessor has included the stated interest rate of 7%. The library lease contract also includes a purchase option in the amount of $9.2M which the County is reasonably certain to exercise in December, 2023. The present value of the purchase payment at the end of the lease has been included in the lease liability for the Library lease contract.

As of June 30, 2023, the Primary Government was a lessee in 51 real estate leases with terms ranging from 0 - 25 years for a total real estate lease liability of $62,033,369. The Primary Government lease liability for office and information technology equipment was $28,248,890 for 580 items with lease terms ranging from 2 - 17 years.

The Component Unit is obligated under leases covering certain office space, machinery and information technology equipment that expire at various dates during the next seventeen years. Lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in LCPS leases is not readily determinable, an incremental borrowing rate was used to discount the lease payments. The lease liability at year end was $27,376,586.

NOTE XIII - LEASE AND SUBSCRIPTION LIABILITY (Continued)

Leases for property and equipment include the following minimum annual lease payments as of June 30, 2023.

	Primary Government		Component Unit-Schools	
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**
2024	$ 19,498,523	$ 2,085,610	$ 4,462,494	$ 397,997
2025	9,017,566	1,543,969	3,178,387	349,023
2026	7,901,756	1,382,463	1,647,889	318,107
2027	7,025,578	1,225,963	1,529,386	291,484
2028	6,059,332	1,074,754	1,498,705	266,796
2029-2033	22,514,938	3,526,227	7,467,469	940,403
2034-2038	13,393,992	1,366,727	6,581,392	363,096
2039-2043	3,641,563	272,549	1,010,864	6,890
2044-2048	1,229,011	46,939	-	-
Lease Liability and Interest	**$ 90,282,259**	**$ 12,525,201**	**$ 27,376,586**	**$ 2,933,796**

Commitments under leases before the commencement of the lease term

The County has executed the below lease contracts in the reporting fiscal years 2022 & 2023 for which the lease term has not yet commenced as of June 30, 2023

				Lease Payments							
Lease Asset Class	**Lease Facility Address**	**Lease Executed Date**	**Lease Term**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29 - 34**	**Total**	
Real Estate Office Facility	1501 Edwards Ferry Road, N.E., Leesburg, VA 20176	June 17, 2022	5 years	$580,993	$1,411,814	$1,454,168	$1,497,793	$1,542,727	$915,478	$7,402,973	(A)
Real Estate Warehouse Facility	21690 Red Rum Drive, Suites #102-127, Ashburn, VA 20147	July 21, 2023	2 years	161,200	246,636	83,018	-	-	-	490,854	(B)
		Total Lease Commitments		**$742,193**	**$1,658,450**	**$1,537,186**	**$1,497,793**	**$1,542,727**	**$915,478**	**$7,893,827**	

(A) Based on expected lease commencement date of February 1, 2024.
(B) Lease commencement date November 1, 2023.

B. SUBSCRIPTION LIABILITY

For FY 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription Based Information Technology Arrangements* (SBITA). The Primary Government is a party to 54 subscription based contracts granting the right to use vendor-provided information technology (IT) and recognized a subscription liability and an intangible right-to-use subscription asset for each SBITA.

The County has entered into various SBITA contracts. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. The subscription term is the period during which the County has a noncancellable right to use the underlying IT assets plus periods covered by the option to extend the SBITA when exercising the option is reasonably certain. Contract terms range from two to seven years.

When the interest rate implicit in the lease contracts was not readily determinable, and when there was no stated rate, the County utilized its incremental borrowing rate to discount the subscription payments. The incremental borrowing rate ranged from 1.89% to 3.15% based on the term of the subscription.

In cases where the SBITA includes pricing for subscription and nonsubscription components separately, only the subscription component is included in the subscription asset and liability. Variable payments based on usage of the underlying IT assets, or number of user seats, that are not fixed in substance, are not included in the measurement of subscription liability and are instead recognized as expenditures in the period in which the obligation for those payments is incurred.

As of June 30, 2023, the Primary Government reported 54 SBITAs with terms ranging from 2 - 7 years for a total subscription liability of $51,719,523.

NOTE XIII - LEASE AND SUBSCRIPTION LIABILITY (Continued)

The Component Unit is obligated under subscriptions that expire at various dates during the next five years. As the interest rate implicit in LCPS subscriptions is not readily determinable, an incremental borrowing rate was used to discount the subscription payments. The subscription liability at year end was $8,598,269.

Subscriptions include the following minimum annual subscription payments as of June 30, 2023

	Primary Government		Component Unit-Schools	
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**
2024	$ 12,258,853	$ 545,708	$ 2,947,793	$ 248,360
2025	11,466,823	848,407	1,651,589	164,586
2026	11,607,421	593,502	1,175,012	116,443
2027	9,148,988	337,966	1,220,329	82,258
2028	7,175,203	141,315	1,109,115	46,754
2029-2033	62,235	763	494,432	14,478
Subscription Liability and Interest	**$ 51,719,523**	**$ 2,467,661**	**$ 8,598,269**	**$ 672,879**

Commitments under SBITAs before the commencement of the subscription term

The County has executed the below SBITA contracts in the reporting fiscal year 2023 for which the subscription term has not yet commenced

			Subscription Payments					
Subscription Description	**SBITA Executed Date**	**Term**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**Total**
Kinship	January 23, 2023	1 year	$203,258	$116,129	$116,129	$116,129	$116,129	$667,774 (A)
Amplifund Grant Management	April 1, 2023	5 years	183,178	105,000	105,000	105,000	105,000	603,178
LandMarc	September 21, 2018	5 years	619,831	619,831	619,831	619,831	619,831	3,099,155
Noverant Online Learning System	June 6, 2023	5 years	79,658	77,158	77,158	77,158	62,158	373,290
	Total SBITA Commitments		**$1,085,925**	**$918,118**	**$918,118**	**$918,118**	**$903,118**	**$4,743,397**

(A) The initial subscription term shall be for a period of one (1) year. The subscription term shall automatically renew for an additional twelve (12) month period. The parties may, upon signed writing between them, renew the Subscription Term for any additional period in accordance with these or later amended terms. Estimated use of this software is 5 years.

NOTE XIV – LONG TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the Primary Government and Schools for the year ended June 30, 2023:

	Balance at June 30, 2022	Additions	Reductions	Balance at June 30, 2023	Amounts Due Within One Year
Primary Government					
Compensated Absences	$ 36,319,088	$ 4,093,839	$ 2,868,809	$ 37,544,118	$ 1,999,224
Claims Payable	16,623,851	80,602,249	80,019,770	17,206,330	13,383,840
Landfill Closure and Postclosure Care	24,282,410	6,174,353	-	30,456,763	-
Net OPEB Liability	61,054,618	18,977,990	16,551,552	63,481,056	-
Net Pension Liability	84,290,032	117,043,284	84,248,075	117,085,241	-
LOSAP Total Pension Liability	36,883,001	3,640,900	5,508,296	35,015,605	-
General Obligation Bonds (1)	1,199,915,000	254,370,000	176,260,000	1,278,025,000	117,570,000
Unamortized Bond Premium	114,857,288	33,877,608	22,842,819	125,892,077	19,074,063
Revenue Bonds	2,630,000	-	355,000	2,275,000	295,000
Unamortized Revenue Bond Premium	479,426	-	103,049	376,377	89,394
Financing Agreements	640,315,000	37,215,000	41,320,000	636,210,000	43,265,000
Unamortized Financing Agreements Premium	65,723,409	4,662,282	8,357,319	62,028,372	8,263,031
Leases	80,853,716	20,772,021	11,343,477	90,282,259	19,498,523
IT Subscriptions (2)	-	61,445,861	9,726,338	51,719,523	12,258,853
Total Primary Government	**$ 2,364,226,839**	**$ 642,875,387**	**$ 459,504,504**	**$ 2,547,597,722**	**$ 235,696,928**
Component Unit - Schools					
Compensated Absences	$ 58,660,653	$ 753,334	$ 1,000,706	$ 58,413,281	$ 4,476,561
Claims Payable	23,322,887	224,921,614	226,391,225	21,853,276	20,383,665
Net OPEB Liability	347,506,654	324,606,338	248,421,526	423,691,466	-
Net Pension Liability	636,300,637	737,803,645	551,841,187	822,263,095	-
Installment Purchase Liability	22,707,358	10,000,000	10,088,070	22,619,288	9,971,755
Leases	27,657,292	4,240,436	4,521,142	27,376,586	4,462,494
IT Subscriptions (2)	-	12,344,772	3,746,502	8,598,269	2,947,793
Total Component Unit-Schools	**$ 1,116,155,481**	**$ 1,314,670,139**	**$ 1,046,010,358**	**$ 1,384,815,261**	**$ 42,242,268**

(1) Reductions to General Obligation Bonds include bonds refunded during the fiscal year. Refer to refunding section below for additional information
(2) GASB 96 implemented as of July 1, 2022 and liabilities were added to reflect long term commitments of the County related to right-to-use assets

Long-term obligations of governmental activities are generally liquidated by the General Fund or Debt Service Fund, except for claims liabilities, which are liquidated by the Internal Service Fund. See Note XI for additional information on OPEB liability and Note XVIII for additional information on pension liability activity.

$466,305,000 of the County's outstanding financing agreements are secured with collateral of various county buildings and a parking garage.

In the event of default on payment of principal, premium, or interest of general obligations and upon the affidavit of any bond owner or any paying agent of the bonds, the Governor shall immediately conduct a summary investigation and, if such default is established to the Governor's satisfaction, the Governor shall immediately order the State Comptroller to withhold all funds appropriated and payable by the Commonwealth and apply the amount withheld to payment of the defaulted principal, premium, and interest. Registered owners of such bonds shall be notified of the default and the availability of withheld funds.

The county has pledged future landfill revenues, net of specified operating expenses, to repay $2,985,000 in revenue bonds issued in November 2020. Proceeds from the bonds refunded existing financing for the Woods Road Landfill. The bonds are payable solely from landfill net revenues and are payable through 2030. Total principal and interest remaining to be paid on the bonds is $2,734,071. Principal and interest paid for the current year and total net landfill revenues were $480,691 and $3,692,628, respectively.

Bonds and loans payable as of June 30, 2023 are as follows:

General Obligation Bonds:	Balance at June 30, 2023
$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.	$ 6,650,000
$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.	3,040,000
$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.	1,200,000

NOTE XIV – LONG TERM OBLIGATIONS (Continued)

	Balance at June 30, 2023
$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.	3,680,000
$5,000,000 Qualified School Construction Bonds, Series 2011-2, due in annual installments of $260,000 to $265,000 through 2030, interest of 4.25%. The proceeds of these bonds will be used to finance the design, construction, and equipping of an elementary school in the County.	2,120,000
$69,960,000 Public Improvement Bonds, Series 2014A, due in annual installments of $3,375,000 to $3,725,000 through 2033, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation, improvements and equipping of public schools and the construction and equipping of fire/rescue stations in the County.	37,125,000
$47,375,000 Public Improvement Bonds, Series 2014B, due in annual installments of $1,640,000 to $3,725,000 through 2034, interest from 4.00% to 5.00%. The proceeds of these bonds will be used to finance the design, acquisition, construction, renovation, improvements and equipping of public schools and public facilities; and the equipping of fire/rescue stations in the County.	19,685,000
$10,885,000 School Construction Bonds, Series 2014C, due in annual installments of $540,000 to $545,000 through 2034, interest from 2.05% to 5.05%. The proceeds of these bonds will be used to finance the renovation of a high school in the County.	6,535,000
$69,895,000 Public Improvement Bonds, Series 2015A, due in annual installments of $3,090,000 to $4,245,000 through 2034, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the design, acquisition, construction, renovation, improvements and equipping of public schools and public school facilities; relocation, renovation, expansion and equipping of a public library; design, construction, upgrade and equipping of parks and recreation facilities; land acquisition, design, construction and equipping of fire/rescue stations in the County.	37,110,000
$147,990,000 Public Improvement and Refunding Bonds, Series 2016A, due in annual installments of $3,880,000 to $16,805,000 through 2035, interest from 2.125% to 5.00%. The proceeds of these bonds will be used to finance the design, construction, renovation and equipping of public schools and public school facilities; fire station and other public safety facilities and apparatus; parks and recreation facilities; library facilities; transportation projects in the County and to refund a portion of the County's General Obligation Public Improvement Bonds, Series 2007B and 2009A.	87,255,000
$108,730,000 Public Improvement Bonds, Series 2017A, due in annual installments of $5,435,000 to $5,440,000 through 2036, interest from 2.00% to 5.00%. The proceeds of these bonds will be used to finance the design, construction, and equipping of public schools and public school facilities; design and construction of a new animal shelter; design, construction, upgrade and equipping of parks and recreation facilities and fire/rescue stations; and transportation projects in the County.	76,090,000
$148,275,000 Public Improvement Bonds, Series 2018A, due in annual installments of $6,895,000 to $8,375,000 through 2037, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the design, acquisition, construction, renovation and equipping of public schools and public facilities in the County.	106,415,000
$170,370,000 Public Improvement Bonds, Series 2019A, due in annual installments of $7,530,000 to $10,250,000 through 2038, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the design, acquisition, construction, renovation and equipping of public schools and public facilities in the County	129,385,000
$199,995,000 Public Improvement and Refunding Bonds, Series 2020A, due in annual installments of $7,475,000 to $28,600,000 through 2039, interest from 2.00% to 5.00%. The proceeds of these bonds will be used to finance the design, construction, renovation and equipping of public schools and public school facilities; fire station and other public safety facilities and apparatus; animal shelter facility; transportation projects in the County and to refund a portion of the County's General Obligation Public Improvement Bonds, Series 2009B and 2010B BABs.	149,605,000
$75,170,000 Refunding Bonds, Series 2020B, due in annual installments of $1,515,000 to $20,565,000 through 2030, interest of 5.00%. The proceeds of these bonds will be used to refund a portion of the County's General Obligation Refunding Bonds and Public Improvement Bonds, Series 2010A and 2011A	49,575,000
$156,565,000 Public Improvement Bonds, Series 2021A, due in annual installments of $7,585,000 to $8,280,000 through 2040, interest from 1.625% to 5.00%. The proceeds of these bonds will be used to finance the design, construction, renovation and equipping of public schools and public facilities in the County	140,005,000
$23,035,000 Refunding Bonds, Series 2021B, due in annual installments of $2,240,000 to $2,345,000 through 2031, interest from 4.00% to 5.00%. The proceeds of these bonds will be used to refund a portion of the County's General Obligation Public Improvement Bonds, Series 2012A	20,795,000
$156,585,000 Public Improvement Bonds, Series 2022A, due in annual installments of $7,045,000 to $9,300,000 through 2041, interest from 4.0% to 5.00%. The proceeds of these bonds will be used to finance the design, construction, renovation and equipping of public schools and public facilities in the County	147,385,000
$64,680,000 Refunding Bonds, Series 2022B, due in annual installments of $2,120,000 to $14,800,000 through 2033, interest of 5.00%. The proceeds of these bonds will be used to refund a portion of the County's General Obligation Public Improvement Bonds, Series 2013A and 2013C	64,680,000
$189,690,000 Public Improvement Bonds, Series 2023A, due in annual installments of $9,115,000 to $10,170,000 through 2042, interest of 5.00%. The proceeds of these bonds will be used to finance the design, construction, renovation and equipping of public schools, public facilities in the County, and transportation projects	189,690,000
Total General Obligation Bonds	**$ 1,278,025,000**
Financing Agreements:	
$985,000 Financing Agreement, Series 2010, due in annual installments of $40,000 to $65,000 through 2030, interest from 1.070% to 6.067%. The proceeds of these bonds were used to finance the construction and equipping of public safety facilities	$ 410,000
$14,935,000 Financing Agreement, Series 2012, due in annual installments of $1,260,000 to $1,735,000 through 2023, interest from 2.0% to 5.0%. The proceeds of these bonds were used to finance the construction and equipping of public safety facilities	1,735,000
$30,985,000 Financing Agreement, Series 2015A, due in annual installments of $1,305,000 to $2,005,000 through 2034, interest from 3.0% to 5.0%. The proceeds of these bonds were used to finance the construction and equipping of government facilities and transportation projects	15,660,000
$75,390,000 Financing Agreement, Series 2015, due in annual installments of $3,620,000 to $4,040,000 through 2035, interest from 3.0% to 5.0%. The proceeds of these bonds were used to finance the construction and equipping of government facilities and transportation projects	47,115,000
$35,795,000 Financing Agreement, Series 2016A, due in annual installments of $460,000 to $3,365,000 through 2035, interest from 2.0% to 5.0%. The proceeds of these bonds were used to finance the construction and equipping of government facilities and transportation projects	19,020,000

NOTE XIV – LONG TERM OBLIGATIONS (Continued)

	Balance at June 30, 2023
$60,900,000 Financing Agreement, Series 2016B, due in annual installments of $3,030,000 to $3,075,000 through 2036, interest from 3.0% to 5.0%. The proceeds of these bonds were used to finance the construction and equipping of government facilities and transportation projects	42,460,000
$97,350,000 Financing Agreement, Series 2018, due in annual installments of $350,000 to $6,475,000 through 2048, interest from 3.5% to 4.3%. The proceeds of these bonds were used to finance the construction and equipping of government facilities and soccer facilities	80,425,000
$24,765,000 Financing Agreement, Series 2019AB, due in annual installments of $965,000 to $1,890,000 through 2038, interest from 2.05% to 5.0%. The proceeds of these bonds were used to finance the construction and equipping of government facilities and transportation projects	17,600,000
$267,295,000 Financing Agreement, Series 2020A, due in annual installments of $4,400,000 to $17,475,000 through 2039, interest from 2.0% to 5.0%. The proceeds of these bonds were used to finance the construction and equipping of government facilities; vehicles and transportation projects	241,880,000
$74,785,000 Financing Agreement, Series 2021AB, due in annual installments of $2,390,000 to $5,640,000 through 2040, interest from .25% to 5.0%. The proceeds of these bonds were used to finance the construction and equipping of government facilities; vehicles and transportation projects	65,625,000
$73,800,000 Financing Agreement, Series 2022AB, due in annual installments of $2,125,000 to $6,735,000 through 2041, interest from 4.0% to 5.0%. The proceeds of these bonds were used to finance the design, construction, and equipping of government facilities; vehicles and transportation projects	67,065,000
$37,215,000 Financing Agreement, Series 2023, due in annual installments of $1,445,000 to $2,295,000 through 2042, interest from 4.0% to 5.0%. The proceeds of these bonds were used to finance the construction and equipping of government facilities; vehicles and transportation projects	37,215,000
Total Financing Agreements	**$ 636,210,000**

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

Primary Government Debt Service						
	General Obligation Bonds		Revenue Bonds		Financing Agreements	
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 117,570,000	$ 50,720,047	$ 295,000	$ 109,034	$ 43,265,000	$ 24,595,738
2025	112,695,000	45,209,859	290,000	94,044	42,215,000	22,717,630
2026	99,905,000	40,087,136	290,000	79,181	42,030,000	20,814,914
2027	94,545,000	35,357,869	290,000	64,319	42,820,000	18,877,967
2028	85,820,000	31,135,726	285,000	49,584	42,490,000	16,966,988
2029-2033	370,810,000	105,266,380	825,000	62,909	189,415,000	58,708,964
2034-2038	277,690,000	43,406,316	-	-	171,155,000	23,565,409
2039-2043	118,990,000	9,064,563	-	-	60,470,000	3,190,008
2044-2048	-	-	-	-	2,350,000	311,750
Total Bonds and Financing Agreements	**$ 1,278,025,000**	**$ 360,247,896**	**$ 2,275,000**	**$ 459,071**	**$ 636,210,000**	**$ 189,749,368**

Refunding:

In fiscal year 2023, the County issued $64,680,000 in general obligation refunding bonds with interest rates of 5.0%. The proceeds were used to refund $70,425,000 of outstanding General Obligation Bonds Series 2013A and 2013C which had interest rates ranging from 3.00% to 5.00%. Net proceeds for the refunding of $71,659,190 (including $6,274,945 premium, an additional $983,598 equity contribution and after payment of $279,353 in underwriting and other issuance costs) were deposited in an irrevocable trust with an escrow agent and used to extinguish the refunded debt.

The net carrying amount of the old debt exceeded the reacquisition price of the refunded bonds by $3,974,878. The government refunded the Series 2013A and 2013C General Obligation Bonds to reduce its total debt service payments by $4,351,636 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $3,874,672.

NOTE XV - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the County to place a final cover on its Woods Road landfill site, as well as other sites opened in the future when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post-closure 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 post-closure care costs as a long-term liability in each period based on landfill capacity used as of each fiscal year end. The $30,456,763 liability for landfill closure and post-closure care cost at June 30, 2023 represents the estimated liability based on the usage of 71.3% of the estimated constructed capacity of the landfill. The County will recognize the remaining estimated cost of closure and post-closure care in the amount of $13,453,254 as the remaining estimated constructed capacity is used. The estimated remaining life of the constructed Municipal Solid Waste (MSW) Disposal Unit is 9 years 5 months. The estimated remaining life of the constructed Construction and Demolition Debris (CDD) Disposal Unit is 1 year 9 months. The liability accrued as of June 30, 2023 is based on what it would cost to perform all closure and post-closure care in 2023. Actual cost may differ from this estimate due to inflation, deflation, changes in technology or changes in regulation.

NOTE XVI – CONTINGENT LIABILITIES

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

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

NOTE XVII- DEFERRED COMPENSATION PLAN

The Primary Government offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the “Plan”). The Plan is administered by the International City Management Association Retirement Corporation (ICMA-RC). Plan assets are held in trust by VantageTrust Company, who invests contributions based on direction from plan participants. The assets of the plan are included in the financial statements of ICMA-RC.

The Plan is a defined contribution plan available to all regular and long-term temporary employees and permits them to defer a portion of their current salary until future years. Employees can contribute up to the maximum allowed by Internal Revenue Code (IRC) 457(b) contribution limits. The Primary Government contributes a 100% employer match to contributions made by plan participants who actively defer up to $20 per pay period as approved by the Board of Supervisors through the annual appropriations resolution. Plan participants are 100% vested immediately upon enrollment in the program. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

For the fiscal year ended June 30, 2023, the County recognized pension expenditures of $1,467,466 and had no liability outstanding for the reporting period. 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 does not control.

NOTE XVIII - RETIREMENT PLANS

A. DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Description of the Entity

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

NOTE XVIII - RETIREMENT PLANS (Continued)

Administration and Management

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

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

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

NOTE XVIII - RETIREMENT PLANS (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
About VRS Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.	**About VRS Plan 2** Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund. **Hybrid Opt-In Election** " VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible VRS Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP."	**Eligible Members** Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013. **Hybrid Opt-In Election** "VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible VRS Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP."	**Eligible Members** Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 ***Non-Eligible Members** Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

NOTE XVIII - RETIREMENT PLANS (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	**Retirement Contributions** Same as Plan 1	**Retirement Contributions** A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit Service credit includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	**Service Credit** Same as Plan 1.	**Service Credit** **Defined Benefit Component:** Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. **Defined Contributions Component:** Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** **Defined Benefit Component:** Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. VRS Plan 1 or VRS Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. **Defined Contributions Component:** Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required by law until age 70½.

NOTE XVIII - RETIREMENT PLANS (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** **Defined Benefit Component:** See definition under Plan 1. **Defined Contribution Component:** The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. **Sheriffs and regional jail superintendents:** The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. **Political subdivision hazardous duty employees:** The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	**Service Retirement Multiplier** Same as Plan1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013 **Sheriffs and regional jail superintendents:** Same as Plan 1. **Political subdivision hazardous duty employees:** Same as Plan 1.	**Service Retirement Multiplier** **Defined Benefit Component:** **VRS:** The retirement multiplier for the defined benefit component is 1.00%. For members that opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. **Sheriffs and regional jail superintendents:** Not applicable **Political subdivision hazardous duty employees:** Not applicable **Defined Contribution Component:** Not applicable.
Normal Retirement Age VRS: Age 65. **Political subdivision hazardous duty employees:** Age 60	**Normal Retirement Age** VRS: Normal Social Security retirement age. **Political subdivision hazardous duty employees:** Same as Plan 1.	**Normal Retirement Age** Defined Benefit Component: VRS: Same as Plan 2. **Political subdivision hazardous duty employees:** Not applicable. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility **VRS:** Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service. **Political subdivisions hazardous duty employees:** Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.	**Earliest Unreduced Retirement Eligibility** **VRS:** Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90. **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Earliest Unreduced Retirement Eligibility** **Defined Benefit Component:** **VRS:** Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90. **Political subdivisions hazardous duty employees:** Not applicable. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.

NOTE XVIII - RETIREMENT PLANS (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service. **Political subdivisions hazardous duty employees:** 50 with at least five years of creditable service.	**Earliest Reduced Retirement Eligibility** VRS: Age 60 with at least five years (60 months) of creditable service. **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Earliest Unreduced Retirement Eligibility** Defined Benefit Component: VRS: Age 60 with at least five years (60 months) of service credit. **Political subdivisions hazardous duty employees:** Not applicable. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	**Cost-of-Living Adjustment (COLA) in Retirement** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.	**Cost-of-Living Adjustment (COLA) in Retirement** **Defined Benefit Component:** Same as Plan 2. **Defined Contribution Component:** Not applicable.
Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	**Eligibility:** Same as Plan 1.	**Eligibility:** Same as Plan 1 and Plan 2.
Exceptions to COLA Effective Dates: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member Is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.	**Exceptions to COLA Effective Dates:** Same as Plan 1.	**Exceptions to COLA Effective Dates:** Same as Plan 1 and Plan 2.
Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted. VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	**Disability Coverage** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted. VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	**Disability Coverage** Eligible political subdivision and school division (including Plan 1 and Plan2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

NOTE XVIII - RETIREMENT PLANS (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** **Defined Benefit Component:** Same as VRS Plan 1 with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service. • The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one year period, the rate for most categories of service will change to actuarial cost. **Defined Contribution Component:** Not applicable.

Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

Description	Number
Inactive Members or Their Beneficiaries Currently Receiving Benefits	1,457
Inactive Members:	
Vested	611
Non-Vested	1,161
Active Elsewhere in VRS	526
Total Inactive Members	2,298
Active Members	3,686
Total	**7,441**

Contributions

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

The County's recommended employer contribution rate for the year ending June 30, 2023 was 13.72% of covered employee compensation. This rate was based on a rate determined from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were $45,077,208, and $35,364,013 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Liability

The County's net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021 in accordance with GAAP, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total pension liability for general employees in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

NOTE XVIII - RETIREMENT PLANS (Continued)

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level percent closed
Remaining Amortization Period	14 - 23 years
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return*	6.75%, net of pension plan investment expenses, including inflation
Projected Salary Increases*	3.5% - 5.35%
Includes Inflation at*	2.50%
Cost-of-living Adjustments	2.25 – 2.5%

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 year

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set forward 3 years; 90% of rates for females set forward 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement, healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NOTE XVIII - RETIREMENT PLANS (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
Inflation			2.50%
* Expected arithmetic nominal return			7.83%

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2022, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

County	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2021	**$ 1,088,147,361**	**$ 1,003,857,329**	**$ 84,290,032**
Changes for the year:			
Service Cost	39,711,226	-	39,711,226
Interest	74,962,943	-	74,962,943
Changes of assumptions	-	-	0
Difference between expected and actual experience	(36,691,925)	-	(36,691,925)
Contributions – employer	-	33,078,012	(33,078,012)
Contributions – employee	-	14,459,189	(14,459,189)
Net investment income	-	(1,757,642)	1,757,642
Benefit payments, including refunds of employee contributions	(34,592,941)	(34,592,941)	-
Administrative expense	-	(611,473)	611,473
Other changes	-	18,949	(18,949)
Net changes	43,389,303	10,594,094	32,795,209
Balances at June 30, 2022	**$ 1,131,536,664**	**$ 1,014,451,423**	**$ 117,085,241**

NOTE XVIII - RETIREMENT PLANS (Continued)

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

The following presents the net pension liability of the Primary Government using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Plan's Net Pension Liability (Asset)	**$ 283,139,772**	**$ 117,085,241**	**$ (17,703,835)**

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

For the year ended June 30, 2023, the County recognized pension expense of $45,094,374. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 43,197,876	$ 29,249,344
Changes of assumptions	33,900,309	-
Net difference between projected and actual earnings on plan investments		26,481,914
Employer contributions subsequent to the Measurement Date	45,077,208	-
Total	**$ 122,175,393**	**$ 55,731,258**

$45,077,208 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30:	Amount
2024	$ 12,261,557
2025	5,441,435
2026	(4,474,735)
2027	8,138,670
Total	**$ 21,366,927**

B. VOLUNTEER FIRE AND RESCUE RETIREMENT SYSTEM

Plan Description

The Primary Government is the administrator of a revocable, noncontributory, single employer, defined benefit Length of Service Retirement Plan (the Plan). The Plan covers voluntary fire and rescue service members, who are not Primary Government employees, but who serve voluntarily with one of the Primary Government's volunteer fire and rescue companies.

The Plan provides retirement benefits as well as death and disability benefits. Participants become partially vested in their benefit after three (3) years of service credit and fully vested after seven (7) years of service credit, their vested percentage incrementally increasing with each year of service credit. The current vesting schedule has been in effect since November 1, 2003. Participants who have not earned service credit in the Plan after November 1, 2003 are subject to the prior vesting schedule in which a Participant becomes partially vested after five (5) years of service credit and fully vested after ten (10) years of service credit, increasing incrementally each year.

Vested Participants in the Plan can retire at or after age 55 and are entitled to a monthly retirement benefit that is payable for their lifetime and guaranteed for ten (10) years (120 payments). The monthly benefit is equal to $12 per year of service credit earned after November 1, 2003, plus $10 per year of service credit earned prior to November 1, 2003. An amendment to the Plan effective January 1, 2020 provided eligible Participants an increase of $2 for any years of service credit earned at the $10 accrual rate (before November 1, 2003) for each year of service credit earned at the $12 accrual rate (after November 1, 2003). The maximum benefit that can be earned from the Plan is $300 per month.

NOTE XVIII - RETIREMENT PLANS (Continued)

At June 30, 2023, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	522
Inactive participants entitled to but not yet receiving benefit payments	981
Active participants	895
Total	**2,398**

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the County. As such, the trust assets do not meet the criteria for trust reporting under GAAP.

Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan does not issue a stand-alone financial report. All required statements and disclosures are contained in these financial statements, (see also Required Supplementary Information).

Measurement of the Total Pension Liability

The County's total pension liability at the June 30, 2023 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions; the assumptions and inputs were changed from the prior measurement date:

	6/30/2022	6/30/2023
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal
Inflation:	2.25%	NA
Accumulation of excess points:	30% realization rate	Accrual basis
Withdrawal rates:	2003 SOA Pension Plan Turnover Study Small Plan Age Table blended with Plan experience Age 20: 0.198 Age 30: 0.126 Age 40: 0.077 Age 50: 0.046	None assumed
Salary Scale:	None assumed	None assumed

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

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2023 was 4.13%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Liability

Balance as of 06/30/2022	$ 36,883,001
Service Cost	1,600,993
Interest	1,552,479
Changes of assumptions or other inputs	(4,445,504)
Differences between expected and actual experience	487,428
Benefit Payments	(1,062,792)
Net Changes	(1,867,396)
Balance as of 06/30/2023	**$ 35,015,605**

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

The following presents the total pension liability of the County as of June 30, 2023, calculated using the discount rate of 4.13 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.13 percent) or 1-percentage point higher (5.13 percent) than the current rate:

NOTE XVIII - RETIREMENT PLANS (Continued)

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Total Pension liability	**$ 41,255,889**	**$ 35,015,605**	**$ 30,185,094**

Pension Expense and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the County recognized pension expense of -$283,395.

Components of Pension Expense	Amount
Service Cost	$ 1,600,993
Interest on total pension liability	1,552,479
Changes of benefit terms	-
Changes of assumptions or other inputs	(3,789,732)
Differences between expected and actual experience	300,498
Pension plan administrative expenses	52,367
Total pension expense	**$ (283,395)**

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 491,121	$ 52,834
Changes of assumptions or other inputs	375,346	8,936,299
Total	**$ 866,467**	**$ 8,989,133**

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

Year ended June 30:	Amount
2024	$ (4,674,348)
2025	(1,587,037)
2026	(698,932)
2027	(698,932)
2028	(463,417)
Total	**$ (8,122,666)**

NOTE XVIII - RETIREMENT PLANS (Continued)

C. COMBINED PENSION PLANS

The Pension Plans, VRS and LOSAP, have been reported separately since each plan has different and distinct characteristics, reporting requirements, and valuations. For purposes of aiding the reader of these financial statements in gaining a full understanding of the impact of total pension requirements on the net position of the County, the following combining schedule is presented:

	VRS	LOSAP	Total Pension Combined
Net Pension Liability (VRS)/Total Pension Liability (LOSAP)	$ 117,085,241	$ 35,015,605	$ 152,100,846
Pension Expense	45,094,374	(283,395)	44,810,979
Deferred Outflows of Resources			
Differences Between Expected and Actual Experience	43,197,876	491,121	43,688,997
Employer Contributions After the Measurement Date	45,077,208	-	45,077,208
Changes in Actuarial Assumptions	33,900,309	375,346	34,275,655
Total Deferred Outflows of Resources	122,175,393	866,467	123,041,860
Deferred Inflows of Resources			
Net Difference Between Projected and Actual Earnings on Plan Investments	26,481,914	-	26,481,914
Differences Between Expected and Actual Experience	29,249,344	52,834	29,302,178
Changes in Actuarial Assumptions	-	8,936,299	8,936,299
Total Deferred Inflows of Resources	$ 55,731,258	$ 8,989,133	$ 64,720,391

NOTE XIX - UNEARNED REVENUES/DEFERRED INFLOWS OF RESOURCES

Unearned revenues at the fund level represent amounts for which asset recognition criteria were met, but for which revenue recognition criteria were not met. Unearned revenues for the Primary Government consist of grant funding received before eligibility requirements were met in the amount of $53,840,045 and unspent donations in the amount of $82,361. Unearned revenues of the component unit consist of advanced meal payments in the amount of $1,339,010, grant funding received before eligibility requirements were met in the amount of $2,695,255, advanced activity fees in the amount of $342,856 and proffer for playground in the amount of $305,000.

Deferred inflows of resources at the fund level represent amounts for which asset recognition criteria were met, but which were not available to finance expenditures of the current period under the modified accrual basis of accounting. Deferred inflows of resources at June 30, 2023 consist of:

Governmental Funds	Amount
Unavailable Taxes – taxes not paid within sixty days of June 30, 2023	$ 60,276,504
Unavailable Taxes Not Yet Due – taxes for which the County has a legal claim, but are intended to fund expenditures of the next fiscal period	966,308,902
Prepaid Taxes – taxes due subsequent to June 30, 2023, but paid in advance by taxpayers	62,352,745
Leases - amount equal to the lease receivable which is amortized over the term of the lease	16,863,403
Total	**$ 1,105,801,554**

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 $23.8 million at June 30, 2023.

NOTE XX - FUND BALANCE CLASSIFICATION

Specific purpose details for fund balance classifications displayed in the aggregate for governmental funds as of June 30, 2023 are as follows:

	General	Capital Projects	Debt Service	Non-Major	Total Governmental Funds
Nonspendable:					
Notes and Loans	$ 401,455	$ -	$ -	$ -	$ 401,455
Prepaid Items	754,172	-	-	-	754,172
Subtotal Nonspendable	$ 1,155,627	$ -	$ -	$ -	$ 1,155,627
Restricted for:					
Animal Shelter	$ -	$ -	$ -	$ 1,929,142	$ 1,929,142
Audio Visual Equipment	-	4,978,872	-	-	4,978,872
Computer Systems Replacements and Upgrades	-	39,371	-	-	39,371
County and School Land Acquisition	-	96,748	-	-	96,748
Courts Complex Improvements	-	9,465,555	-	-	9,465,555
General Government Facilities	-	14,483,367	-	767,808	15,251,175
Group Home Improvements	-	3,797,196	-	-	3,797,196
Health & Welfare Programs	-	-	-	2,687,371	2,687,371
Housing Assistance Programs	-	-	-	60,216,057	60,216,057
Juvenile Detention Center Addition	-	320	-	-	320
Landfill and Wastewater Infrastructure	-	10,623,374	-	15,099	10,638,473
Law Library	-	-	-	36,192	36,192
Library Improvements, Materials, and Equipment	-	9,159,035	-	4,933,755	14,092,790
Mass Transit & Parking Garages	-	3,534,364	-	31,922,407	35,456,771
Parks, Community Centers & Recreation Centers	-	73,965,735	-	1,571,733	75,537,468
Public Safety CAD & E911 Systems	-	1,039,367	-	-	1,039,367
Public Safety Facilities	-	29,211,076	-	382,235	29,593,311
Road & Sidewalk Improvements & Construction	-	1,573,272	-	92,199,901	93,773,173
Sewer & Water line Construction Repair	-	119,368,756	-	-	119,368,756
Tourism	-	-	-	3,341,722	3,341,722
Subtotal Restricted	$ -	$ 281,336,408	$ -	$ 200,003,422	$ 481,339,830
Committed to:					
Fiscal Reserve	$ 284,792,129	$ -	$ -	$ 424,921	$ 285,217,050
Board Transition	-	-	-	4,831	4,831
Adult Detention Center	-	88,349	-	-	88,349
Audio Visual Equipment	-	199,446	-	-	199,446
Commercial & Rural Economic Development	1,192,059	1,365,336	-	-	2,557,395
Computer Systems Replacements and Upgrades	9,323,775	27,135,039	-	3,048,165	39,506,979
County and School Land Acquisition	-	35,051,530	-	-	35,051,530
Courts Complex Improvements	19,911	4,612,669	-	-	4,632,580
CSA At Risk Youth and Families	-	-	-	5,244,614	5,244,614
Fire & Rescue Revolving Loans	4,251,479	-	-	-	4,251,479
General Government Facilities	2,073,578	23,695,081	-	3,453,067	29,221,726
Group Home Improvements	2,284,091	81,422	-	-	2,365,513
Juvenile Detention Center Addition	-	990,734	-	-	990,734
Landfill and Wastewater Infrastructure	-	61,677,012	-	451,411	62,128,423
Library Improvements, Materials, and Equipment	-	22,775	-	-	22,775
Major Equipment Replacement	-	-	-	23,991,870	23,991,870
Mass Transit & Parking Garages	-	12,870,378	-	-	12,870,378
Parks, Community Centers & Recreation Centers	1,936,305	20,847,329	-	868,696	23,652,330
Public Safety Equipment	-	10,073,874	-	-	10,073,874
Public Safety Facilities	2,733,506	26,894,705	-	-	29,628,211
Road & Sidewalk Improvements & Construction	-	154,063,797	-	2,927,460	156,991,257
Volunteer Fire & Rescue LOSAP Pension Benefits	26,260,997	-	-	-	26,260,997
Subtotal Committed	$ 334,867,830	$ 379,669,476	$ -	$ 40,415,035	$ 754,952,341
Assigned to:					
Budgeted Use of Fund Balance	$ 52,183,534	$ -	$ 10,000,000	$ 944,428	$ 63,127,962
Community Development and Transit Projects	141,100	-	-	-	141,100
Computer Systems Replacements and Upgrades	439,690	-	-	-	439,690
Construction of Courthouse Memorials	159,134	-	-	2,842,486	3,001,620
County Facilities Repairs and Improvements	50,000	-	-	-	50,000
Courts Complex Improvements	6,460	-	-	-	6,460
Debt Service	-	-	28,112,365	-	28,112,365
Future Capital Projects	-	80,687,160	-	-	80,687,160
Health and Welfare Programs	138,854	-	-	-	138,854
Housing Assistance Programs	-	-	-	16,362,311	16,362,311
Parks, Recreation and Cultural	262,631	-	-	-	262,631
Public Safety Facilities/Firing Range/CAD System	488,855	-	-	-	488,855
Road & Sidewalk Improvements & Construction	-	-	-	6,438,045	6,438,045
Subtotal Assigned	$ 53,870,258	$ 80,687,160	$ 38,112,365	$ 26,587,270	$ 199,257,053
Unassigned:					
Unassigned	$ 172,186,574	$ -	$ -	$ -	$ 172,186,574
Subtotal Unassigned	$ 172,186,574	$ -	$ -	$ -	$ 172,186,574
Total Fund Balance	$ 562,080,289	$ 741,693,044	$ 38,112,365	$ 267,005,727	$ 1,608,891,425

NOTE XX - FUND BALANCE CLASSIFICATION (Continued)

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

NOTE XXI – JOINTLY GOVERNED ORGANIZATION

The County, in conjunction with the Commonwealth of Virginia Transportation Board (the "Transportation Board") and the County of Fairfax, Virginia (Fairfax County), has created the State Route 28 Highway Transportation Improvement District (the "District"). The District was created by resolutions of the Boards of Supervisors of Loudoun and Fairfax Counties. The District is governed by a commission of nine members comprising 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 $181,705,000 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, 2023, the outstanding principal balance on the bonds is $131,360,000. 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 – CONDUIT DEBT OBLIGATIONS

In October 2003, August 2004, March 2007, and July 2008, the Fairfax County, Economic Development Authority (EDA) issued $33,375,000, $57,410,000, $41,505,000, and $51,505,000, respectively, of transportation contract revenue bonds on behalf of the State Route 28 Transportation Improvement District for the purpose of financing a portion of the costs of constructing certain improvements to State Route 28 in the County and in Fairfax County, Virginia. In May 2012, the EDA issued $86,275,000 of transportation contract revenue refunding bonds, Series 2012, on behalf of the State Route 28 Transportation Improvement District to advance refund $29,285,000 of outstanding Series 2003 bonds and $52,755,000 of outstanding Series 2004 bonds. In August 2016, the EDA issued $43,035,000 of transportation contract revenue refunding bonds, Series 2016 A and $45,760,000 of transportation contract revenue refunding bonds, Series 2016 B, on behalf of the State Route 28 Transportation Improvement District to advance refund $41,505,000 of outstanding Series 2007A bonds and partially refund $43,660,000 of outstanding principal of the Series 2008 Bonds, respectively, leaving $3,590,000 of the outstanding principal of the Series 2008 bonds unrefunded. In February 2022, the EDA issued $49,080,000 of transportation contract revenue refunding bonds, Series 2022A, on behalf of the State Route 28 Transportation Improvement District to current refund all the outstanding maturities of Series 2012 bonds. These bonds are payable primarily from a limited ad valorem real property tax levied by the counties on property owners in the district. The bonds are secured by a reserve subfund, and each County has agreed to cure one-half of any deficiency in the reserve subfund. As neither the EDA nor the Counties are responsible for making principal or interest payments on the bonds, neither reports a liability for the bonds. Rather, this liability for debt service payments on the bonds rests with the State Route 28 Highway Transportation Improvement District. As of June 30, 2023, the total outstanding principal amount of these transportation contract revenue bonds outstanding was $131,360,000.

NOTE XXIII – SUBSEQUENT EVENTS

On July 18, 2023, the Board authorized the creation of the Rivana at Innovation Station Community Development Authority (CDA) and approved a memorandum of agreement (MOA) so that the County may provide financing for certain public improvements within the development. CDA's are governmental entities that are established by a governing body to finance public infrastructure without impacting the County's bond rating or fiscal health. CDA's can issue debt using special revenues as directed by the County without obligating the full faith and credit of the County. CDAs are intended to help bridge financing gaps by providing for public infrastructure and service costs that might make large-scale projects otherwise extremely difficult to finance and develop to an urban scale of density.

For purposes of financing the planned public infrastructure within this development (i.e. roads,utilities, parks, trails, parking, etc.), the MOA governs the business terms of a potential public-private partnership in which the County would make financial contributions in the form of a tax increment on real property collected within the CDA District based on the increased assessed value the planned development will generate. In addition, the County would levy a $0.15 special tax within the CDA boundaries to generate additional revenue for use to construct public infrastructure.

NOTE XXIII – SUBSEQUENT EVENTS (Continued)

The CDA structure itself allows the County to potentially use it as a vehicle for public investment in the future should the Board determine that public investment is beneficial, then at a minimum, the CDA would require resources to address staff support and costs associated with issuance of bonds and/or costs associated with operations and maintenance of the district. The funding sources requested by the landowner from the County have no significant impact on the current tax revenue received in the General Fund; however, they do impact future revenues. The County modeled the fiscal impacts to the County of contributing to this project and it is estimated that the type of development that is planned will generate a net positive fiscal impact to the County within the first decade from commencement of development and will continue to be overall positive and increasingly so into the future. This positive fiscal impact is over and above what could be expected from by-right development, after accounting for all costs associated with increased population, as well as school and transportation needs.

Required Supplementary Information

The Purcellville Group home is part of the Department of Mental Health, Substance Abuses & Development Services Group Home Services which provides residential programs for adults with serious mental illness. The program provides the supervision, training, and care needed by the residents.

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Exhibit XIII

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amount	(Negative)
Resources (Inflows)				
General Property Taxes	$ 1,814,008,300	$ 1,814,008,300	$ 1,904,234,267	$ 90,225,967
Other Local Taxes	190,994,600	190,994,600	213,734,420	22,739,820
Permits and Licenses	25,150,050	25,938,724	24,350,515	(1,588,209)
Fines and Forfeitures	1,543,300	1,543,300	1,729,355	186,055
Use of Money and Property	6,562,683	6,562,683	40,079,393	33,516,710
Charges for Services	43,327,499	44,819,503	38,662,190	(6,157,313)
Gifts and Donations	46,000	216,694	118,945	(97,749)
Miscellaneous	848,334	1,287,116	3,436,138	2,149,022
Sales of Capital Assets	5,000	5,000	171,247	166,247
Recovered Costs	10,024,978	10,693,215	12,178,989	1,485,774
Payment from Component Unit	-	2,568	769,227	766,659
Intergovernmental - Commonwealth	91,279,701	101,047,421	98,300,803	(2,746,618)
Intergovernmental - Federal	46,724,146	65,172,820	20,710,022	(44,462,798)
Leases Issued	-	-	19,273,781	19,273,781
IT Subscriptions Commenced	-	-	14,636,631	14,636,631
Private-Public Partnerships Entered	-	-	27,238,448	27,238,448
Transfers from Other Funds	5,422,771	1,412,723	1,391,203	(21,520)
Amounts Available for Appropriation	2,235,937,362	2,263,704,667	2,421,015,574	157,310,907
Charges to Appropriations (Outflows)				
General Government Administration	157,039,056	168,283,248	119,093,541	49,189,707
Judicial Administration	25,807,815	27,335,686	23,982,821	3,352,865
Public Safety	272,097,675	285,646,297	266,989,587	18,656,710
Public Works	33,579,144	36,427,437	27,457,923	8,969,514
Health and Welfare	125,357,572	134,599,208	107,748,467	26,850,741
Parks, Recreation and Culture	93,661,520	100,034,000	84,641,486	15,392,514
Community Development	79,556,879	86,604,814	69,116,917	17,487,897
Capital Outlay	-	-	61,684,707	(61,684,707)
Principal Payments - Leases	-	-	9,072,835	(9,072,835)
Interest - Leases	-	-	2,101,225	(2,101,225)
Principal Payments - IT Subscriptions	-	-	9,306,438	(9,306,438)
Interest - IT Subscriptions	-	-	258,996	(258,996)
Education	1,112,513,636	1,113,494,848	1,113,531,198	(36,350)
Transfers to Other Funds	376,324,065	437,829,567	437,416,423	413,144
Total Charges to Appropriations	2,275,937,362	2,390,255,105	2,332,402,564	57,852,541
Excess (Deficiency) of Resources Over (Under) Charges to Appropriations	(40,000,000)	(126,550,438)	88,613,010	215,163,448
Fund Balance at Beginning of Year	473,467,279	473,467,279	473,467,279	-
Fund Balance at End of Year	$ 433,467,279	$ 346,916,841	$ 562,080,289	$ 215,163,448

(A) The total Charges to Appropriations by function do not equal the total expenditures by function in Exhibit V due to implementation of GASB Statement No. 87 Leases, and No. 96 SBITA. The capital outlay amounts related to leases and subscriptions are included in the expenditure totals by function in the Budgetary Comparison Schedule and shown distinctly as Capital Outlay in Exhibit V. The total expenditures present in both schedules agree.

Exhibit XIV

COUNTY OF LOUDOUN, VIRGINIA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

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

1. Prior to March 30, the County Administrator submits a proposed operating and capital budget to the Board of Supervisors for the fiscal year commencing on the following July 1. The operating and capital budget includes proposed expenditures and the related financing.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

4. The Appropriations Resolution places legal restrictions on expenditures at the Fund level. The appropriation for each Fund can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within County general government funds.

5. Formal budgetary integration is employed at the cost center level within each department as a management control device during the year.

6. All Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles.

7. Approval by the Board of Supervisors is required for changes that affect the total fund appropriations or estimated revenues. In order to affect a change, a Budget Adjustment is created. Budget adjustments that do not revise the original appropriation are approved/disapproved by the Director of Finance and Budget and the County Administrator after sufficient justification for the revision to the budget has been received. The County Administrator presents budget adjustments that change appropriations or estimated revenues at the fund level to the Board of Supervisors for consideration of approval.

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COUNTY OF LOUDOUN, VIRGINIA
VIRGINIA RETIREMENT SYSTEM
POLITICAL SUBDIVISION RETIREMENT PLANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

PRIMARY GOVERNMENT	**Fiscal Year**			
	2022	**2021**	**2020**	**2019**
Total pension liability				
Service cost	$ 39,711,226	$ 34,237,921	$ 29,898,862	$ 26,173,780
Interest	74,962,943	60,812,750	56,074,678	52,327,222
Changes of benefit terms	-	48,397,703	-	-
Differences between expected and actual experience	(36,691,925)	60,005,478	15,374,939	6,683,672
Changes in assumptions	-	-	-	26,646,550
Benefit Payments, including refunds of employee contributions	(34,592,941)	(32,472,248)	(29,837,381)	(27,416,623)
Net change in total pension liability	43,389,303	170,981,604	71,511,098	84,414,601
Total pension liability - beginning	1,088,147,361	917,165,757	845,654,659	761,240,058
Total pension liability - ending (a)	$ 1,131,536,664	$ 1,088,147,361	$ 917,165,757	$ 845,654,659
Plan fiduciary net position				
Contributions - employer	$ 33,078,012	$ 31,656,956	$ 24,981,478	$ 22,340,603
Contributions - employee	14,459,189	13,921,539	12,568,770	11,019,669
Net investment income	(1,757,642)	215,231,954	14,521,477	47,430,170
Benefit Payments, including refunds of employee contributions	(34,592,941)	(32,472,248)	(29,837,381)	(27,416,623)
Administrative expense	(611,473)	(507,754)	(474,482)	(448,703)
Other	18,949	18,014	(17,494)	(30,100)
Net change in total pension liability	10,594,094	227,848,461	21,742,368	52,895,016
Plan fiduciary net position - beginning	1,003,857,329	776,008,868	754,266,500	701,371,484
Plan fiduciary net position - ending (b)	1,014,451,423	1,003,857,329	776,008,868	754,266,500
Net pension liability - ending (a) - (b)	$ 117,085,241	$ 84,290,032	$ 141,156,889	$ 91,388,159
Plan fiduciary net position as a percentage of the total Pension liability	89.65%	92.25%	84.61%	89.19%
Covered payroll	$ 303,553,760	$ 288,610,511	$ 258,473,630	$ 228,040,805
Net pension liability as a percentage of covered payroll	38.57%	29.21%	54.61%	40.08%

COMPONENT UNIT - NON-PROFESSIONAL PLAN	**2022**	**2021**	**2020**	**2019**
Total pension liability				
Service cost	$ 6,378,766	$ 5,848,757	$ 5,625,101	$ 5,330,056
Interest	14,346,139	12,519,488	11,568,079	10,573,312
Differences between expected and actual experience	413,814	4,000,688	4,094,215	5,812,334
Changes in assumptions	-	6,057,512	-	5,348,446
Benefit Payments, including refunds of employee contributions	(8,174,912)	(7,312,524)	(7,072,355)	(6,392,665)
Net change in total pension liability	12,963,807	21,113,921	14,215,040	20,671,483
Total pension liability - beginning	210,244,086	189,130,165	174,915,125	154,243,642
Total pension liability - ending (a)	$ 223,207,893	$ 210,244,086	$ 189,130,165	$ 174,915,125
Plan fiduciary net position				
Contributions - employer	$ 4,772,680	$ 4,259,920	$ 3,497,885	$ 3,387,225
Contributions - employee	3,590,757	3,188,065	3,184,680	3,010,797
Net investment income	(309,996)	44,891,184	3,060,374	10,117,648
Benefit Payments, including refunds of employee contributions	(8,174,912)	(7,312,524)	(7,072,355)	(6,392,665)
Administrative expense	(127,766)	(108,411)	(102,475)	(96,958)
Other	4,825	4,272	(3,679)	(6,411)
Net change in total pension liability	(244,412)	44,922,506	2,564,430	10,019,636
Plan fiduciary net position - beginning	208,127,543	163,205,037	160,640,607	150,620,971
Plan fiduciary net position - ending (b)	207,883,131	208,127,543	163,205,037	160,640,607
Net pension liability - ending (a) - (b)	$ 15,324,762	$ 2,116,543	$ 25,925,128	$ 14,274,518
Plan fiduciary net position as a percentage of the total Pension liability	93.13%	98.99%	86.29%	91.84%
Covered payroll	$ 77,464,722	$ 69,489,477	$ 67,956,479	$ 63,808,087
Net pension liability as a percentage of covered payroll	19.78%	3.05%	38.15%	22.37%

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

Loudoun County Public Schools issues a publicly available Annual Comprehensive Financial Report. A copy of that report may be obtained from the Schools website, http://www.lcps.org.

Exhibit XV

		Fiscal Year		
2018	2017	2016	2015	2014
$ 25,390,358	$ 24,259,267	$ 23,039,213	$ 22,353,385	$ 21,840,726
49,049,879	45,282,666	42,083,862	39,237,646	36,294,239
-	12,538,091	-	-	-
(1,396,269)	(716,682)	1,706,561	(2,390,226)	-
-	(3,887,588)	-	-	-
(25,032,947)	(22,283,878)	(19,980,996)	(17,100,175)	(15,072,398)
48,011,021	55,191,876	46,848,640	42,100,630	43,062,567
713,229,037	658,037,161	611,188,521	569,087,891	526,025,324
$ 761,240,058	$ 713,229,037	$ 658,037,161	$ 611,188,521	$ 569,087,891
$ 19,862,827	$ 19,049,642	$ 19,384,057	$ 18,748,497	$ 19,154,774
10,343,693	9,976,492	9,723,295	9,261,311	9,032,627
48,177,012	70,422,242	10,058,783	24,118,127	69,969,273
(25,032,947)	(22,283,878)	(19,980,996)	(17,100,175)	(15,072,398)
(402,848)	(391,704)	(334,384)	(314,292)	(361,756)
(43,529)	(63,372)	(4,173)	(5,153)	3,687
52,904,208	76,709,422	18,846,582	34,708,315	82,726,207
648,467,276	571,757,854	552,911,272	518,202,957	435,476,750
701,371,484	648,467,276	571,757,854	552,911,272	518,202,957
$ 59,868,574	$ 64,761,761	$ 86,279,307	$ 58,277,249	$ 50,884,934
92.14%	90.92%	86.89%	90.46%	91.06%
$ 209,447,996	$ 195,740,717	$ 187,826,635	$ 180,313,939	$ 178,707,569
28.58%	33.09%	45.94%	32.32%	91.06%
$ 5,032,000	$ 5,209,000	$ 5,258,000	$ 5,228,000	$ 5,409,000
9,946,000	9,459,000	8,778,000	8,227,000	7,606,000
29,000	(37,000)	905,000	(902,000)	-
-	(2,080,000)	-	-	-
(5,692,000)	(5,490,000)	(4,947,000)	(4,410,000)	(3,882,000)
9,315,000	7,061,000	9,994,000	8,143,000	9,133,000
144,929,000	137,868,000	127,874,000	119,731,000	110,598,000
$ 154,244,000	$ 144,929,000	$ 137,868,000	$ 127,874,000	$ 119,731,000
$ 3,287,000	$ 3,079,000	$ 3,731,000	$ 3,637,000	$ 3,657,000
2,796,000	2,624,000	2,587,000	2,527,000	2,521,000
10,355,000	15,251,000	2,186,000	5,276,000	15,392,000
(5,692,000)	(5,490,000)	(4,947,000)	(4,410,000)	(3,882,000)
(87,000)	(86,000)	(73,000)	(69,000)	(80,000)
(9,000)	(13,000)	(1,000)	(2,000)	-
10,650,000	15,365,000	3,483,000	6,959,000	17,608,000
139,971,000	124,606,000	121,123,000	114,164,000	96,556,000
150,621,000	139,971,000	124,606,000	121,123,000	114,164,000
$ 3,623,000	$ 4,958,000	$ 13,262,000	$ 6,751,000	$ 5,567,000
97.65%	96.58%	90.38%	94.72%	95.35%
$ 57,768,804	$ 53,665,362	$ 53,004,200	$ 50,973,799	$ 50,095,243
6.27%	9.24%	25.02%	13.24%	11.11%

Exhibit XVI

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

COMPONENT UNIT - SCHOOLS - PROFESSIONAL PLAN

Fiscal Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	8.48%	$ 806,938,333	$ 796,158,822	101.35%	82.61%
2022	8.17%	634,184,094	726,702,816	87.27%	85.46%
2021	7.97%	1,159,377,165	701,172,761	165.35%	71.47%
2020	7.44%	979,305,522	626,445,257	156.33%	73.51%
2019	7.17%	842,841,000	580,077,082	145.30%	74.81%
2018	6.86%	843,087,000	542,902,050	155.29%	72.92%
2017	6.62%	927,348,000	507,489,598	182.73%	68.28%
2016	6.37%	802,292,000	473,788,018	169.34%	70.68%
2015	6.15%	743,824,733	468,435,000	158.79%	70.88%

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

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

Loudoun County Public Schools issues a publicly available Annual Comprehensive Financial Report. A copy of that report may be obtained from the Schools website, http://www.lcps.org.

Exhibit XVII

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

Primary Government

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Excess (Deficiency)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2023	$ 45,077,208	$ 45,077,208	$ -	$ 328,551,081	13.72%
2022	35,364,013	35,364,013	-	303,553,760	11.65%
2021	33,623,125	33,623,125	-	288,610,511	11.65%
2020	26,467,700	26,467,700	-	258,473,630	10.24%
2019	23,351,378	23,351,378	-	228,040,805	10.24%
2018	19,862,827	19,862,827	-	209,447,996	9.48%
2017	19,049,642	19,049,642	-	195,740,717	9.73%
2016	19,384,057	19,384,057	-	187,826,635	10.32%
2015	18,711,241	18,711,241	-	180,313,939	10.38%

Component Unit Non-Professional Plan

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Excess (Deficiency)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2023	$ 6,898,190	$ 6,799,171	$ (99,019)	$ 90,885,246	7.48%
2022	5,337,319	5,337,319	-	77,464,722	6.89%
2021	4,787,825	4,787,825	-	69,489,477	6.89%
2020	3,893,906	3,893,906	-	67,956,479	5.73%
2019	3,656,203	3,656,203	-	63,808,087	5.73%
2018	3,252,000	3,252,000	-	57,768,804	5.63%
2017	3,088,000	3,088,000	-	53,665,362	5.75%
2016	3,739,163	3,739,163	-	53,004,200	7.05%
2015	3,643,729	3,643,729	-	50,973,799	7.15%

Component Unit Professional Plan (Teachers)

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Excess (Deficiency)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2023	$ 138,373,983	$ 138,206,007	$ (167,976)	$ 832,572,109	16.60%
2022	132,321,596	132,321,596	-	796,158,822	16.62%
2021	120,778,008	120,778,008	-	726,702,816	16.62%
2020	109,943,889	109,943,889	-	701,172,761	15.68%
2019	98,226,616	98,226,616	-	626,445,257	15.68%
2018	82,475,000	82,475,000	-	580,077,082	14.22%
2017	78,001,000	78,001,000	-	542,902,050	14.37%
2016	70,276,318	70,276,318	-	507,489,598	13.85%
2015	68,243,888	68,243,888	-	473,788,018	14.40%

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

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Notes to Required Supplementary Information

For the Year Ended June 30, 2023

2. Notes to Pension Schedules

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

Changes of assumptions: The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 - Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Exhibit XVIII

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

	Measurement Date						
	6/30/2023	**6/30/2022**	**6/30/2021**	**6/30/2020**	**6/30/2019**	**6/30/2018**	**6/30/2017**
Total Pension Liability							
Service cost	$ 1,600,993	$ 1,604,081	$ 1,236,230	$ 1,252,649	$ 1,084,813	$ 1,051,821	$ 1,208,588
Interest	1,552,479	1,100,115	1,150,730	1,144,440	1,140,496	1,127,572	1,015,308
Changes of benefit terms	-	-	252,965	-	-	-	-
Changes of assumptions or other inputs	(4,445,504)	(14,068,795)	4,128,806	984,316	1,349,408	1,002,748	(2,871,043)
Differences between expected and actual experience	487,428	(140,890)	987,406	(285,320)	(265,208)	(310,716)	(59,844)
Benefit Payments	(1,062,792)	(942,830)	(898,198)	(778,835)	(680,498)	(634,310)	(519,334)
Net change in total pension liability	(1,867,396)	(12,448,319)	6,857,939	2,317,250	2,629,011	2,237,115	(1,226,325)
Total pension liability - beginning	36,883,001	49,331,321	42,473,382	40,156,132	37,527,121	35,290,006	36,516,331
Total pension liability - ending	$ 35,015,605	$ 36,883,001	$ 49,331,321	$ 42,473,382	$ 40,156,132	$ 37,527,121	$ 35,290,006
Covered Payroll	NA	NA	NA	NA	NA	NA	NA
Total pension liability as a percentage of covered employee payroll	NA	NA	NA	NA	NA	NA	NA

Notes to Required Supplementary Information

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

Trust Assets: There are no assets accumulated in a trust that meets the criteria in GAAP to pay related benefits.

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

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

June 30, 2022: 4.09%

June 30, 2023: 4.13%

Accumulation of excess points: the realization rate was Accrual basis as of July 1, 2023. The prior realization rate was 30%.

Changes of benefit terms. Effective January 1, 2020 the program was amended to provide an additional benefit to participants who were Active Volunteer Members on or after January 1, 2017. The additional benefit was to replace $10 pre-2003 Service Credit years with $12 Service Credit years, but not more than the total post-2003 Service Credits.

Exhibit XIX

COUNTY OF LOUDOUN, VIRGINIA
PRIMARY GOVERNMENT OPEB TRUST
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND SCHEDULE OF EMPLOYER CONTRIBUTIONS

Schedule of Changes in Net OPEB Liability

				Measurement Date			
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability							
Service Cost	$ 884,580	$ 873,107	$ 843,582	$ 1,058,566	$ 1,022,769	$ 988,183	$ 1,369,218
Interest	6,563,272	7,447,484	7,298,431	6,968,299	6,701,504	6,820,752	6,644,009
Changes in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	-	(11,897,120)	-	4,806,071	-	(4,709,822)	-
Changes in assumptions	-	5,642,785	-	(11,044,874)	-	-	-
Benefit payments	(7,831,365)	(6,710,142)	(5,072,492)	(3,886,336)	(4,024,587)	(5,073,709)	(4,243,376)
Net Change in Total OPEB Liability	(383,513)	(4,643,886)	3,069,521	(2,098,274)	3,699,686	(1,974,596)	3,769,851
Total OPEB Liability - Beginning of Year	112,361,932	117,005,818	113,936,297	116,034,571	112,334,885	114,309,481	110,539,630
Total OPEB Liability - End of Year (a)	$ 111,978,419	$ 112,361,932	$ 117,005,818	$ 113,936,297	$ 116,034,571	$ 112,334,885	$ 114,309,481
Plan Fiduciary Net Position							
Contributions - employer	$ 2,500,000	$ 5,500,000	$ 5,500,000	$ 9,927,193	$ 9,515,597	$ 10,556,355	$ 9,743,376
Contributions - member	-	-	-	-	-	-	-
Net investment income	5,106,230	(12,486,738)	18,690,149	3,420,488	4,098,897	3,378,887	4,377,540
Benefit payments	(7,831,365)	(6,710,142)	(5,072,492)	(3,886,336)	(4,024,587)	(5,073,709)	(4,243,376)
Administrative expense	(38,420)	(64,238)	(55,610)	(540,857)	(43,156)	(38,548)	(36,045)
Other	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(263,555)	(13,761,118)	19,062,047	8,920,488	9,546,751	8,822,985	9,841,495
Plan Fiduciary Net Position - Beginning of Year	94,324,827	108,085,945	89,023,898	80,103,410	70,556,659	61,733,674	51,892,179
Plan Fiduciary Net Position - End of Year (b)	94,061,272	94,324,827	108,085,945	89,023,898	80,103,410	70,556,659	61,733,674
Net OPEB Liability - End of Year (a-b)	$ 17,917,147	$ 18,037,105	$ 8,919,873	$ 24,912,399	$ 35,931,161	$ 41,778,226	$ 52,575,807
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	84.0%	83.9%	92.4%	78.1%	69.0%	62.8%	54.0%
Covered-Employee Payroll*	$ 104,387,752	$ 122,870,836	$ 111,428,509	$ 120,354,861	$ 120,211,758	$ 122,947,516	$ 167,365,462
Net OPEB Liability as a percentage of Covered Payroll	17.2%	14.7%	8.0%	20.7%	29.9%	34.0%	31.4%

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

Schedule of Employer Contributions

Fiscal Year	Actuarially Determined Contribution	Contributions Made in Relation to the Actuarially Determined Contributions	Contribution (Deficiency) / Excess	Covered Employee Payroll *	Contribution as a Percent of Covered Employee Payroll
2023	$ 1,183,105	$ 2,500,000	$ 1,316,895	$ 104,387,752	2.39%
2022	1,155,000	5,500,000	4,345,000	122,870,836	4.48%
2021	2,253,775	5,500,000	3,246,225	111,428,509	4.94%
2020	2,227,000	9,927,193	7,700,193	120,354,861	8.25%
2019	3,095,685	9,515,597	6,419,912	120,211,758	7.92%
2018	2,991,000	10,556,355	7,565,355	122,947,516	8.59%
2017	6,467,000	9,743,376	3,276,376	167,365,462	5.82%
2016	6,467,000	10,185,553	3,718,553	157,758,000	6.46%
2015	7,232,354	12,431,000	5,198,646	-	7.12%
2014	6,934,044	11,761,000	4,826,956	165,086,216	7.12%

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

Notes to Required Supplementary Information

Covered-employee payroll, the payroll of employees that are provided with OPEB through the OPEB Plan, is used in this presentation as contributions are not based on a measure of pay.

Actuarial Assumptions

Valuation Date	July 1, 2021
Actuarial cost method	Entry Age
Amortization method	Entry Age Method
Amortization period	30-year
Asset valuation method	Building block method
Inflation	2.50%
Healthcare cost trend rates	6.25% initially, grading down to 4.25% ultimate, 4.00% for Medicare
Salary increases	3.50%
Investment rate of return	6.00%
Mortality	Mortality rates are based on Pub2010G Headcount with Generational Mortality with SSA Scale (non-safety) and Pub2010S Headcount with Generational Mortality with SSA Scale (safety) (pre/post-retirement), Pub2010G DIS Headcount with Generational Mortality with SSA Scale (non-safety) and Pub2010S DIS Headcount with Generational Mortality with SSA Scale (safety) (post-disablement).

Exhibit XX

COUNTY OF LOUDOUN, VIRGINIA
PRIMARY GOVERNMENT LINE OF DUTY
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND SCHEDULE OF EMPLOYER CONTRIBUTIONS

Schedule of Changes in Net OPEB Liability

	Measurement Date					
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability						
Service Cost	$ 876,142	$ 846,514	$ 817,888	$ 517,916	$ 500,402	$ 378,873
Interest	1,775,906	1,924,773	1,134,668	960,534	932,513	642,121
Difference between expected and actual experience	-	(1,548,046)	-	(2,405,830)	-	-
Changes in assumptions	(128,757)	(3,107,626)	10,520,902	1,590,326	4,240,000	-
Benefit payments	(492,600)	(380,197)	(314,079)	(358,946)	(302,486)	(270,048)
Net Change in Total OPEB Liability	2,030,691	(2,264,582)	12,159,379	304,000	5,370,429	750,946
Total OPEB Liability - Beginning of Year	26,687,909	28,952,491	16,793,112	16,489,112	11,118,683	10,367,737
Total OPEB Liability - End of Year (a)	$ 28,718,600	$ 26,687,909	$ 28,952,491	$ 16,793,112	$ 16,489,112	$ 11,118,683
Plan Fiduciary Net Position						
Contributions - employer	$ 492,600	$ 380,197	$ 314,079	$ 358,946	$ 302,486	$ 270,048
Benefit payments	(492,600)	(380,197)	(314,079)	(358,946)	(302,486)	(270,048)
Net OPEB Liability - End of Year (a-b)	$ 28,718,600	$ 26,687,909	$ 28,952,491	$ 16,793,112	$ 16,489,112	$ 11,118,683
Covered-Employee Payroll	$ 114,143,533	$ 126,076,062	$ 115,073,295	$ 102,000,284	$ 93,032,102	$ 87,260,644
Net OPEB Liability as a percentage of Covered Payroll	25.2%	21.2%	25.2%	16.5%	17.7%	12.7%

Schedule of Employer Contributions

Fiscal Year	Actuarially Determined Contribution	Contributions Made in Relation to the Actuarially Determined Contributions	Contribution (Deficiency) / Excess	Covered Employee Payroll	Contribution as a Percent of Covered Employee Payroll
2023	$ 492,600	$ 492,600	$ -	$ 114,143,533	0.43%
2022	380,197	380,197	-	126,076,062	0.30%
2021	314,079	314,079	-	115,073,295	0.27%
2020	358,946	358,946	-	102,000,284	0.35%
2019	302,486	302,486	-	93,032,102	0.33%
2018	270,048	270,048	-	87,260,644	0.31%

Notes to Required Supplementary Information

These schedules are intended to show information for 10 years. Since 2018 is the first year for this presentation, 10 years of data is not available. Additional years will be included as they become available.

No assets are accumulated in a trust that meets the criteria in GAAP to pay related benefits.

Covered-employee payroll, the payroll of employees that are provided with OPEB through the OPEB Plan, is used in this presentation as contributions are not based on a measure of pay.

Actuarial Assumptions

Valuation Date	July 1, 2021
Actuarial cost method	Entry Age
Amortization method	Open Level Percentage of Payroll
Amortization period	30-year
Asset valuation method	Building block method
Inflation	2.50%
Healthcare cost trend rates	6.25% initially, grading down to 4.25% ultimate, 4.00% for Medicare
Salary increases	3.50%
Discount Rate	4.09%
Mortality	Mortality rates are based on Pub2010S Headcount with Generational Mortality with SSA20 Scale (pre/post-retirement), Pub 2010S DIS Headcount with Generational Mortality with SSA20 Scale (post-disablement).

Exhibit XXI

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

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

	Measurement Date					
	6/30/2023	**6/30/2022**	**6/30/2021**	**6/30/2020**	**6/30/2019**	**6/30/2018**
Total OPEB Liability						
Service Cost	$ 7,934,379	$ 8,250,047	$ 12,498,442	$ 5,580,255	$ 5,783,010	$ 7,710,000
Interest	25,536,318	24,910,466	26,997,794	17,614,339	17,077,102	18,800,379
Changes in benefit terms	(52,792,089)	-	-	-	-	(2,102,019)
Difference between expected and actual experience	13,180,233	(3,713,631)	(46,637,314)	48,770,039	4,481,330	13,574,790
Changes in assumptions	122,367,631	-	(7,502,400)	94,538,038	-	(3,470,322)
Benefit payments	(20,643,748)	(16,812,744)	(15,007,398)	(19,271,094)	(17,098,396)	(15,724,264)
Net Change in Total OPEB Liability	95,582,724	12,634,138	(29,650,876)	147,231,574	10,243,046	18,788,564
Total OPEB Liability - Beginning of Year	427,842,446	415,208,308	444,859,184	297,627,610	287,384,564	268,596,000
Total OPEB Liability - End of Year (a)	$ 523,425,170	$ 427,842,446	$ 415,208,308	$ 444,859,184	$ 297,627,610	$ 287,384,564
Plan Fiduciary Net Position						
Contributions - employer	$ 32,643,748	$ 28,812,744	$ 25,007,398	$ 29,271,094	$ 27,098,396	$ 27,724,264
Net investment income	12,318,710	(29,103,145)	41,104,933	7,584,631	9,119,738	7,611,010
Benefit payments	(20,643,748)	(16,812,744)	(15,007,398)	(19,271,094)	(17,098,396)	(15,724,264)
Administrative expense	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	24,318,710	(17,103,145)	51,104,933	17,584,631	19,119,738	19,611,010
Plan Fiduciary Net Position - Beginning of Year	231,132,173	248,235,318	197,130,385	179,545,754	160,426,016	140,815,006
Plan Fiduciary Net Position - End of Year (b)	255,450,883	231,132,173	248,235,318	197,130,385	179,545,754	160,426,016
Net OPEB Liability - End of Year (a-b)	$ 267,974,287	$ 196,710,273	$ 166,972,990	$ 247,728,799	$ 118,081,856	$ 126,958,548
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	48.80%	54.02%	59.79%	44.31%	60.33%	55.82%
Covered-Employee Payroll (2)	$ 407,110,734	$ 390,237,676	$ 398,195,610	$ 453,623,652	$ 468,583,742	$ 460,995,350
Net OPEB Liability as a percentage of Covered Payroll	65.82%	50.41%	41.93%	54.61%	25.20%	27.54%

Schedule of Employer Contributions - Component Unit - Schools OPEB Trust

Fiscal Year	Actuarially Determined Contributions (1)	Contributions Made in Relation to the Actuarially Determined Contributions	Contribution (Deficiency) / Excess	Covered Employee Payroll (2)	Contribution as a Percent of Covered Employee Payroll
2023	N/A	32,643,748	N/A	$ 407,110,734	8.02%
2022	N/A	28,812,744	N/A	390,237,676	7.38%
2021	N/A	25,007,398	N/A	398,195,610	6.28%
2020	N/A	29,271,094	N/A	453,623,652	6.45%
2019	N/A	27,098,396	N/A	468,583,742	5.78%
2018	N/A	27,724,264	N/A	460,995,350	6.01%

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Asset Valuation Method	Fair Value of Assets
IRS Limit Increases	2.50%
Salary Increases	Varies by service
Investment Rate of Return	6.00%
Mortality	Approximate 2006 table based on Headcount-Weighted RP-2014 Combined Healthy Annuitant, projected generationally with Scale MP-2020 from 2006 Approximate 2006 table based on Headcount-Weighted RP-2014 Disabled Retiree, projected generationally with Scale MP-2020 from 2006

The component unit - schools participates in the Virginia Pooled OPEB Trust Fund sponsored by the Virginia Municipal League and the Virginia Association of Counties (VML/VACo).

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

Loudoun County Public Schools issues a publicly available Annual Comprehensive Financial Report. A copy of that report may be obtained from the Schools website, http://www.lcps.org.

(1) GASB 75 was effective for employer fiscal years beginning after June 15, 2017. The component unit - schools has no policy to determine contributions to the OPEB Trust; therefore, no actuarially determined contributions are presented.
(2) June 30, 2017 covered employee payroll was projected from the July 1, 2015 covered payroll using the assumed payroll growth rate of 3.0%. The decrease in covered employee payroll for June 30, 2018 is due to excluding payroll from active employees hired on or after July 1, 2013 who are ineligible for retiree benefits.

Amounts may not foot due to rounding.

Exhibit XXII

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

	Date	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Primary Government	2023	1.40%	$ 16,845,309	$ 304,319,135	5.54%	67.21%
	2022	1.40%	16,329,604	289,526,904	5.64%	67.45%
	2021	1.26%	21,015,655	259,168,008	8.11%	52.64%
	2020	1.17%	18,963,509	228,453,555	8.30%	52.00%
	2019	1.11%	16,768,000	185,967,746	7.98%	51.22%
	2018	1.08%	16,291,000	199,689,092	8.16%	48.86%
Component Unit - Teachers	2023	3.67%	$ 44,133,625	$ 797,292,984	5.54%	67.21%
	2022	3.67%	40,986,660	726,824,504	5.64%	67.45%
	2021	3.41%	56,861,425	701,223,596	8.11%	52.64%
	2020	3.20%	51,999,615	626,427,691	8.30%	52.00%
	2019	3.06%	46,412,000	581,094,062	7.99%	51.22%
	2018	2.94%	44,272,000	542,661,496	8.16%	48.86%
Component Unit - Political Subdivision	2023	0.36%	$ 4,292,002	$ 77,536,540	5.54%	67.21%
	2022	0.36%	3,923,944	69,583,180	5.64%	67.45%
	2021	0.33%	5,519,008	68,062,132	8.11%	52.64%
	2020	0.32%	5,298,866	63,833,514	8.30%	52.00%
	2019	0.30%	4,622,000	57,864,717	7.99%	51.22%
	2018	0.29%	4,384,000	53,727,081	8.16%	48.86%

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

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

Loudoun County Public Schools issues a publicly available Annual Comprehensive Financial Report. A copy of that report may be obtained from the Schools website, http://www.lcps.org.

Exhibit XXIII

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

	Date	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution (Deficiency)/ Excess	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Primary Government	2023	$ 1,777,181	$ 1,777,181	$ -	$ 329,107,566	0.54%
	2022	1,643,323	1,643,323	-	304,319,135	0.54%
	2021	1,563,715	1,563,715	-	289,576,904	0.54%
	2020	1,347,674	1,347,674	-	259,168,008	0.52%
	2019	1,187,955	1,187,955	-	228,453,555	0.52%
	2018	892,631	892,631	-	185,964,746	0.48%
	2017	1,038,383	1,038,383	-	199,689,092	0.52%
	2016	931,212	931,212	-	194,002,556	0.48%
	2015	892,631	892,631	-	185,964,746	0.48%
	2014	858,142	858,142	-	178,779,563	0.48%
Component Unit - Teachers	2023	$ 4,305,383	$ 6,673,156	$ 2,367,773	$ 835,432,360	0.80%
	2022	3,935,671	3,935,671	-	797,292,984	0.49%
	2021	3,924,852	3,924,852	-	726,824,504	0.54%
	2020	3,646,363	3,646,363	-	701,223,596	0.52%
	2019	3,257,424	3,257,424	-	626,427,691	0.52%
	2018	3,021,689	3,021,689	-	581,094,062	0.52%
	2017	2,821,840	2,821,840	-	542,661,496	0.52%
	2016	2,433,288	2,433,288	-	506,935,062	0.48%
	2015	2,290,175	2,290,175	-	477,119,855	0.48%
	2014	2,171,127	2,171,127	-	452,318,042	0.48%
Component Unit - Political Subdivision	2023	$ 418,696	$ 661,096	$ 242,400	$ 91,174,213	0.73%
	2022	376,790	376,790	-	77,536,540	0.49%
	2021	375,749	375,749	-	68,583,180	0.55%
	2020	353,923	353,923	-	68,062,132	0.52%
	2019	331,934	331,934	-	63,833,514	0.52%
	2018	300,897	300,897	-	57,864,717	0.52%
	2017	279,381	279,381	-	53,727,081	0.52%
	2016	254,042	254,042	-	52,925,461	0.48%
	2015	245,623	245,623	-	51,171,372	0.48%
	2014	240,217	240,217	-	50,045,215	0.48%

Notes to Required Supplementary Information

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest Ten Locality Employers - General Employees	Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
	Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
	Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
	Disability Rates	No change
	Salary Scale	No change
	Line of Duty Disability	No change
	Discount Rate	No change
Largest Ten Locality Employers - Hazardous Duty Employees	Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020
	Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
	Withdrawal Rates	Decreased rates
	Disability Rates	No change
	Salary Scale	No change
	Line of Duty Disability	No change
	Discount Rate	No change

Loudoun County Public Schools issues a publicly available Annual Comprehensive Financial Report. A copy of that report may be obtained from the Schools website, http://www.lcps.org.

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<u>APPENDIX C</u>

DEFINITIONS OF CERTAIN TERMS

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APPENDIX C

DEFINITIONS OF CERTAIN TERMS

The following terms have the following meanings in this Official Statement, unless a different meaning clearly appears from the context.

"**Account**" means any account established in the Bond Fund, Debt Service Reserve Fund, Project Fund or any other fund established under the Trust Agreement.

"**Annual Budget**" means the annual budget prepared each year by the County, as it may be updated and amended from time to time.

"**Authority Tax Certificate**" shall mean the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, executed by the Authority and the County.

"**Authorized Authority Representative**" shall mean the Chairman and Vice Chairman of the Authority's board of directors and such additional person or persons as may be designated to act on behalf of the Authority by a certificate executed by the Chairman or Vice Chairman of the Authority's board of directors and on file with the Trustee.

"**Authorized County Representative**" shall mean the County Administrator or such person or persons as may be designated to act on behalf of the County by a certificate executed by the County Administrator and on file with the Trustee.

"**Basic Agreements**" means collectively the Trust Agreement and the Financing Agreement.

"**Bond Counsel**" means an attorney or firm of attorneys nationally recognized on the subject of municipal bonds selected by the County and reasonably acceptable to the Authority.

"**Bond Fund**" means the Bond Fund established in the Trust Agreement.

"**Bond Payment Date**" means the date on which any payment of principal of (whether at maturity or mandatory sinking fund redemption) or interest on the Bonds is scheduled to become due and payable.

"**Business Day**" means a day on which banking business is transacted, but not including a Saturday, Sunday or legal holiday, or any day on which banking institutions are authorized by law to close in the city in which the Trustee has its designated corporate trust office.

"**Code**" means the Internal Revenue Code of 1986, as amended, including applicable regulations, rulings and revenue procedures promulgated or applicable thereunder.

"**Cost**" means the Cost of a Project as set forth in the Trust Agreement.

"**Cost of Issuance Account**" means the Cost of Issuance Account established within the Project Fund.

"**Debt Service Reserve Fund**" means the Debt Service Reserve Fund established in the Trust Agreement.

"**Event of Default**" means any of the following events:

(a) Default in the due and punctual payment of the principal of or premium, if any, on any Bond (whether at maturity, call for redemption or otherwise);

(b) Default in the due and punctual payment of the interest on any Bond;

(c) An "Event of Default" under the Financing Agreement, consisting of:

(1) Failure of the County (A) to pay the full amount of Basic Payments within 10 days after the due date or (B) to make any payment of Additional Payments when due; or

(2) Failure of the County to pay when due within 10 days after receipt of written notice from the Authority any payment due under the Financing Agreement, other than payments described in subsection (c)(1) above, or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of 30 days after notice is given, or in the case of any such default that can be cured, cannot with due diligence be cured within such 30 day period but can be cured within the succeeding 60 days, failure of the County to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence; and

(d) Failure of the Authority to observe and perform any of its other covenants, conditions or agreements under the Trust Agreement or in the Bonds for a period of 30 days after written notice either from the Trustee or holders of not less than 25% in aggregate principal amount of Bonds then Outstanding (unless the Trustee should agree in writing to an extension of such time prior to its expiration), specifying such failure and requesting that it be remedied, or in the case of any such default that cannot with due diligence be cured within such 30-day period, failure of the Authority to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence.

"**Fiscal Year**" means the twelve-month period beginning on July 1 of one year and ending on June 30 of the following year, or such other fiscal year of twelve months as may be selected by the County.

"**Fund**" means the Bond Fund, Debt Service Reserve Fund, Project Fund or any other fund established under the Trust Agreement.

"**Government Certificates**" means certificates representing proportionate ownership of Government Obligations, which Government Obligations are held by a bank or trust company organized under the laws of the United States of America or any of its states in the capacity of custodian of such certificates.

"**Government Obligations**" means (a) bonds, notes and other direct obligations of the United States of America, (b) securities unconditionally guaranteed as to the timely payment of principal, if applicable, and interest by the United States of America or (c) bonds, notes and other obligations issued or guaranteed as to the timely payment of principal and interest by the Rural Utilities Service (certificates of beneficial ownership), Federal Housing Administration (debentures), General Services Administration (participation certificates), U.S. Maritime Administration (guaranteed Title XI financing), U.S. Department of Housing and Urban Development (project notes and local authority bonds), provided such obligations are backed by the full faith and credit of the United States of America. Stripped securities are permitted only if stripped by the agency itself. Government Obligations may be held directly by the Trustee or in the form of securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio of such investment company or investment trust is limited to Government Obligations.

"**Interest Account**" means the Interest Account in the Bond Fund established in the Trust Agreement.

"**Opinion of Bond Counsel**" means a written opinion from Bond Counsel.

"**Opinion of Counsel**" means an opinion or, if the subject matter to be addressed is not of a nature as to which counsel may opine under applicable legal opinion standards, an advisory letter, of any attorney or firm of attorneys reasonably acceptable to the Trustee, who may be counsel for the Authority, the County or the Trustee but shall not be, except for the County Attorney, a full time employee of the Authority, the County or the Trustee.

"**Outstanding**" means, when used as descriptive of Bonds, that such Bonds have been authorized, issued, authenticated and delivered under the Trust Agreement and have not been canceled or surrendered to the Trustee for cancellation, deemed to have been paid as provided in the Trust Agreement, have had other Bonds issued in exchange therefor or had their principal become due and moneys sufficient for their payment deposited with the Trustee as provided in the Trust Agreement.

"**Principal Account**" means the Principal Account in the Bond Fund established in the Trust Agreement in which there shall be established a separate subaccount for each Series of Bonds.

"**Project**" or "**Projects**" shall mean, individually or collectively, the Series 2024C Project and any other project undertaken by the Authority, with the County's consent, from time to time and identified in a Supplemental Financing Agreement, including without limitation, the financing or refinancing of the acquisition, construction, improvement or equipping of infrastructure, public facilities and other improvements and facilities permitted to be undertaken pursuant to the provisions of the Act, including any extensions, additions, replacements, equipment and appurtenances to or for the benefit of such facilities.

"**Project Fund**" means the Project Fund established in the Trust Agreement.

"**Rating Agency**" or "**Rating Agencies**" means Fitch, Moody's or Standard & Poor's, or any of them, and their successors. The Authority may appoint any nationally recognized securities rating agency in addition to or as a replacement for Fitch, Moody's or Standard & Poor's.

"**Reserve Determination Date**" means (a) each interest payment date for the Bonds or (b) any other date established in writing by an Authorized County Representative for the valuation of obligations on deposit in a Series Debt Service Reserve Account of the Debt Service Reserve Fund.

"**Series**" or "**Series of Bonds**" means a separate series of Bonds issued under the Trust Agreement and a Supplemental Trust Agreement.

"**Series 2021 Bonds**" means, collectively, the Authority's $56,485,000 Public Facility Revenue and Refunding Bonds, Series 2021A (Loudoun County Public Facilities Project) and $18,300,000 Public Facility Revenue Bonds, Series 2021B (Loudoun County Public Facilities Project) (Federally Taxable), each issued pursuant to the Trust Agreement and the First Supplemental Trust Agreement.

"**Series 2022 Bonds**" means, collectively, the Authority's $55,315,000 Public Facility Revenue and Refunding Bonds, Series 2022A (Loudoun County Public Facilities Project) and $18,485,000 Public Facility Revenue Bonds, Series 2022B (Loudoun County Public Facilities Project) (Federally Taxable), each issued pursuant to the Trust Agreement and the Second Supplemental Trust Agreement.

"**Series 2023 Bonds**" means, the Authority's $37,215,000 Public Facility Revenue Bonds, Series 2023 (Loudoun County Public Facilities Project), issued pursuant to the Trust Agreement and the Third Supplemental Trust Agreement.

"**Series 2024AB Bonds**" means, collectively, the Authority's $26,855,000 Public Facility Revenue Bonds, Series 2024A (Loudoun County Public Facilities Project) and $15,075,000 Public Facility Revenue Bonds, Series 2024B (Loudoun County Public Facilities Project) (Federally Taxable), each issued pursuant to the Trust Agreement and the Fourth Supplemental Trust Agreement.

"**Series Debt Service Reserve Account**" means any of the Series Debt Service Reserve Accounts in the Debt Service Reserve Fund established in the Trust Agreement.

"**Series Debt Service Reserve Requirement**" means, with respect to a Series of Bonds, the amount set forth in a Supplemental Trust Agreement.

"**Supplemental Financing Agreement**" means any supplemental financing agreement supplementing, amending or modifying the provisions of the Financing Agreement entered into by the Authority and the County.

"**Supplemental Trust Agreement**" means any Supplemental Trust Agreement supplementing, amending or modifying the provisions of the Trust Agreement entered into by the Authority and the Trustee.

"**Term Bonds**" means any Bonds stated to mature on a specified date and required to be redeemed in part prior to maturity according to a sinking fund schedule.

"**Virginia Code**" means the Code of Virginia of 1950.

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APPENDIX D

SUMMARY OF CERTAIN FINANCING DOCUMENTS

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APPENDIX D

SUMMARY OF CERTAIN FINANCING DOCUMENTS

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

The following is a summary of the Financing Agreement. This summary does not purport to set forth all of the provisions of the Financing Agreement and reference is made to the Financing Agreement for its complete and actual terms.

Agreement to Issue Bonds.

The Authority agrees to make available to the County, but solely from the proceeds of a Series of Bonds, and the County agrees to accept, monies to finance the Cost of a Project. Subject to the limitation described below under "**Appropriations by the County; Credit Against Basic Payments and Additional Payments; Declaration of Essentiality**," the County agrees to make all payments of Basic Payments and Additional Payments when and as the same shall become due and payable as provided herein.

[Section 3.1]

Limitation of Authority's Liability. Anything contained in the Financing Agreement to the contrary notwithstanding, any obligation the Authority may incur in connection with the issuance of a Series of Bonds for the payment of money will not be deemed to constitute a debt or general obligation of the Authority within any constitutional or statutory limitations, but will be payable solely from the revenues and receipts derived by it pursuant to the Financing Agreement.

[Section 3.3]

Amounts Payable.

(a) Subject to the limitations described below under "**Appropriations by the County; Credit Against Basic Payments and Additional Payments; Declaration of Essentiality**," the County shall make Basic Payments to the Authority on or before the dates and in the amounts set forth in the Financing Agreement, as it may be amended from time to time. The County shall receive a credit against its obligation to make the next succeeding Basic Payment due under the Financing Agreement in an amount equal to any amounts on deposit in the Bond Fund and any interest income derived from the investment thereof held by the Trustee in the Bond Fund, provided that such amounts have not been applied previously as a credit with respect to any Basic Payment and will be available to make the corresponding payments on the Bonds then Outstanding.

(b) Subject to the limitations described below under "**Appropriations by the County; Credit Against Basic Payments and Additional Payments; Declaration of Essentiality**," the County shall make Additional Payments when required pursuant to this Financing Agreement.

(c) The obligations of the County to make the Basic Payments and Additional Payments and to perform and observe the other agreements contained herein shall be absolute and unconditional, except as provided in the subsection described below under "**Appropriations by the County; Credit Against Basic Payments and Additional Payments; Declaration of Essentiality**."

[Section 4.1]

Payments Assigned.

The Authority and the County acknowledge and agree that all Basic Payments and Additional Payments (except the right of the Authority to the payment of fees, costs and expenses and the right to receive notices as provided in the Financing Agreement and in the Trust Agreement) are assigned to the Trustee by the terms of the Trust Agreement. The County consents to such assignment and agrees to pay to the Trustee all amounts payable by the County that are so assigned.

[Section 4.2]

Obligations Unconditional.

Except as otherwise provided in the Financing Agreement, including the limitations described below under "**Appropriations by the County; Credit Against Basic Payments and Additional Payments; Declaration of Essentiality**," the obligations of the County to make all Basic Payments and to observe all other covenants, conditions and agreements under the Basic Agreements shall be absolute and unconditional, irrespective of any right of setoff, recoupment or counterclaim the County may otherwise have against the Authority, and the County shall not suspend or discontinue any such Basic Payment or fail to observe and perform any of its covenants, conditions and agreements under the Basic Agreements.

[Section 4.3]

Appropriations by the County; Credit Against Basic Payments and Additional Payments; Declaration of Essentiality.

The County reasonably believes that funds sufficient to make all payments of Basic Payments and Additional Payments when due under the Financing Agreement can be obtained. While recognizing that it is not empowered to make any binding commitment to make payments of Basic Payments and Additional Payments beyond the current Fiscal Year, the Board of Supervisors in authorizing the execution of the Financing Agreement has stated its intent to make appropriations sufficient to make the payments of Basic Payments and Additional Payments.

The County declares the nature of the Projects essential to the proper operations of the County. Notwithstanding anything in the Financing Agreement to the contrary, the County's obligations to pay the cost of performing its obligations under the Financing Agreement, including, but not limited to, its obligations to pay all Basic Payments and Additional Payments, are subject to and dependent upon, first, appropriations being made from time to time by the Board of Supervisors to make payments when due and applied as a credit against the corresponding payments due under the Financing Agreement and second, legally available funds of the County.

The County Administrator, the Director of Management and Budget or other officer charged with the responsibility for preparing the County's Annual Budget will include in the budget for each Fiscal Year as a single appropriation the amount of all Basic Payments and estimated Additional Payments due during such Fiscal Year. Throughout the term of the Financing Agreement the County Administrator or the Director of Management and Budget will deliver to the Trustee and the Authority within 10 days after the adoption of the Annual Budget for each Fiscal Year, but not later than 10 days after the beginning of each Fiscal Year, a certificate stating whether an amount equal to or credited to the payment of, the Basic Payments and estimated Additional Payments which will be due during the Fiscal Year has been appropriated by the Board of Supervisors. If any adopted Annual Budget does not include an appropriation of funds sufficient to pay, or be credited to the payment of, both Basic Payments and estimated Additional Payments for the relevant Fiscal Year, the Board of Supervisors will take a roll call vote immediately after adoption of such Annual Budget acknowledging the impact of its failure to appropriate such funds. If, by 15 days after the beginning of the Fiscal Year, the Board of Supervisors has not appropriated funds for the payment of both Basic Payments and estimated Additional Payments for the then current Fiscal Year, the County Administrator or the Director of Management and Budget will give written notice to the Board of Supervisors of the consequences of such failure to appropriate, and request the Board of Supervisors to consider a supplemental appropriation for such purposes.

[Section 4.4]

Prepayment of Basic Payments.

The County shall have the option to prepay any Basic Payments at the times and in the amounts as necessary to exercise its option to cause the Series 2021 Bonds, the Series 2022 Bonds, the Series 2023 Bonds, the Series 2024AB Bonds, the Series 2024C Bonds and any additional Series of Bonds secured by the Financing Agreement to be redeemed as set forth in such Bonds. Such prepayments of Basic Payments shall be made at the times and in the amounts as necessary to accomplish the optional redemption of the applicable Series of Bonds as set forth in the Bonds. Upon the exercise of such option, the County shall also pay as Additional Payments, the amounts necessary to pay the premium, if any, due on such Bonds on the date or dates of their redemption, together with any other outstanding Additional Payments.

The County shall give the Trustee notice of any prepayment of Basic Payments and therefore any redemption of such Bonds at least 15 days prior to the latest date that notice of redemption may be given pursuant to the Trust Agreement, such notice to the Trustee to specify the redemption date, the principal amount of the Bonds to be redeemed, the premium, if any, and the section of the Trust Agreement pursuant to which such redemption is to be made.

To the extent that the County prepays any amounts due with respect to the Series 2021 Bonds, the Series 2022 Bonds, the Series 2023 Bonds, the Series 2024AB Bonds, the Series 2024C Bonds and any additional Series of Bonds secured by the Financing Agreement, the amount of such prepayments shall also be credited against the corresponding amount of Basic Payments due under the Financing Agreement.

Upon prepayment in full of all Basic Payments and any Additional Payments due under the Financing Agreement in accordance with this subsection, the Financing Agreement shall terminate.

[Section 5.1]

Events of Default.

(a) Subject to the provisions of Subsection (c) of the Financing Agreement described below, the following will be "Events of Default" under the Financing Agreement, and the terms "Event of Default" or "Default" will mean, whenever they are used in the Financing Agreement, any one or more of the following events:

(1) Failure of the County (A) to pay the full amount of Basic Payments within 10 days after the due date or (B) to make any payment of Additional Payments when due; or

(2) Failure of the County to pay when due within 10 days after receipt of written notice from the Authority any payment due under the Financing Agreement, other than payments described in subsection (a)(1) above, or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of 30 days after notice is given, or in the case of any such default that can be cured, cannot with due diligence be cured within such 30 day period but can be cured within the succeeding 60 days, failure of the County to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence.

(b) The provisions of the foregoing subparagraph (a)(2) are subject to the limitation that if by reason of force majeure the County is unable in whole or in part to perform any of its covenants, conditions or agreements under the Financing Agreement, the County will not be deemed in default during the continuance of such inability. The term "force majeure" includes without limitation acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the Commonwealth of Virginia or any political subdivision thereof or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; restraint of government and people; or civil disturbances. The County will remedy with all reasonable dispatch the cause or causes preventing the County from carrying out its covenants, conditions and agreements, provided that the settlement of strikes, lockouts and other industrial disturbances will be entirely within the discretion of the County, and the County will not be required to settle strikes, lockouts and other industrial disturbances by acceding to the demands of any opposing party when such course is in the judgment of the County not in its best interests.

(c) Notwithstanding anything contained in this Section to the contrary, (1) failure by the County to pay when due any payment required to be made under the Financing Agreement or (2) failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Financing Agreement, either of which results from failure of the Board of Supervisors to appropriate moneys for such purposes, will not constitute an Event of Default.

[Section 6.1]

Remedies. Whenever any event of default shall have happened and is continuing beyond any applicable cure period, the Authority may take whatever action at law or in equity, other than to declare the entire unpaid principal balance of Basic Payments to be immediately due and payable, may appear necessary or desirable to collect the Basic Payments and the Additional Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County under the Financing Agreement. Any amounts received by the Authority pursuant to the foregoing provisions shall be applied first to costs, then to any unpaid interest and then to repayment of principal, and upon payment in full of all amounts due such excess shall be deposited in the Bond Fund and credited to the next payment of Basic Payments to the extent Basic Payments has not been paid in full. This provision shall survive termination of the Financing Agreement.

[Section 6.2]

Reinstatement after Event of Default. Notwithstanding the exercise by the Authority of any remedy granted by the Financing Agreement, all overdue Basic Payments, together with any interest thereon, and all Additional Payments will have been made, then the County's default under the Financing Agreement will be waived without further action by the Authority. Upon such payment and waiver, the Financing Agreement will be fully reinstated and all Basic Payments will be due and payable in accordance with the previously determined schedule.

[Section 6.3]

No Remedy Exclusive. No remedy conferred by the Financing Agreement upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but every such remedy will be cumulative and will be in addition to every other remedy given under the Financing Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof or acquiescence therein, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

[Section 6.4]

No Additional Waiver Implied by One Waiver. Failure by the Authority at any time to require performance by the County of any provision of the Financing Agreement will in no way affect the Authority's right under the Financing Agreement to enforce the same, nor will any waiver by the Authority of any breach of any provision under the Financing Agreement be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

[Section 6.5]

Attorneys' Fees and Other Expenses. Subject to appropriation of funds, the County will on demand pay to the Authority and the Trustee reasonable fees of attorneys and other reasonable expenses incurred by either of them in the collection of appropriated, but unpaid, Basic Payments or Additional Payments, or the enforcement of any other obligation of the County, or its agents, upon an Event of Default.

[Section 6.6]

Amendments. The Financing Agreement shall not be supplemented, amended or modified prior to the payment of all Outstanding Bonds except in accordance with the Trust Agreement.

[Section 7.3]

Authority's Expenses. Subject to appropriations of funds, the County agrees to pay and save the Authority harmless against any liability for the payment of all reasonable out-of-pocket expenses arising in connection with the transactions contemplated by the Financing Agreement.

[Section 8.1]

Maintenance of Existence of Authority. Except for the assignment of its rights under the Financing Agreement to the Trustee pursuant to the Trust Agreement, the Authority agrees that it will not assign, transfer or convey its interest in the Financing Agreement or any of the revenues to be derived therefrom. The Authority further agrees that, until the Bonds have been paid in full, the Authority will not (a) dissolve or otherwise dispose of all or substantially all of its assets, (b) consolidate with or merge into any authority, corporation, association or other body, (c) permit any other authority, corporation, association or other body to consolidate with or merge into it, (d) act jointly with any other authority, corporation, association or other body (other than the County and the Trustee) with respect to the transactions contemplated by the Financing Agreement and the Trust Agreement, or (e) take any action or refrain from taking any action which would (i) permit any of the foregoing to be required by operation of law or (ii) which would permit it, or require it by operation of law, to avoid its obligations under the Financing Agreement or the Trust Agreement or any other agreement contemplated by the Financing Agreement; provided, however, that nothing contained in this Section shall prevent the consolidation of the Authority with, or the merger of the Authority into, or the transfer of the interest of the Authority in the Financing Agreement as an entirety to, any public corporation whose facilities and income are not subject to taxation and which has the corporate authority to carry out the transactions contemplated by the Financing Agreement and the Trust Agreement, but only on the conditions that (A) reasonable prior notice of such consolidation, merger or transfer is given to the County and the Trustee, and (B) upon any such consolidation, merger or transfer, the obligation of the Authority to make due and punctual payment of the principal of, redemption premium (if any) and interest on the Bonds according to their tenor and to perform and observe all of the agreements and conditions of the Financing Agreement and the Trust Agreement shall be expressly assumed in writing by the corporation resulting from such consolidation or surviving such merger or to which the interest of the Authority in the Financing Agreement shall be transferred as an entirety.

[Section 8.3]

Tax Covenant. The County covenants that it will neither make nor direct the Authority or the Trustee to make any investment or other use of the proceeds of the Series 2021A Bonds, the Series 2022A Bonds, the Series 2023 Bonds, the Series 2024A Bonds, the 2024C Bonds or any additional Series of Bonds the interest on which is generally intended to be excluded from gross revenue for federal income tax purposes ("Additional Tax-Exempt Bonds") that would (a) cause the Series 2021A Bonds, the Series 2022A Bonds, the Series 2023 Bonds, the Series 2024A Bonds, the 2024C Bonds and any Additional Tax-Exempt Bonds to be "arbitrage bonds" as that term is defined in Section 148(a) of the Code or (b) cause interest paid on the Series 2021A Bonds, the Series 2022A Bonds, the Series 2023 Bonds, the Series 2024A Bonds, the 2024C Bonds and any Additional Tax-Exempt Bonds to not be excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code and that it will comply with the requirements of the Code throughout the term of the Series 2021A Bonds, the Series 2022A Bonds, the Series 2023 Bonds, the Series 2024A Bonds, the 2024C Bonds and any Additional Tax-Exempt Bonds. Furthermore, the County (or any related party, as defined in Section 1.150-1(b) of the Treasury Regulations, to the County) will not purchase any Series 2021A Bonds, Series 2022A Bonds, Series 2023 Bonds, Series 2024A Bonds, the 2024C Bonds or any Additional Tax-Exempt Bonds unless the County delivers an opinion to the Authority and the Trustee that such purchase will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

The County covenants that it (a) will take all actions that may be required of the County, or will take all action within its power to require any action to be taken, for the interest on the Series 2021A Bonds, the Series 2022A Bonds, the Series 2023 Bonds, the Series 2024A Bonds, the 2024C Bonds and any Additional Tax-Exempt Bonds to be and remain not included in gross income for federal income tax purposes and (b) will not take or authorize to be taken any actions within its power that would adversely affect that status under the provisions of the Code and, in furtherance thereof, will comply with the requirements of the Authority Tax Certificate. Notwithstanding any other provision in the Financing Agreement, the obligations contained in this section will survive the defeasance or other payment of the Series 2021A Bonds, the Series 2022A Bonds, the Series 2023 Bonds, the Series 2024A Bonds, the 2024C Bonds and any Additional Tax-Exempt Bonds.

[Section 8.4]

Arbitrage Rebate Fund. There is established under the Financing Agreement the Loudoun County, Virginia Public Facility Revenue Bond Arbitrage Rebate Fund ("Arbitrage Rebate Fund") to be held by the County. Subject to appropriation of funds by the County, the County shall deposit moneys in the Arbitrage Rebate Fund from time to time for payment of the rebate obligations under the Code (the "Rebate Amount"). The County may establish separate accounts in the Arbitrage Rebate Fund for each Series of Bonds issued under the Trust Agreement and will deposit the Rebate Amount into the appropriate account in the Arbitrage Rebate Fund.

[Section 9.1]

Rebate Requirement. Except with respect to earnings on funds and accounts qualifying for exceptions to the rebate requirement of Section 148 of the Code, the County will pay, from amounts in the Arbitrage Rebate Fund or other available funds of the County, the Rebate Amount to the United States of America, as and when due, in accordance with Section 148(f) of the Code, as provided in the Financing Agreement, and shall retain records of all such determinations until six years after payment of each Series of Bonds.

[Section 9.2]

Calculation and Report of Rebate Amount.

(a) The bond year for each Series of Bonds pursuant to Treasury Regulation Section 1.148-1 shall be as set forth in and in accordance with the Authority Tax Certificate.

(b) Within 30 days after the initial installment computation date which is not later than the last day of the fifth bond year, and at least once every five years thereafter, the County shall cause the Rebate Amount to be computed and shall deliver a copy of such computation (the "Rebate Amount Certificate") to the Authority and the Trustee. Prior to any payment of the Rebate Amount to the United States of America as required by Section 148 of the Code, a Rebate Amount Certificate setting forth such Rebate Amount shall be prepared or approved by (1) a person with experience in matters of governmental accounting for Federal income tax purposes, (2) a bona fide arbitrage rebate calculation reporting service, or (3) Bond Counsel.

[Section 9.3]

Payment of Rebate Amount. Not later than sixty (60) days after the initial installment computation date, the County will pay from amounts in the Arbitrage Rebate Fund or other available funds of the County to the United States of America at least 90% of the Rebate Amount as set forth in the Rebate Amount Certificate prepared with respect to such installment computation date. At least once on or before sixty (60) days after the installment computation date that is the fifth anniversary of the initial installment computation date and on or before sixty (60) days after every fifth anniversary date thereafter until final payment of a particular Series of Bonds, the County will pay to the United States of America not less than the amount, if any, by which 90% of the Rebate Amount set forth in the most recent Rebate Amount Certificate exceeds the aggregate of all such payments theretofore made to the United States of America pursuant to the Financing Agreement. On or before sixty (60) days after final payment of a particular Series of Bonds, the County will pay to the United States of America the amount, if any, by which 100% of the Rebate Amount set forth in the Rebate Amount Certificate with respect to the date of final payment of such Series of Bonds exceeds the aggregate of all payments theretofore made pursuant to this Section. All such payments will be made from amounts in the Arbitrage Rebate Fund or other available funds of the County.

Notwithstanding any provision of the Financing Agreement to the contrary, no such payment will be made if the County receives and delivers to the Trustee and the Authority an Opinion of Bond Counsel to the effect that (a) such payment is not required under the Code in order to prevent such Series of Bonds from becoming "arbitrage bonds" within the meaning of Section 148 of the Code or (b) such payment should be calculated and paid on some alternative basis under the Code, and the County complies with such alternative basis.

The Authority covenants that, if so requested by the County, it will execute any form required to be signed by an issuer of tax-exempt bonds in connection with the payment of any Rebate Amount or the refund of any previously paid Rebate Amount (including Internal Revenue Service Form 8038-T and 8038-R) based on information supplied to the Authority by the County. The County will supply all information required to be stated on such form and will prepare such form. Except for the execution and delivery of such form upon timely presentation by the County, the Authority will have no responsibility for such form or the information stated thereon.

[Section 9.4]

Reports by Trustee. The Trustee will provide the County within ten (10) days after each bond year and within ten (10) days after the final payment of each Series of Bonds with such reports and information with respect to earnings of amounts held under the Trust Agreement as may be requested by the County in order to comply with the provisions of the Financing Agreement.

[Section 9.5]

Disposition of Balance in Arbitrage Rebate Fund. After each rebate payment is made and any additional amount necessary to pay the full rebate obligation is retained, the remaining amount in the Arbitrage Rebate Fund shall be retained by the County and used for any lawful purpose.

[Section 9.6]

Schedule of Basic Payments. Exhibit A to the Financing Agreement, the schedule of Basic Payments, is amended and restated in its entirety by the Fourth Supplemental Financing Agreement as set forth on Exhibit A to the Fourth Supplemental Financing Agreement (to reflect principal and interest payments on the Series 2024C Bonds in addition to principal and interest payments on the Series 2021A Bonds, the Series 2021B Bonds, the Series 2022A Bonds, the Series 2022B Bonds, the Series 2023 Bonds, the Series 2024A Bonds and the Series 2024B Bonds).

[Fourth Supplemental Financing Agreement – Section 4.1]

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SUMMARY OF CERTAIN PROVISIONS
OF THE TRUST AGREEMENT

The following is a summary of certain provisions of the Trust Agreement. This summary does not purport to be complete or definitive and reference is made to the Trust Agreement for a full and complete statement of the terms and provisions.

Registration and Transfer of Bonds; Persons Treated as Owners.

(a) All Bonds issued under the Trust Agreement shall be negotiable, subject to the provisions for registration and registration of transfer thereof contained in the Trust Agreement or in the Bonds.

(b) The Trustee shall maintain registration books with respect to each Series of Bonds at the offices of the Trustee and shall provide for the registration and registration of transfer of any Bond of such Series under such reasonable regulations as the Trustee may prescribe. The Trustee shall maintain books for purposes of exchanging and registering Bonds in accordance with the provisions of the Trust Agreement.

(c) Each Bond of a Series shall be registered or registered for transfer only upon the registration books maintained by the Trustee, by the Bondholder thereof in person or by his attorney or legal representative duly authorized in writing, upon presentation and surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Bondholder or his duly authorized attorney or legal representative. Upon surrender for registration of transfer of any such Bond, the Authority shall cause to be executed and the Trustee shall authenticate and deliver, in the name of the transferee, one or more new Bonds of the same Series, interest rate, maturity, principal amount and date as the surrendered Bond, as fully registered Bonds only.

(d) The Trustee shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the holder on the registration books, except that interest payments shall be made to the person shown as holder on the fifteenth (15^{th}) day of the month preceding each interest payment date or such other day preceding each interest payment as determined in a Supplemental Trust Agreement.

[Section 204]

Exchange of Bonds; Charges for Exchange of Bonds. Bonds, upon presentation and surrender thereof to the Trustee together with written instructions satisfactory to the Trustee, duly executed by the registered Bondholder or his attorney or legal representative duly authorized in writing, may be exchanged for an equal aggregate principal amount of fully registered Bonds of the same Series and tenor.

Any exchange of Bonds shall be at the expense of the Authority, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

[Section 205]

Mutilated, Lost or Destroyed Bonds. If any Bond has been mutilated, lost or destroyed, the Authority will cause to be executed, and the Trustee will authenticate and deliver, a new Bond of like Series, date, number and tenor in exchange and substitution for, and upon the cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; provided, however, that the Authority and the Trustee will so execute, authenticate and deliver only if the holder has paid the reasonable expenses and charges of the Authority and the Trustee in connection therewith and, in the case of a lost or destroyed Bond, (a) has filed with the Authority and the Trustee evidence satisfactory to them that such Bond was lost or destroyed and of his ownership thereof and (b) has furnished to the Authority and the Trustee indemnity satisfactory to them. If any such Bond has matured, instead of issuing a new Bond the Trustee may pay the same without surrender thereof.

[Section 207]

Cancellation and Disposition of Bonds. All Bonds that have been surrendered for transfer or exchange pursuant to the Trust Agreement, paid (whether at maturity, by sinking fund redemption, call for redemption or otherwise), or delivered by the Authority to the Trustee for cancellation shall not be reissued, and the Trustee shall cancel and destroy such Bonds in accordance with its policy then in effect. Upon written request, the Trustee shall deliver to the Authority a certificate of any such disposition.

[Section 208]

Non-Presentment of Bonds. If any Bond is not presented for payment when the principal becomes due (whether at maturity, by sinking fund redemption, call for redemption or otherwise), all liability of the Authority to the holder thereof for the payment of such Bond shall be completely discharged if moneys sufficient to pay such Bond and the interest due thereon shall be held by the Trustee for the benefit of such holder, and it will be the duty of the Trustee to hold such moneys, subject to the paragraph below, without liability for interest thereon, for the benefit of such holder, who will thereafter be restricted exclusively to such moneys for any claim of whatever nature on his part under the Trust Agreement or on, or with respect to, such Bond.

Notwithstanding anything in the Trust Agreement to the contrary, any cash, Government Obligations or, if permitted by the laws of the Commonwealth, Government Certificates deposited with the Trustee for the payment of the principal of and premium, if any, and interest on any Series of Bonds remaining unclaimed for more than one year after the principal of all such Series of Bonds has become due and payable shall be paid to the Authority and will be held by the Authority in a separate account for four years and thereafter in the general fund of the Authority. After such moneys have been paid to the Authority, the holders of such Bonds will be entitled to look only to the Authority, and all liability of the Trustee with respect to such amounts shall cease.

[Section 209]

Purposes of Bonds. Bonds may be issued to finance or refinance the Cost of a Project, to refund any Bonds then Outstanding or for a combination of such purposes.

[Section 301]

Parity of Bonds. Each Series of Bonds shall be issued pursuant to a Supplemental Trust Agreement and will be equally and ratably secured under the Trust Agreement, without preference, priority or distinction; provided, however, that the moneys in each Series Debt Service Reserve Account shall secure only the applicable Series of Bonds, and provided further that any Series of Bonds may have other security pledged to its payment. In connection with the issuance of each Series of Bonds, the Trustee may create additional accounts and subaccounts within any Fund or Account established by the Trust Agreement. Nothing in the Trust Agreement shall be construed, however, as (a) requiring that any Bonds bear interest at the same rate or in the same manner as any other Bonds, have the same, or an earlier or later, maturity, or be subject to mandatory, optional or extraordinary redemption prior to maturity on the same basis as any other Bonds, (b) prohibiting the Authority from entering into financial arrangements designed to assure that moneys will be available for the payment of certain Bonds at their maturity or (c) prohibiting the Authority from pledging moneys or assets of the Authority other than those pledged in the Trust Agreement for the benefit of certain Bonds.

[Section 302]

Conditions for Issuing Bonds. Before the issuance and authentication of any Series of Bonds by the Trustee, the following must be filed with the Trustee:

(a) In the case of the initial Series of Bonds issued under the Trust Agreement:

(1) An executed copy of the Trust Agreement;

(2) A certified copy of a resolution of the Authority's board of directors authorizing the execution and delivery of the Trust Agreement and authorizing the issuance, sale and delivery of the Bonds;

(3) An Opinion or Opinions of Counsel to the Authority, subject to customary exceptions and qualifications, substantially to the effect that the Trust Agreement has been duly authorized, executed and delivered to the Trustee and is binding on the Authority; and

(4) A certified copy of a resolution of the Board of Supervisors acknowledging and consenting to the execution and delivery of the Trust Agreement.

(b) An original executed counterpart of a Supplemental Trust Agreement which (1) will include: (A) provisions authorizing the issuance, fixing the principal amount and setting forth the details of such Bonds, including their date, the interest rate or rates and the manner in which the Bonds are to bear and pay interest, the principal and interest payment dates of the Bonds, the purposes for which such Bonds are being issued, the manner of numbering such Bonds, the Series designation, the denominations, the maturity dates and principal maturities, the principal amounts required to be redeemed pursuant to any mandatory redemption provisions or the manner for determining such principal amounts, any provisions for optional or extraordinary redemption before maturity, any provisions regarding a Series Debt Service Reserve Account, and whether the interest on such Bonds will be excluded from gross income for Federal income tax purposes or subject to Federal income taxation; and (B) provisions for the application of the proceeds of such Bonds; and (2) may include: (A) provisions for credit facilities and for other funds and accounts to be established with respect to such Bonds; (B) provisions necessary or expedient for the issuance of Bonds bearing interest at a variable rate or other manner of bearing interest, including remarketing provisions, liquidity facility provisions and provisions for establishing the variable rate and converting to a fixed rate; (C) provisions for entering into interest rate swaps, guarantees or other arrangements to limit interest rate risks; and (D) such other provisions as the Authority may deem appropriate.

(c) A certified copy of a resolution or resolutions of the Authority's board of directors authorizing the execution and delivery of a Supplemental Trust Agreement and the Financing Agreement or, in the case of a Series of Bonds other than the initial Series, a Supplemental Financing Agreement, the issuance, sale, award, execution and delivery of such Bonds and, in the case of a Series of Bonds issued to refund any Bonds, calling for redemption or payment of the Bonds to be refunded, fixing any redemption date and authorizing any required notice of redemption in accordance with the provisions of the Trust Agreement.

(d) A certificate signed by the Chairman or Vice Chairman of the Authority and dated the date of such issuance, to the effect that:

(1) Either (A) upon and immediately following such issuance, no Event of Default has occurred which has not been cured or waived, and no event or condition exists which, with the giving of notice or lapse of time or both, would become an Event of Default or (B) if any such event or condition is happening or existing, specifying such event or condition, stating that the Authority will act with due diligence to correct such event or condition after the issuance of such Bonds, and describing in reasonable detail the actions to be taken by the Authority toward such correction; and

(2) All required approvals, limitations, conditions and provisions precedent to the issuance of such Series of Bonds have been obtained, observed, met and satisfied.

(e) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, substantially to the effect that the Supplemental Trust Agreement for such Series of Bonds and the Financing

Agreement or, in the case of a Series of Bonds other than the initial Series, a Supplemental Financing Agreement, have been duly authorized, executed and delivered, are binding on the Authority and comply in all respects with the requirements of the Trust Agreement and the Financing Agreement, as applicable.

(f) An Opinion of Bond Counsel, subject to customary exceptions and qualifications, substantially to the effect that the issuance of such Bonds has been duly authorized, that such Bonds are valid and binding limited obligations of the Authority, and that the interest on such Bonds is excludable from gross income for purposes of Federal income taxation or, if such interest is not excludable, that the issuance and the intended use of the proceeds of such Bonds will have no adverse effect on the tax-exempt status of the interest on any other Bonds the interest on which was excludable from gross income when issued.

(g) If such Bonds are issued to pay the Cost of Project, except in the case of the initial Series of Bonds issued under the Trust Agreement, evidence that upon issuance of such Bonds each Series Debt Service Reserve Account within the Debt Service Reserve Fund will contain the applicable Series Debt Service Reserve Requirement, if any.

(h) If any Bonds are issued to refund any other Bonds, the following:

(1) Irrevocable instructions from the Authority, at the direction of the County, to redeem or pay at maturity all Bonds to be refunded; and

(2) Except in the case of Bonds to be redeemed on the date of issuance of such refunding Bonds, a written determination by an independent certified public accountant or independent arbitrage verification firm or other evidence satisfactory to the Trustee that the proceeds (excluding accrued interest) of such refunding Bonds, together with any other moneys deposited with the Trustee for such purpose and the investment income to be earned on moneys held for the payment or redemption of the Bonds to be refunded, will be sufficient (without reinvestment) to pay either (A) the principal of and the premium, if any, on the Bonds to be refunded and the interest which will accrue on such Bonds to the respective redemption or maturity dates or (B) the principal and interest on the refunding Bonds to a date certain, at which time such proceeds, moneys and earnings will be sufficient to pay the principal of and the premium, if any, on the Bonds to be refunded and the interest which will accrue on such Bonds to the respective redemption or maturity dates.

(i) A request and direction signed by the Chairman or Vice Chairman of the Authority to the Trustee to authenticate and deliver such Bonds to the purchaser upon payment to the Trustee for the account of the Authority of a specified sum plus accrued interest to the date of delivery.

(j) (1) In the case of the initial Series of Bonds, an original executed counterpart of the Financing Agreement, assigned by the Authority to the Trustee, or (2) in the case of a Series of Bonds other than the initial Series, an original executed counterpart of a Supplemental Financing Agreement that (A) makes such necessary modifications to Exhibit A to the Financing Agreement to provide for Basic Payments in amounts sufficient to pay principal of and interest on all Bonds then Outstanding plus such additional Series of Bonds, (B) describes the Projects being financed by such additional Series of Bonds and (C) makes such other modifications necessary and convenient for the issuance of the additional Series of Bonds.

(k) In the case of a Series of Bonds other than the initial Series, evidence from each Rating Agency then rating the Outstanding Bonds at the request of the Authority at the direction of the County confirming that the current unenhanced rating on the Outstanding Bonds will not be lowered or withdrawn as a result of the issuance of such additional Series of Bonds.

(l) A certified copy of a resolution of the Board of Supervisors acknowledging and consenting to the execution and delivery of any Supplemental Trust Agreement entered into in connection with the issuance of any Series of Bonds and authorizing the execution and delivery of the Financing Agreement or, in the case of a Series of Bonds other than the initial Series, a Supplemental Financing Agreement, in connection with the issuance of such Series of Bonds.

(m) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, substantially to the effect that the Financing Agreement or, in the case of a Series of Bonds other than the initial Series, a Supplemental Financing Agreement has been duly executed and is binding on the County.

Except for the requirements of subsection (d) of this Section (which may be waived by the purchasers of such Bonds by an instrument or concurrent instruments in writing signed by such purchasers), none of the requirements in this Section may be waived without the consent of the holders of not less than a majority in aggregate principal amount of the Outstanding Bonds.

[Section 303]

Redemption Provisions to be Fixed by Supplemental Trust Agreement. The Bonds of any Series are subject to mandatory, extraordinary or optional redemption prior to maturity on such dates and under such conditions as may be provided in a Supplemental Trust Agreement authorizing the issuance of the Series of Bonds. The Bonds of any Series to be called for redemption will be selected as provided in the applicable Supplemental Trust Agreement.

[Section 401]

Notice of Redemption. Unless otherwise provided in the applicable Supplemental Trust Agreement, the Trustee, upon being satisfied as to the payment of its expenses, will send notice of the call for redemption, identifying the Bonds or portions thereof to be redeemed, not less than 30 nor more than 60 days prior to the redemption date, (a) by facsimile, first class mail or by electronic means, to the holder of each Bond to be redeemed at his address as it appears on the registration books kept by the Trustee, (b) by facsimile, first class mail or by electronic means, to all organizations registered with the Securities and Exchange Commission as securities depositories and (c) by electronic means to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system ("EMMA") or any other nationally recognized municipal securities information repository designated as such by the Securities and Exchange Commission. In preparing and delivering such notice, the Trustee will take into account, to the extent applicable, the prevailing tax-exempt securities industry standards and any regulatory statement of any federal or state administrative body having jurisdiction over the Authority or the tax-exempt securities industry, including Release No. 3423856 of the Securities and Exchange Commission or any subsequent amending or superseding release. Failure to give any notice specified in (a) above, or any defect therein, will not affect the validity of any proceedings for the redemption of any Bond with respect to which no such failure or defect has occurred. Failure to give any notice specified in (b) or (c) above, or any defect therein, will not affect the validity of any proceedings for the redemption of any Bonds with respect to which the notice specified in (a) above is correctly given. Any notice mailed or provided in the Trust Agreement will conclusively be presumed to have been given whether or not actually received by any Bondholder.

In the case of an optional redemption under any Supplemental Trust Agreement, the notice may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) the Authority retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption will be of no effect if such moneys are not so deposited or if the notice is rescinded as described in the Trust Agreement. Any Conditional Redemption may be rescinded at any time prior to the redemption date if the Authority delivers a written direction to the Trustee directing the Trustee to rescind the redemption notice. The Trustee will give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded will remain Outstanding, and the rescission will not constitute an Event of Default. Further, in the case of a Conditional Redemption, the failure of the Authority to make funds available on or before the redemption date will not constitute an Event of Default, and the Trustee will give immediate notice to any securities depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

[Section 402]

Bonds Payable on Redemption Date; Interest Ceases to Accrue. On or before the date fixed for redemption, moneys will be deposited with the Trustee to pay the principal of and premium, if any, and interest accrued to the redemption date on the Bonds called for redemption. Upon the happening of the conditions of this Section, the Bonds or portions called for redemption will cease to bear interest from and after the redemption date, will no longer be entitled to the benefits provided by the Trust Agreement and will not be deemed to be Outstanding under the provisions of the Trust Agreement.

[Section 403]

Creation of Project Fund; Deposit of Bond Proceeds. The Trust Agreement creates the Loudoun County, Virginia, Public Facility Revenue Bond Project Fund, and within such Project Fund the Cost of Issuance Account. Proceeds of each Series of Bonds will be deposited in the Project Fund as provided in the Supplemental Trust Agreement under which such Series of Bonds are issued. If so directed in a Supplemental Trust Agreement, there will be maintained within the Project Fund special accounts as may be provided in such Supplemental Trust Agreement. Deposits will be made to the credit of the Project Fund, the Cost of Issuance Account and any special accounts as provided in such Supplemental Trust Agreement. All earnings on moneys in each Account and subaccount will be credited to such Account and subaccount. Upon receipt of a certificate of an Authorized County Representative that amounts on deposit in the Cost of Issuance Account are not required for payment of Cost of a Project related to issuance costs of the applicable Series of Bonds, then such remaining moneys will be transferred to the Project Fund to be applied in accordance with the terms of the Trust Agreement.

The Trustee will hold the moneys in the Project Fund in trust to be used only to pay the Cost of a Project and as provided in the Trust Agreement upon the payment or provision for payment of all items of the Cost of a Project and upon repayment of all of the Bonds.

[Section 501]

Cost of a Project. The Cost of a Project will include the cost of improvements, the cost of construction or reconstruction, the cost of all labor, materials, machinery and equipment, the cost of all lands, property, rights, easements, franchises and permits acquired, financing charges, interest prior to and during construction and for up to one year after completion of construction, start-up costs and operating capital, the cost of plans, specifications, surveys, estimates of costs, the cost of engineering, legal, financial and other professional services, including financial advisory services, the cost of issuing any Series of Bonds, expenses necessary or incident to determining the feasibility or practicability of any such acquisition, construction or reconstruction, recording fees, settlement costs, printing costs, fees and charges of the Trustee, fees and charges of the Authority any underwriter's commission or discount in connection with the issuance or marketing of the Bonds, fees or premiums in connection with bond and other insurance, Rating Agency fees, payments by the County of its share of the cost of any multi-jurisdictional project, administrative expenses and such other expenses as may be necessary or incidental to the financing of a Project. Any obligation or expense incurred by the County in connection with any of the foregoing items of Cost may be regarded as a part of such Cost and reimbursed to the County out of the proceeds of the Bonds issued to finance a Project.

[Section 502]

Payments from Project Fund. The Trustee will use moneys in the Project Fund to pay the Cost of a Project. Before any payment shall be made from the Project Fund, the Trustee will have been presented with a requisition in the form attached to the Trust Agreement stating (a) the name of the person, firm or corporation to whom such payment is to be made, (b) the amount to be paid, (c) the purpose in reasonable detail for which such payment is to be made and (d) if applicable, from which Account such payment is to be made. A requisition may represent reimbursement of the Authority or the County for the Cost of a Project initially paid by the Authority or the County or may represent payment to the Authority or the County of moneys to be paid in turn by the Authority or the County to third parties for the Cost of a Project. Upon receipt of each such requisition, the Trustee will make payment from the Project Fund in accordance with such requisition.

[Section 503]

Disposition of Balance in Project Fund. When the Trustee receives a certificate, signed by an Authorized County Representative, stating either that all items of the Cost of a Project have been paid or what items of the Cost of a Project have not been paid and for the payment of which moneys should be reserved in the Project Fund, the balance of any moneys remaining in the Project Fund in excess of the amount to be reserved for payment of unpaid items of the Cost of a Project will be then (a) transferred to the Bond Fund to be used to pay principal of and interest on the Series of Bonds that provided such proceeds or to purchase Bonds on the open market in either event subject to the prior written approval of Bond Counsel or (b) applied by the Trustee to pay all or any portion of the Cost of any other Project designated by the County subject to the prior written approval of Bond Counsel.

[Section 504]

Creation of Funds and Accounts. There are established with the Trustee the following Funds and Accounts:

(a) Bond Fund, in which there are established an Interest Account and a Principal Account, and a separate subaccount in each such Account with respect to each Series of Bonds issued under the Trust Agreement; and

(b) Debt Service Reserve Fund, in which there shall be established a Series Debt Service Reserve Account for each Series of Bonds that has a Series Debt Service Reserve Requirement.

[Section 601]

Bond Fund. Installments of all Basic Payments received by the Trustee from the County, together with any other amounts transferred from the Project Fund or the Debt Service Reserve Fund pursuant to the provisions of the Financing Agreement or the Trust Agreement, shall be deposited in the Bond Fund. The Trustee shall deposit each installment (a) to the subaccount established for each Series of Bonds in the Interest Account an amount equal to the interest due and payable on the next Bond Payment Date for such Bonds, and (b) to the subaccount established for each Series of Bonds in the Principal Account an amount equal to the principal due and payable on the next Bond Payment Date for such Bonds, whether at maturity or mandatory sinking fund redemption.

Notwithstanding anything in the Trust Agreement to the contrary, at any time the Trustee is required to make transfers pursuant to subsections (a) and (b) in the preceding paragraph, and there are insufficient moneys to make all required transfers pursuant to such subsections, the Trustee shall make the transfers pro rata among the subaccounts from the moneys available.

Upon the final maturity of all of the Bonds, any amount remaining on deposit in the Bond Fund in excess of the amount necessary to pay the principal of and interest on the Outstanding Bonds shall be paid to the County.

The Trustee shall withdraw from the respective subaccounts within the Interest Account and the Principal Account, on each Bond Payment Date, amounts equal to the amounts of interest and principal, if any, due with respect to the applicable Series of Bonds on such Bond Payment Date, and shall cause the same to be applied to the payment of interest and principal, respectively, if any, due on such Bond Payment Date. In the event there are insufficient moneys in the Interest Account or the Principal Account on any Bond Payment Date to pay interest and principal, if any, due on such Bond Payment Date, the Trustee shall first transfer any excess amounts on deposit in the Interest Account or the Principal Account, as applicable, to the other Account in which there are insufficient moneys, and then if a deficiency remains, in accordance with the provisions of the Trust Agreement governing deposits to the Debt Service Reserve Fund, transfer moneys on such Bond Payment Date in the amount of such remaining deficiency from the respective Series Debt Service Reserve Account, if any, first to the applicable subaccount within the Interest Account and then to the applicable subaccount within the Principal Account, and shall cause the same to be applied to the payment of interest and principal, if any, due on such Bond Payment Date.

Any moneys in the Bond Fund transferred from the Project Fund pursuant to the Trust Agreement shall be credited against the next Basic Payments Payment required to be paid by the County and shall be used, together with other available amounts, to pay interest and principal, if any, due on the next Bond Payment Date or Dates.

The Trustee shall provide for redemption of any Term Bonds in accordance with the schedules set forth in the Supplemental Trust Agreement for such Bonds; provided, however, that on or before the 70th day next preceding any such sinking fund payment date, the Authority may:

(x) deliver to the Trustee for cancellation Term Bonds required to be redeemed on such sinking fund payment date in any aggregate principal amount desired; or

(y) instruct the Trustee in writing to apply a credit against the Authority's next sinking fund redemption obligation for any such Term Bonds that previously have been redeemed (other than through the operation of the sinking fund) and canceled but not theretofore applied as a credit against any sinking fund redemption obligation.

Upon the occurrence of any of the events described in subsections (x) or (y) of this Section, the Trustee shall credit against the Authority's sinking fund redemption obligation on the next sinking fund payment date the amount of such Term Bonds so delivered or previously redeemed. Any principal amount of such Term Bonds in excess of the principal amount required to be redeemed on such sinking fund payment date shall be similarly credited in such order as may be determined by the Authority against future payments to the Principal Account and shall similarly reduce the principal amount of the Term Bonds of the applicable Series to be redeemed on the next sinking fund payment date as so determined.

In the event the amount on deposit in the Interest Account on any Bond Payment Date shall exceed the amount required to pay interest on the Bonds on such Bond Payment Date, the Trustee shall transfer such excess, if the amount on deposit in any Series Debt Service Reserve Account is less than the applicable Series Debt Service Reserve Requirement, to such Series Debt Service Reserve Account, and otherwise retain any remaining excess in the Interest Account or transfer any remaining excess to the Principal Account to be credited against subsequent required deposits thereto.

In the event the amount on deposit in the Principal Account on any Bond Payment Date shall exceed the amount required on such date to pay Bonds at maturity or to redeem Term Bonds pursuant to mandatory sinking fund requirements, the Trustee shall transfer such excess if the amount on deposit in any Series Debt Service Reserve Account is less than the applicable Series Debt Service Reserve Requirement, to such Series Debt Service Reserve Account to the extent of such deficiency, and otherwise retain such excess in the Principal Account or transfer such excess to the Interest Account to be credited against subsequent required deposits thereto.

[Section 602]

Debt Service Reserve Fund. If so directed in a Supplemental Trust Agreement relating to a Series of Bonds, there shall be established in the Debt Service Reserve Fund a Series Debt Service Reserve Account of the Debt Service Reserve Fund. The Series Debt Service Reserve Requirement for a Series Debt Service Reserve Account shall be the amount set forth in a Supplemental Trust Agreement. The Trustee shall use moneys in the applicable Debt Service Reserve Account of the Debt Service Reserve Fund to make transfers to the Bond Fund to the extent necessary to pay when due the principal of (whether at maturity or by mandatory sinking fund redemption) and interest on the applicable Series of Bonds if the amounts on deposit therein are insufficient therefor. Moneys in each Series Debt Service Reserve Account shall be pledged only to the Series of Bonds for which each was established and shall not be pledged to or used to pay any other Series of Bonds.

On or within five days after each Reserve Determination Date, the Trustee shall determine if the balance on deposit in each Series Debt Service Reserve Account was, as of the Reserve Determination Date, at least equal to the applicable Series Debt Service Reserve Requirement. In making such determination, any obligations in the Series Debt Service Reserve Account shall be valued in accordance with the provisions of the Trust Agreement governing the valuation of investments.

In the event the amount on deposit in any Series Debt Service Reserve Account is less than the applicable Series Debt Service Reserve Requirement, the Trustee shall notify the County to make an Additional Payments Payment in an amount equal to the amount of such deficiency to the Trustee as provided in the Financing Agreement.

In the event the amount on deposit in a Series Debt Service Reserve Account exceeds the applicable Series Debt Service Reserve Requirement, the Trustee shall transfer such excess to the Bond Fund to be deposited, as directed in writing by an Authorized County Representative, in the applicable subaccounts of the Interest Account or the Principal Account to the extent amounts in such subaccounts are less than the amounts required to be paid on the applicable Series of Bonds on the next Bond Payment Date, and otherwise transfer any remaining excess to the County; provided, however, that if an Authorized County Representative calls for a Reserve Determination Date in connection with the refunding or defeasance of a Series of Bonds, then the Trustee is authorized to take such refunding or defeasance into account in valuing the Series Debt Service Reserve Account securing such Series of Bonds and is further authorized to apply the amount of any surplus arising from such valuation to reduce the amount of the refunding bonds and/or to provide for the defeasance of the Series of Bonds in such manner as the Authorized County Representative may direct.

In lieu of or in addition to cash or investments, at any time the County may cause to be deposited to the credit of any Series Debt Service Reserve Account any form of credit facility, in the amount of all or a portion of the Series Debt Service Reserve Requirement, irrevocably payable to the Trustee as beneficiary for the holders of the respective Series of Bonds, provided that the Trustee has received evidence satisfactory to it that (a) the provider of the credit facility has a credit rating in one of the two highest credit rating categories (without regard to any rating refinement or gradation by numerical modifier or otherwise) by at least two Rating Agencies, (b) the obligation of the County to pay the fees of and to reimburse the provider of the credit facility is subordinate to its obligation to pay principal of and interest on the respective Series of Bonds, (c) the term of the credit facility is at least 24 months, (d) the only condition to a drawing under the credit facility is insufficient amounts in the applicable Funds and Accounts held by the Trustee with respect to such Series of Bonds when needed to pay principal of and interest on such Series or the expiration of the credit facility and (e) the provider of the credit facility shall notify the County and the Trustee at least 24 months prior to the expiration of the credit facility. If (1) the County receives such expiration notice and the provider of such credit facility does not extend its expiration date, (2) the County receives notice of the termination of the credit facility or (3) the provider of such credit facility no longer has a credit rating in the two highest credit rating categories by at least two Rating Agencies, the County shall (A) provide a substitute credit facility that meets the requirements set forth in the foregoing sentences, (B) deposit the Series Debt Service Reserve Requirement to the respective Series Debt Service Reserve Account (i) in equal monthly installments over the next succeeding 12 months in the case of receipt of an expiration notice, (ii) prior to the termination date in the case of receipt of a termination notice, or (iii) immediately in the case of such reduction in credit rating, or (C) instruct the Trustee to draw on such credit facility in the amount of the Series Debt Service Reserve Requirement (i) 12 months prior to expiration of the credit facility in the case of receipt of an expiration notice, (ii) prior to the termination date in the case of receipt of a termination notice or (iii) immediately in the case of such reduction in credit rating and deposit such drawing to the Series Debt Service Reserve Account.

If a disbursement is made pursuant to any credit facility, the County shall either (a) reinstate the maximum limits of such credit facility or (b) deposit to the credit of the applicable Series Debt Service Reserve Account moneys in the amount of the disbursement made under such credit facility from moneys transferred by the County as an Additional Payments Payment in an amount equal to the amount of such deficiency as provided in the Financing Agreement.

Amounts, if any, released from any Series Debt Service Reserve Account upon deposit to the credit of such Account of a credit facility pursuant to the preceding paragraph shall, upon written designation by an Authorized County Representative, accompanied by an opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income of interest on the respective Series of Bonds if the interest on such Bonds was excludable from gross income at the time of their issuance, be transferred (a) to the subaccount within the Principal Account with respect to such Series of Bonds and used to pay principal of or to redeem such Bonds or (b) to the Project Fund, and used for payment of Costs of a Project with respect to such Series.

[Section 603]

Other Funds and Accounts. The Authority may establish in each Supplemental Trust Agreement such other Funds and Accounts within Funds as the Authority may determine to be desirable.

[Section 604]

Pledge of Certain Funds and Accounts. Moneys in the Bond Fund, the Project Fund and the Debt Service Reserve Fund shall be trust funds and are pledged under the Trust Agreement (except as provided in the next sentence) equally and ratably to the payment of the principal of and interest on all Bonds, subject only to the right of the Authority to make application thereof, or to direct the Trustee to make application thereof, to other purposes as provided in the Trust Agreement. The lien and trust created by the Trust Agreement are for the benefit of the Bondholders and for their additional security until all the Bonds have been paid; provided, however, that the moneys in each Series Debt Service Reserve Account shall secure only the applicable Series of Bonds to which it relates; moneys in any Account or subaccount of the Bond Fund relating to a particular Series of Bonds shall secure only such Bonds; and moneys in any account or subaccount of the Project Fund relating to a particular Series of Bonds shall secure only such Bonds.

[Section 605]

Disposition of Balances in Funds after Payment of Bonds. After the principal of and premium, if any, and interest on all of the Bonds, any amounts required to be paid pursuant to the terms of the Trust Agreement, any Supplemental Trust Agreement or the Financing Agreement, and all expenses and charges required by the Trust Agreement have been paid or provision therefor has been made, the Trustee will pay to the County any balance remaining in any Fund then held by it.

[Section 606]

Security for Deposits. All moneys held in the Funds and Accounts created by the Trust Agreement that are on deposit with any bank will be continuously secured in the manner required by the Virginia Security for Public Deposits Act (Chapter 44, Title 2.2 of the Virginia Code) or any successor provision of law.

[Section 701]

Investment of Moneys. All money held in the Funds and Accounts will be invested and reinvested by the Trustee, as directed in writing by an Authorized County Representative, in Investment Obligations, subject to the limitations stated in the Trust Agreement. The term "Investment Obligations" means any of the following which are at the time legal investments for public funds under the Investment of Public Funds Act (Chapter 45, Title 2.2 of the Virginia Code) or any successor provisions of law applicable to such investments.

Moneys held in the following Funds and Accounts shall be invested in obligations described in this Section of the following maturities:

(1) Project Fund - not later than the dates on which money will be needed to pay Costs of Project;

(2) Bond Fund – not later than the dates on which such moneys will be needed to pay principal of or interest on the applicable Series of Bonds; and

(3) Series Debt Service Reserve Accounts within the Debt Service Reserve Fund - not later than the earlier of ten years from the date of acquisition of the investment or the final maturity of the applicable Series of Bonds.

For purposes of this Section, investments will be considered as maturing on the date on which they are redeemable without penalty at the option of the holder or the date on which the County or the Trustee may require their repurchase pursuant to a repurchase agreement.

Whenever a payment or transfer of moneys between Funds or Accounts is permitted or required, such payment or transfer may be made in whole or in part by transfer of one or more investment obligations at a value determined in accordance with the Trust Agreement, provided that the Investment Obligations transferred are permitted investments for the Fund or Account receiving such Investment Obligations.

Unless otherwise provided in the Trust Agreement, earnings or losses on Investment Obligations shall accrue to or be debited from the Fund or Account in which such Investment Obligations are on deposit, or, at the written direction of an Authorized County Representative, earnings shall be transferred to and deposited in the Project Fund.

[Section 702]

Investment of Surplus Moneys. Upon a direction from an Authorized County Representative the Trustee will provide for the investment of all moneys in any Fund or Account held by it not immediately necessary for the purposes of such Fund or Account as directed in writing signed by an Authorized County Representative so that all idle moneys may be invested for the benefit of the Bondholders.

[Section 703]

Valuation of Investments. In computing the amount in any Fund or Account created by the Trust Agreement, except for the Debt Service Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at cost or fair market value thereof, whichever is lower, plus accrued interest. Investments in the Debt Service Reserve Fund shall be valued on or within five (5) days of each Reserve Determination Date and at least semiannually at the fair market value thereof, plus accrued interest. Such valuations for each such Fund or Account, other than the Debt Service Reserve Fund, shall be made by the party holding each such Fund or Account at least annually not later than the end of each Fiscal Year and at such other times as an Authorized County Representative may direct.

[Section 704]

Payment of Bonds; Limited Obligations. The Authority will promptly pay or cause to be paid when due the principal of (whether at maturity, call for redemption or otherwise) and premium, if any, and interest on the Bonds at the places, on the dates and in the manner provided in the Trust Agreement and in the Bonds according to the true intent and meaning thereof; provided, however, that such obligations are not general obligations of the Authority but are limited obligations payable solely from the revenues and receipts derived from the County under the Financing Agreement, except to the extent payable from the proceeds of Bonds, the income, if any, derived from the investment thereof, certain reserves and income from investments pursuant to the Trust Agreement, revenues and receipts and other amounts derived from any other security pledged pursuant to a Supplemental Trust Agreement, which revenues and other moneys are specifically pledged by the Trust Agreement to such purposes in the manner and to the extent provided in the Trust Agreement. The Bonds, the premium, if any, and the interest thereon shall not be deemed to create or constitute an indebtedness or a pledge of the faith and credit of the Commonwealth or of any county, city, town or other political subdivision thereof, including the Authority and the County.

[Section 801]

Authority Covenants, Representations and Warranties.

(a) The Authority represents and warrants to the Trustee that each representation made by the Authority in the Financing Agreement is true and correct as of the date of delivery of the Trust Agreement. Each such representation and warranty is incorporated by reference in the Trust Agreement as if fully set forth in the Trust Agreement and shall inure to and be for the benefit of the Trustee.

(b) The Authority covenants to faithfully observe and perform all of its covenants, conditions and agreements contained in the Trust Agreement and to promptly pay the principal of and premium, if any, and interest on the Bonds at the places, on the dates, and in the manner specified in the Trust Agreement and the Bonds; provided, however, that such obligations are limited obligations of the Authority, payable solely from the revenues and receipts derived from the County under the Financing Agreement, except to the extent payable from the proceeds of Bonds, the income, if any, derived from the investment thereof, certain reserves and income from investments pursuant to the Trust Agreement, revenues and receipts and other amounts derived from any other security pledged pursuant to a Supplemental Trust Agreement, which revenues and other moneys are hereby specifically pledged to such purposes in the manner and to the extent provided in the Trust Agreement. The Bonds, the premium, if any, and the interest thereon shall not be deemed to constitute a debt or pledge of the full faith and credit of the Commonwealth or any political subdivision thereof, including the Authority and the County. Neither the Commonwealth nor any political subdivision, thereof, including the Authority and the County, shall be obligated to pay the principal of or premium, if any, or interest on the Bonds or other costs incident thereto except from the revenues and receipts pledged and assigned therefor, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the County, is pledged to the payment of the principal of or premium, if any, or interest on the Bonds or other costs incident thereto. The Authority has no taxing power.

(c) The Authority agrees that all payments under the Financing Agreement (other than Additional Payments that do not consist of amounts necessary to restore the amount in any Series Debt Service Reserve Account to the Series Debt Service Reserve Requirement) shall inure to the benefit of the Bondholders. The Authority further covenants that it shall not make or consent to any change or modification of the Financing Agreement that would reduce the Basic Payments, fees or charges of the County thereunder, extend the time for payment of Basic Payments provided therein, nor permit any change that would reduce the required payments under the Financing Agreement to the Authority available for payment of the Bonds, except as provided in the Trust Agreement and as provided in the Financing Agreement.

(d) The Authority covenants that it shall not suffer, permit or take any action or fail to take any action, to the extent any such action is within the Authority's control that may result in the termination or cancellation of the Financing Agreement by the County. The Authority also covenants that it shall fulfill its obligations and shall use its best efforts to assure that the County performs its duties and obligations under the Financing Agreement and that it shall not agree to any abatement, reduction, abrogation, waiver, diminution or other modification of the obligation of the County to make any Basic Payments and to meet any of its obligations under the Financing Agreement, except as provided in the Trust Agreement. The Authority further covenants that it shall promptly notify the Trustee of any actual or alleged event of default under the Financing Agreement of which it has notice and shall notify the Trustee upon or before the proposed effective date of any proposed termination or cancellation of the Financing Agreement of which the Authority has notice.

(e) The Authority covenants that the Trustee, subject to the provisions of the Financing Agreement and the Trust Agreement reserving certain rights to the Authority and respecting actions by the Trustee in its name or in the name of the Authority, may enforce for and on behalf of the Bondholders all rights of the Authority and all obligations of the County under and pursuant to the Financing Agreement providing for the delivery and receipt of Basic Payments whether or not the Authority is in default under the Trust Agreement.

The Authority covenants to execute, acknowledge and deliver any indentures supplemental to the Trust Agreement and other acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging and assigning to the Trustee of all the rights and funds assigned by the Trust Agreement to secure the payment of the principal of and premium, if any, and interest on the Bonds. The Authority covenants to fully cooperate with the Trustee and the Bondholders in protecting the rights and security of the Bondholders.

[Section 802]

Notice of Non-Payment; Reserve Deficit; Non-Appropriation. In the event of (a) a delinquency in the payment of any Basic Payments when due pursuant to the Financing Agreement, (b) a deficit in a Series Debt Service Reserve Account or (c) the receipt of a notice of non-appropriation from the County by the date established in the Financing Agreement for receipt of such notice, the Trustee shall, within 10 days following the date upon which such (i) delinquent Basic Payments Payment was due, (ii) such deficit was determined, or (iii) such notice was received, as applicable, immediately give notice thereof to the Authority and to the County; provided that no notice of non-appropriation shall be required to be given to the County. The failure to give such notice shall not affect the obligation of the County to pay any such Basic Payments Payment or Additional Payments Payment.

[Section 803]

No Obligation to Bondholders for Basic Payments Payment. The Authority will have no obligation or liability to the Trustee or the Bondholders with respect to the payment of the Basic Payments by the County when due or with respect to the performance by the County of any other covenant made by it in the Financing Agreement.

[Section 804]

Trustee Covenants. The Trustee covenants to deposit, invest and apply amounts received under the Trust Agreement, including the Basic Payments and Additional Payments, in accordance with the provisions of the Trust Agreement.

[Section 805]

Events of Default. Each of the following events constitutes an Event of Default under the Trust Agreement:

(a) Default in the due and punctual payment of the principal of or premium, if any, on any Bond (whether at maturity, call for redemption or otherwise);

(b) Default in the due and punctual payment of the interest on any Bond;

(c) "Event of Default" under the Financing Agreement; and

(d) Failure of the Authority to observe and perform any of its other covenants, conditions or agreements under the Trust Agreement or in the Bonds for a period of 30 days after written notice either from the Trustee or holders of not less than 25% in aggregate principal amount of Bonds then Outstanding (unless the Trustee should agree in writing to an extension of such time prior to its expiration), specifying such failure and requesting that it be remedied, or in the case of any such default that cannot with due diligence be cured within such 30-day period, failure of the Authority to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence.

[Section 901]

Notice to Bondholders of Certain Default. If the Trustee is required to draw moneys from the Debt Service Reserve Fund to pay principal or interest on the Bonds and the County fails to make any subsequent deposit required by the Financing Agreement, then the Trustee will notify the Bondholders of a draw.

[Section 902]

Remedies; Rights of Bondholders. Upon the occurrence and continuation of an Event of Default, the Trustee may (and if requested by the holders of not less than 25% in aggregate principal amount of Bonds then Outstanding and if indemnified in accordance with prevailing industry standards shall) proceed to protect and enforce their rights by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of any covenant or agreement contained in the Trust Agreement; provided, that the Trustee shall have no right or authority to declare the entire unpaid principal of the Bonds due and payable.

No remedy conferred by the Trust Agreement upon or reserved to the Trustee or Bondholders is intended to be exclusive of any other remedy, but each such remedy will be cumulative and in addition to any other remedy given to the Trustee or Bondholders under the Trust Agreement or now or hereafter existing at law, in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default will impair any such right or power or be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default under the Trust Agreement by the Trustee or Bondholders will extend to or affect any subsequent default or Event of Default or impair any rights or remedies consequent thereon.

[Section 903]

Right of Bondholders to Direct Proceedings. Anything in the Trust Agreement to the contrary notwithstanding, the holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Trust Agreement or any other proceedings under the Trust Agreement; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of the Trust Agreement.

[Section 904]

Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Trust Agreement concerning defaults and remedies shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys, the expenses, liabilities and advances incurred or made by the Trustee and its fees and the expenses of the Authority in carrying out the Trust Agreement, be deposited in the Bond Fund and applied as follows and for no other purpose:

(a) Unless the principal of all the Bonds has become due, all such moneys will be applied:

First – To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

Second – To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Trust Agreement), in the order of their due dates, with interest on such Bonds at the respective rates specified therein from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then first to the payment of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal and premium, if any, ratably, according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(b) If the principal of all the Bonds has become due, all such moneys will be applied to the payment of the principal and interest then due and unpaid on the Bonds, including, to the extent permitted by law, interest on overdue installments of interest, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any bond over any other bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(c) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times and from time to time as the Trustee shall determine (which determination may be based on an Opinion of Counsel); having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Bond Payment Date unless it shall deem another date more suitable) on which such application is to be made and on such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date.

Whenever the principal of and premium, if any, and interest on all Bonds have been paid under the provisions of this Section, all payments required by the terms of any Supplemental Trust Agreement have been paid and all expenses and charges of the Trustee have been paid, any balance remaining in the several Funds created by the Trust Agreement shall be paid to the County as provided in the Trust Agreement with respect to the disposition of balances in Funds after payment of the Bonds.

[Section 905]

Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the Trust Agreement or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Bondholder, and any recovery of judgment shall be for the equal benefit of the holders of all Bonds then Outstanding.

[Section 906]

Limitation on Suits. Except to enforce the remedies given under the Trust Agreement upon the occurrence and continuation of an Event of Default, no Bondholder shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Trust Agreement or for the execution of any trust thereof or any other remedy under the Trust Agreement, unless (a) a default has occurred and is continuing of which the Trustee has been notified as provided in the Trust Agreement, or of which by such Section it is deemed to have notice, (b) such default has become an Event of Default and the holders of 25% in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit or proceeding in its own name, (c) such requesting Bondholders have offered to the Trustee indemnity as provided in the Trust Agreement, (d) the Trustee has thereafter failed or refused to exercise the powers granted, or to institute such action, suit or proceeding in its, his or their own name or names, (e) no direction inconsistent with such written request has been given to the Trustee by the holders of a majority in aggregate principal amount of Bonds then Outstanding and (f) notice of such action, suit or proceeding is given to the Trustee; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the Trust Agreement by its or their action or to enforce any rights under the Trust Agreement except in the manner provided in the Trust Agreement, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Trust Agreement, and for the equal benefit of the holders of all Bonds then Outstanding. The notification, request and offer of indemnity set forth above, at the option of the Trustee, shall be conditions precedent to the execution of the powers and trusts of the Trust Agreement and to any action or cause of action for the enforcement of the Trust Agreement or for any other remedy under the Trust Agreement.

[Section 907]

Termination of Proceedings. In case the Trustee has proceeded to enforce any right under the Trust Agreement and such proceedings have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority, the County and the Trustee will be restored to their former positions and rights under the Trust Agreement, and all rights, remedies and powers of the Trustee will continue as if no such proceedings had been taken.

[Section 908]

Waivers of Events of Default. The Trustee shall waive any Event of Default under the Trust Agreement or any action taken pursuant to any Event of Default on the request of the holders of (a) a majority in aggregate principal amount of Bonds then Outstanding in respect of which default in the payment of principal and/or premium, if any, and/or interest exists or (b) a majority in aggregate principal amount of Bonds then Outstanding in the case of any other default; provided, however, that:

(1) there shall have been paid or provided for all arrears of interest with interest, to the extent permitted by law, at the rate borne by the Bonds on overdue installments of interest, all arrears of principal and premium, if any, and all expenses of the Trustee in connection with such default; and

(2) in case of any such waiver or rescission or in the case of any discontinuance, abandonment or adverse determination of any proceeding taken by the Trustee on account of any such default, the Authority, the County, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder respectively. No waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon.

[Section 909]

Unconditional Right to Receive Principal, Premium and Interest. Nothing in the Trust Agreement shall, however, affect or impair the right of the Trustee or any Bondholder to enforce, by action at law, payment of the principal of or premium, if any, or interest on any Bond at and after the maturity thereof, or on the date fixed for redemption, or the obligation of the Authority to pay the principal of and premium, if any, and interest on each of the Bonds issued under the Trust Agreement to the respective holders thereof at the time and place, from the sources and in the manner expressed in the Trust Agreement and in the Bonds.

[Section 910]

Supplemental Trust Agreements Not Requiring Consent of Bondholders. The Authority and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into Supplemental Trust Agreements as shall not be inconsistent with the intent of the terms and provisions of the Trust Agreement for any one or more of the following purposes:

(a) To cure any ambiguity, formal defect or omission in the Trust Agreement or a Supplemental Trust Agreement;

(b) To grant to or confer upon the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Bondholders;

(c) To modify, amend or supplement the Trust Agreement in such manner as required to permit the qualification of the Trust Agreement under the Trust Indenture Act of 1939, as amended, or any similar Federal statute in effect or any state securities (Blue Sky) law, and, if they so determine, to add to the Trust Agreement such other terms, conditions and provisions as may be required by said Trust Indenture Act of 1939, as amended, or similar Federal statute or state securities law;

(d) To add to the covenants and agreements of the Authority in the Trust Agreement other covenants and agreements to be observed by the Authority;

(e) To modify, amend or supplement the Trust Agreement in such manner as required to permit the Authority to comply with the provisions of the Code relating to the rebate to the United States of America of earnings derived from the investment of the proceeds of Bonds, provided that such modification, amendment or supplement does not materially adversely affect the holders of all Bonds then Outstanding;

(f) To modify, amend or supplement the Trust Agreement in such manner as may be required by a Rating Agency to maintain its rating on the Bonds, provided that such modification, amendment or supplement does not materially adversely affect the holders of all Bonds then Outstanding;

(g) To authorize the issuance of and to secure one or more Series of Bonds pursuant to the Trust Agreement; and

(h) To modify, amend or supplement the Trust Agreement in any manner that, as expressed in a written determination or finding by the County (which may be based upon an Opinion of Counsel or the opinion of its financial advisor), the Trustee concludes (which may be based upon an Opinion of Counsel addressed to the Trustee) is not materially adverse to the holders of all Outstanding Bonds.

[Section 1001]

Supplemental Trust Agreements Requiring Consent of Bondholders. Exclusive of Supplemental Trust Agreements authorized by the preceding Section and subject to the terms and provisions contained in this Section, the holders of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have the right from time to time, notwithstanding anything in the Trust Agreement to the contrary, to consent to the execution by the Authority and the Trustee of such other agreements or agreements supplemental to the Trust Agreement as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Trust Agreement and any Supplemental Trust Agreements; provided, however, that nothing in the Trust Agreement shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bond, (b) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (c) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Trust Agreements, (d) a reduction in the principal amount of or premium, if any, on any Bond or the rate of interest thereon or (e) an extension of time or a reduction in amount of any payment required by any sinking fund that may be applicable to any Bond, without the consent of the holders of all Bonds then Outstanding.

If at any time the Authority shall request the Trustee to enter into any such Supplemental Trust Agreement, the Trustee shall cause notice of the proposed execution of such Supplemental Trust Agreement to be sent by registered or certified mail to the registered owner of each Bond at his address as it appears on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Trust Agreement and shall state that a copy thereof is on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 90 days or such longer period as shall be prescribed by the Authority following the giving of such notice, the holders of not less than a majority in aggregate principal amount of all Bonds then Outstanding, or in the case of (a) through (e) above, the holders of all Bonds then Outstanding, shall have consented to and approved the execution thereof as provided in the Trust Agreement, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation of the Trust Agreement, or in any manner to question the propriety thereof, or to enjoin or restrain the Trustee or the Authority from executing such Supplemental Trust Agreement or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Trust Agreement as in this Section permitted and provided, the Master Trust Agreement shall be and be deemed to be modified and amended in accordance therewith.

[Section 1002]

Supplemental Financing Agreements Not Requiring the Consent of Bondholders. The Authority and the Trustee shall, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Financing Agreement as may be required:

(a) By the provisions of the Financing Agreement or the Trust Agreement;

(b) For the purpose of curing any ambiguity or formal defect or omission therein;

(c) To subject to the Trust Agreement additional revenues, properties or collateral;

(d) In connection with the issuance of one or more Series of Bonds pursuant to the Trust Agreement other than the initial Series an original executed counterpart of a Supplemental Financing Agreement that shall (1) make such necessary modifications to Exhibit A to the Financing Agreement to provide for Basic Payments in amounts sufficient to pay principal of and interest on all Bonds then Outstanding plus such additional Series of Bonds, (2) describe the Project being financed by such additional Series of Bonds and (3) make such other modifications as shall be necessary and convenient for the issuance of such additional Series of Bonds; and

(e) In connection with any other amendment, change or modification that the Trustee concludes (which may be based on an Opinion of Counsel addressed to the Trustee) is not materially adverse to the holders of all Bonds then Outstanding, the Authority and the Trustee shall, without the consent of or notice to the Bondholders, consent to any such amendment, change or modification made in connection with any modification or amendment of, or supplement to, the Trust Agreement as required to permit the qualification of the Trust Agreement under the Trust Indenture Act of 1939, as amended, or any similar Federal statute in effect or any state securities (Blue Sky) law, and, if they so determine, to add to the Trust Agreement such other terms, conditions and provisions as may be required by said Trust Indenture Act of 1939, as amended, or similar Federal statute or state securities law.

[Section 1003]

Supplemental Financing Agreements Requiring Consent of Bondholders. Except for amendments, changes or modifications as provided in the preceding Section, neither the Authority nor the Trustee shall consent to any amendment, change or modification of the Financing Agreement without the written approval or consent of the holders of a majority in aggregate principal amount of Bonds then Outstanding given and procured as provided in the Trust Agreement for Supplemental Trust Agreements requiring consent of Bondholders. If at any time the Authority and the County shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change or modification to be given in the same manner as provided in the Trust Agreement for Supplemental Trust Agreements requiring consent of Bondholders. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that a copy of the instrument embodying the same is on file at the principal corporate trust office of the Trustee for inspection by all Bondholders.

[Section 1004]

Limitation on Amendments. No amendment, change or modification may decrease the obligation of the County under the Financing Agreement to pay amounts sufficient to pay principal of and premium, if any, and interest on the Bonds as the same become due.

[Section 1005]

Amendment by Unanimous Consent. Notwithstanding any other provision of the Trust Agreement, the Authority and the Trustee may enter into any Supplemental Trust Agreement or may consent to any amendment, change or modification of the Financing Agreement upon receipt of the consent of the Holders of all Bonds then Outstanding.

[Section 1006]

Opinion of Counsel Required. The Trustee shall not enter into a Supplemental Trust Agreement or consent to a Supplemental Financing Agreement unless there shall have been filed with the Trustee and the Authority an Opinion of Counsel addressed to the Trustee that such Supplemental Trust Agreement or such Supplemental Financing Agreement is authorized or permitted by the Trust Agreement and complies with its terms and that on execution it will be valid and binding on the party or parties executing it in accordance with its terms, which Opinion of Counsel, to the extent appropriate, may rely on the Trustee's determination that such amendment, change or modification:

(1) modifies, amends or supplements the Trust Agreement in a manner that, as expressed in a written determination or finding by the County (which may be based upon an Opinion of Counsel or the opinion of its financial advisor), the Trustee concludes (which may be based upon an Opinion of Counsel addressed to the Trustee) is not materially adverse to the holders of all Outstanding Bonds; or

(2) amends, changes, or modifies the Financing Agreement in a manner that that the Trustee concludes (which may be based on an Opinion of Counsel addressed to the Trustee) is not materially adverse to the holders of all Bonds then Outstanding, in connection with a modification or amendment of, or supplement to, the Trust Agreement as required to permit the qualification of the Trust Agreement under the Trust Indenture Act of 1939, as amended, or any similar Federal statute in effect or any state securities (Blue Sky) law, and, if they so determine, to add to the Trust Agreement such other terms, conditions and provisions as may be required by said Trust Indenture Act of 1939, as amended, or similar Federal statute or state securities law,

as is applicable, and an Opinion of Bond Counsel addressed to the Trustee stating that such Supplemental Trust Agreement or Supplemental Financing Agreement will not have an adverse effect on the exemption of interest from gross income for Federal income tax purposes on the Bonds, the interest on which was exempt from gross income on the date of their issuance.

[Section 1007]

Consent of the County. Notwithstanding any other provision of the Trust Agreement, so long as no Event of Default under the Trust Agreement has occurred and is then continuing, a Supplemental Trust Agreement or any amendment or supplement to the Financing Agreement that affects any rights of, or imposes any costs on, the County, will not become effective until the County has consented in writing signed by an Authorized County Representative to the execution and delivery of such Supplemental Trust Agreement or such amendment or supplement to the Financing Agreement.

[Section 1008]

Acceptance of Trusts and Obligations. The Trustee accepts the trusts and obligations imposed upon it by the Trust Agreement and agrees to perform such trusts and obligations, but only upon and subject to the following express terms and conditions and no implied covenants or obligations will be read into the Trust Agreement against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Trust Agreement and as a corporate trustee ordinarily would perform such duties under a corporate indenture. Upon the occurrence and continuation of an Event of Default (which has not been cured or waived), the Trustee will exercise such of the rights and powers vested in it by the Trust Agreement and use the same degree of care and skill in their exercise as a prudent person ordinarily would exercise and use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters of trust and the duties under the Trust Agreement, any may in all cases pay reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trust thereof. The Trustee may act on an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or inaction by it taken or omitted to be taken in good faith and in reliance on such Opinion of Counsel.

(c) The Trustee will be protected in acting on any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to the Trust Agreement on the request or authority or consent of any person who at the time or making such request or giving such authority or consent is the owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(d) The permissive right of the Trustee to do things enumerated in the Trust Agreement will not be construed as a duty, and the Trustee will not be answerable for other than its gross negligence or willful misconduct.

(e) The Trustee will not be required to take notice or be deemed to have notice of any default under the Trust Agreement or the Financing Agreement, except failure by the Authority or the County to cause to be made any of the payments to the Trustee required to be made by the Trust Agreement or failure by the County to cause any payments to be made to the Trustee or failure by the Authority or the County to file with the Trustee any document required by the Trust Agreement to be so filed, unless the Trustee shall be notified of such default by the Authority or the County or by the holders of 25% in aggregate principal amount of Bonds then Outstanding.

(f) The Trustee will not be required to give any bond or surety with respect to the execution of its rights and obligations under the Trust Agreement.

(g) Notwithstanding any other provision of the Trust Agreement, the Trustee will have the right, but will not be required, to demand, as a condition of any action by the Trustee in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of the Trust Agreement, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that required by the terms of the Trust Agreement.

(h) Before taking any action under the Trust Agreement the Trustee may require that indemnity in accordance with prevailing industry standards shall be furnished to protect it against all liability except liability which is adjudicated to have resulted from its gross negligence or willful misconduct. No provision of the Trust Agreement shall require the Trustee to expand or risk its own funds or otherwise incur any financial liability in the performance of its duties under the Trust Agreement or the exercise of its rights or powers.

(i) All moneys received by the Trustee will, until used or applied or invested as provided in the Trust Agreement, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other moneys except to the extent required by the Trust Agreement or law. The Trustee will not be under any liability for interest on any moneys received under the Trust Agreement except such as may be agreed upon.

[Section 1101]

Intervention by Trustee. In any judicial proceeding to which the County is a party and which in the opinion of the Trustee (which may be based on an Opinion of Counsel) has a substantial bearing on the interests of the bondholders, the Trustee may intervene on behalf of bondholders and, subject to its indemnification rights under the Trust Agreement, will do so if requested by the holders of 25% in aggregate principal amount of Bonds then Outstanding.

[Section 1103]

Resignation by Trustee. The Trustee may at any time resign from the trusts created by the Trust Agreement by giving 30 days' notice to the Authority, the County, and each owner of Bonds then Outstanding. Such resignation will take effect upon the appointment of a successor or temporary Trustee by the Bondholders, the County or a court of competent jurisdiction.

[Section 1105]

Removal of Trustee. The Trustee may be removed at any time (a) by an instrument or concurrent instruments in writing delivered to the Trustee and the Authority and signed by the owners of a majority in aggregate principal amount of Bonds then Outstanding or (b) by the County by notice in writing given by an Authorized County Representative to the Trustee at least 60 days before the removal date; provided, however, that the County shall have no right to remove the Trustee during any time when an Event of Default has occurred or is continuing or when an event has occurred and is continuing or condition exists that with the giving of notice or the passage of time, or both, would be an Event of Default. The removed Trustee shall return to the County the amount of the Trustee's annual fee allocable to the portion of the current year remaining after the removal date. Notwithstanding the foregoing, nothing contained in the Trust Agreement shall relieve the Authority of its obligation to pay the Trustee's fees and expenses incurred to the date of such removal. Such removal shall take effect upon the appointment of a successor Trustee or the earlier appointment of a temporary Trustee by the Bondholders, the Authority or a court of competent jurisdiction.

[Section 1106]

Appointment of Successor Trustee by Bondholders; Temporary Trustee. In case the Trustee resigns, is removed, is dissolved, is in course of dissolution or liquidation or otherwise becomes incapable of acting under the Trust Agreement, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners; provided, however, that in case of such vacancy the County, by an instrument signed by an Authorized County Representative, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders in the manner provided above; and any such temporary Trustee so appointed by the County shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders. Every such Trustee appointed pursuant to this Section shall be, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms, (a) a bank or trust company in the Commonwealth, in good standing and having a combined capital, surplus and undivided profits of not less than $50,000,000 or (b) a subsidiary trust company under the Trust Subsidiary Act, Article 3.1, Chapter 2, Title 6.1, of the Virginia Code, or any successor provision of law, whose parent Virginia bank or bank holding company has undertaken to be responsible for the acts of such subsidiary trust company pursuant to the provisions of Section 6.1-32.7(a) of the Trust Subsidiary Act, or any successor provision of law, and whose combined capital, surplus and undivided profits, together with that of its parent Virginia bank or bank holding company, as the case may be, is not less than $50,000,000.

[Section 1007]

Discharge of Liens and Pledges; Bonds No Longer Deemed to Be Outstanding under Trust Agreement. The obligations of the Authority under the Trust Agreement and the liens, pledges, charges, trusts, covenants and agreements of the Authority in the Trust Agreement made or provided for, shall be fully discharged and satisfied as to any Bond, and such Bond shall no longer be deemed to be Outstanding under the Trust Agreement:

(a) when such Bond shall have been cancelled, or shall have been surrendered for cancellation and is subject to cancellation, or shall have been purchased by the Authority from moneys in the Bond Fund;

(b) as to any Bond not cancelled or so purchased or so surrendered for cancellation and subject to cancellation, when (1) payment of the principal and the applicable premium of such Bond, plus interest on such principal to the due date thereof (whether such due date be by reason of maturity or upon redemption or prepayment or otherwise) shall have been made or caused to be made in accordance with the terms thereof, or (2) payment of the principal and the applicable premium of such Bond, plus interest on such principal to the due date thereof (whether such due date be by reason of maturity or upon redemption or prepayment or otherwise) shall have been provided by irrevocably depositing with the Trustee, in trust, or irrevocably appropriating and setting aside exclusively for such payment (i) moneys sufficient to make such payment or (ii) noncallable Government Obligations maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, or (iii) a combination of both such moneys and noncallable Government Obligations, and (3) payment of all necessary and proper fees, costs, and expenses of the Trustee satisfactory to the Trustee shall have been made in connection with the Bonds and the administration of the Trust Agreement. For purposes of this Section, Government Obligations shall not include securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940.

Notwithstanding the foregoing, in the case of a Bond which by its terms may be redeemed or otherwise prepaid prior to the stated maturity thereof, and which the Authority elects to redeem or prepay, no deposit under clause (2) of subparagraph (b) above shall constitute such payment, discharge and satisfaction as aforesaid until such Bond shall have been irrevocably called or designated for redemption or prepayment and proper notice of such redemption or prepayment shall have been previously mailed in accordance with the Trust Agreement, or irrevocable provision shall have been made for the giving of such notice; provided that nothing in this Section shall require or be deemed to require the Authority to elect to redeem or prepay any such Bond.

In the event the Authority elects to redeem or prepay any such Bond, nothing in this Section shall require or be deemed to require the redemption or prepayment as of any particular date or dates.

Notwithstanding any provision of the Trust Agreement which may be contrary to the provisions of this Section, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of Bonds (including interest and premium, if any, thereof) shall be applied to and used solely for the payment of the particular Bonds (including interest and premium thereof) with respect to which such moneys and Government Obligations have been so set aside in trust.

In the event that all of the Bonds secured by the Trust Agreement are paid or deemed paid in accordance with the terms of the Trust Agreement, then the right and interest of the Trustee in and to the trust estate and all covenants, agreements and other obligations of the Authority or the County to the registered owners of the Bonds will cease and be discharged and satisfied. In the event the Bonds of any maturity are paid or deemed to be paid in accordance with the terms of the Trust Agreement, then such Bonds will cease to be entitled to any lien, benefit or security under the Trust Agreement (other than the right to receive payment) and all covenants, agreements and other obligations of the Authority or the County to the registered owners of such Bonds will cease and be discharged and satisfied.

[Section 1201]

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APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

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APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

Set forth below is the proposed form of opinion of bond counsel. It is preliminary and subject to change prior to delivery of the Series 2024C Bonds.

Date of Delivery

Economic Development Authority
of Loudoun County, Virginia
Leesburg, Virginia

Loudoun County, Virginia
Leesburg, Virginia

U.S. Bank Trust Company, National Association, as Trustee
Richmond, Virginia

$11,840,000
Economic Development Authority of Loudoun County, Virginia
Public Facility Revenue Refunding Bonds, Series 2024C
(Loudoun County Public Facilities Project)

Ladies and Gentlemen:

We have examined the applicable law, including the Industrial Development and Revenue Bond Act (Chapter 49, Title 15.2, Code of Virginia of 1950, as amended) (the "Act"), and certified copies of proceedings and documents relating to the organization of the Economic Development Authority of Loudoun County, Virginia (the "Authority") and the issuance and sale by the Authority of its $11,840,000 Public Facility Revenue Refunding Bonds, Series 2024C (Loudoun County Public Facilities Project) (the "Series 2024C Bonds"). Terms used but not defined herein are defined in the Trust Agreement (defined below).

The Series 2024C Bonds are being issued for the benefit of Loudoun County, Virginia (the "County"), in order to finance costs of (a) refunding the Authority's outstanding Public Facility Lease Revenue Bonds, Series 2015A; and (b) paying the costs of issuing the Series 2024C Bonds.

The Authority and the County have entered into a Financing Agreement dated as of June 1, 2021, as amended and supplemented by a First Supplemental Financing Agreement dated as of June 1, 2022, a Second Supplemental Financing Agreement dated as of June 1, 2023 and a Third Supplemental Financing Agreement dated as of June 1, 2024 (the "Existing Financing Agreement"), and as further amended and supplemented by a Fourth Supplemental Financing Agreement dated as of September 1, 2024 (the "Fourth Supplemental Financing Agreement") (the Existing Financing Agreement, as amended and supplemented by the Fourth Supplemental Financing Agreement, is hereinafter referred to as the "Financing Agreement"), which reflects principal and interest payments on the Series 2024C Bonds in addition to principal and interest payments on the Series 2021A Bonds, the Series 2021B Bonds, the Series 2022A Bonds, the Series 2022B Bonds, the Series 2023 Bonds, the Series 2024A Bonds and the Series 2024B Bonds in the schedule of Basic Payments included in the Financing Agreement.

The Authority and the Trustee entered into a Master Trust Agreement dated as of June 1, 2021 (the "Master Trust Agreement"), as amended and supplemented by a First Supplemental Trust Agreement dated as of June 1, 2021 (the "First Supplemental Trust Agreement"), a Second Supplemental Trust Agreement dated as of June 1, 2022 (the "Second Supplemental Trust Agreement"), a Third Supplemental Trust Agreement dated as of June 1, 2023 (the "Third Supplemental Trust Agreement"), a Fourth Supplemental Trust Agreement dated as of June 1, 2024 (the "Fourth Supplemental Trust Agreement") and a Fifth Supplemental Trust Agreement dated as of September 1, 2024 (the “Fifth Supplemental Trust Agreement”) (the Master Trust Agreement, as amended and supplemented by the First Supplemental Trust Agreement, the Second Supplemental Trust Agreement, the Third Supplemental Trust Agreement, the Fourth Supplemental Trust Agreement and the Fifth Supplemental Trust Agreement, is hereinafter referred to as the “Trust Agreement”), providing for the issuance of and security for the Series 2024C Bonds. As additional security for the Series 2024C Bonds, the Authority has: (i) pledged to the Trustee the Basic Payments and the Additional Payments (each as defined in the Trust Agreement) under the Trust Agreement and (ii) assigned to the Trustee certain of the Authority’s rights under the Financing Agreement.

We have examined the law and such certified proceedings and other papers as we have deemed necessary to render the following opinions. In rendering the following opinions we have assumed the genuineness of all signatures, the authenticity of all documents tendered to us as originals and the conformity to original documents of all documents submitted to us as certified or photostatic copies. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement of the Authority or any other offering materials relating to the Series 2024C Bonds, and we express no opinion herein as to any such matters.

Based on the foregoing and assuming the due authorization, execution and delivery of the documents described above by parties other than the Authority and the County, we are of the opinion that:

1. The Trust Agreement and the Financing Agreement have been duly authorized, executed and delivered by the Authority and the County, constitute valid and binding obligations of the Authority and the County, and are enforceable against the Authority and the County in accordance with their terms. The County’s obligation to make Basic Payments and Additional Payments under the Financing Agreement is subject to and dependent upon the Board of Supervisors of the County making annual appropriations for such purpose. Such obligation does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the Board of Supervisors has appropriated moneys for such purpose.

2. The Series 2024C Bonds have been duly authorized and issued in accordance with the Act and constitute valid and binding limited obligations of the Authority payable as to both principal and interest solely from Basic Payments and other funds pledged under the Trust Agreement. The Series 2024C Bonds do not create or constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the County.

3. The Internal Revenue Code of 1986, as amended (the “Code”), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series 2024C Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2024C Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Series 2024C Bonds. Pursuant to the resolutions of the Authority and the County and provisions in the Trust Agreement, the Financing Agreement and the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 dated the date hereof (the “Tax Certificate”), the Authority and the County have each covenanted respectively to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2024C Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the County have made certain representations and certifications in the Trust Agreement, the Financing Agreement and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, and assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Series 2024C Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Series 2024C Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

4. Under existing law, interest on the Series 2024C Bonds is exempt from income taxation by the Commonwealth of Virginia and any political subdivision thereof.

Except as stated in paragraphs 3 and 4 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of, or the accrual or receipt of interest on, the Series 2024C Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2024C Bonds, or the interest thereon, if any action is taken or not taken with respect to the Series 2024C Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

It is to be understood that the rights of the holders of the Series 2024C Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Our services as bond counsel to the Authority and the County have been limited to rendering the foregoing opinion based on our review of such proceedings and documents as we deem necessary to approve the validity of the Series 2024C Bonds and the tax status of the interest thereon.

Very truly yours,

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT, dated as of September 11, 2024 (the "Disclosure Agreement"), is executed and delivered by Loudoun County, Virginia (the "County"), in connection with the issuance by the Economic Development Authority of Loudoun County, Virginia (the "Authority") of its $11,840,000 Public Facility Revenue Refunding Bonds, Series 2024C (Loudoun County Public Facilities Project) (collectively, the "Bonds"), for the benefit of the County. The County hereby covenants and agrees as follows:

Section 1. Purpose. This Disclosure Agreement is being executed and delivered by the County for the benefit of Wells Fargo Bank, National Association (the "Underwriter") and the holders and beneficial owners of the Bonds, in order to assist the Underwriter in complying with the provisions of Section (b)(5)(i) of Rule 15c2-12, as amended (the "Rule"), promulgated by the Securities and Exchange Commission ("SEC") by providing certain annual financial information and material event notices required by the Rule (collectively, "Continuing Disclosure").

Section 2. Annual Disclosure. (a) The County shall provide annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

(i) audited financial statements of the County, prepared in accordance with generally accepted accounting principles; and

(ii) the operating data with respect to the County of the type described in the section entitled "Operating Data" of Appendix A to the Official Statement dated August 29, 2024 relating to the Bonds (the "Official Statement").

If the financial statements filed pursuant to subsection 2(a)(i) above are not audited, the County shall file such statements as audited when available.

(b) The County shall provide annually the financial information and operating data described in subsection (a) above (collectively, the "Annual Disclosure") within six months after the end of the County's fiscal year, commencing with the County's fiscal year ending June 30, 2024, to the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions thereof contemplated by this Disclosure Agreement (the "MSRB") via the Electronic Municipal Market Access system of the MSRB, currently located at http://emma.msrb.org ("EMMA").

(c) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB; provided, however, that any final official statement incorporated by reference must be available from the MSRB via EMMA.

(d) The County shall provide in a timely manner to the MSRB through EMMA, notice specifying any failure of the County to provide the Annual Disclosure by the date specified.

Section 3. Event Notices. The County shall provide in a timely manner, not in excess of 10 business days, to the MSRB via EMMA notice of the occurrence of any of the following events with respect to the Bonds:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on credit enhancements reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;

(g) modifications to rights of the holders (including Beneficial Owners) of the Bonds, if material;

(h) bond calls, if material, and tender offers;

(i) defeasances;

(j) release, substitution, or sale of property securing repayment of the Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar events;

(m) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions other than pursuant to its terms, if material;

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

With respect to events (d) and (e), the County does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds, unless the County applies for or participates in obtaining the enhancement.

With respect to event (h), the County does not undertake to provide notice of a mandatory scheduled redemption not otherwise contingent upon the occurrence of an event if (i) the terms, dates and amounts of redemption are set forth in detail in the Official Statement, (ii) the only open issue is which Bonds will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Beneficial Owners as required under the terms of the Bonds, or (iv) public notice of the redemption is given pursuant to the Release Number 34-23856 of the SEC under the Securities Exchange Act of 1934, as amended, even if the originally scheduled amounts are reduced by prior optional redemptions or bond purchases.

With respect to events (o) and (p), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 4. Termination. The obligation of the County hereunder will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all of the Bonds. Upon such termination, the County shall provide notice thereof to the MSRB via EMMA.

Section 5. Amendment. The County may modify its obligations hereunder without the consent of Bondholders, provided that this Disclosure Agreement as so modified complies with the Rule as it exists at the time of modification and does not, in the opinion of nationally recognized bond counsel, materially impair the interests of

Bondholders. The County shall within a reasonable time thereafter send to the MSRB via EMMA a description of such modification(s).

Section 6. Defaults.

(a) If the County fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Disclosure Agreement, the Underwriter or any holder (within the meaning of the Rule) of Bonds then outstanding may, by notice to the County, proceed to protect and enforce its rights and the rights of the Underwriter and the holders by an action for specific performance of the County's covenant to provide the Continuing Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the County to comply with any obligation regarding Continuing Disclosure specified in this Disclosure Agreement (i) shall not be deemed to constitute an event of default under the Bonds or the resolution providing for the issuance of the Bonds, and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

Section 7. Additional Disclosure. The County may from time to time disclose certain information and data in addition to the Continuing Disclosure. Notwithstanding anything herein to the contrary, the County shall not incur any obligation to continue to provide, or to update, such additional information or data.

Section 8. Governing Law. This Disclosure Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

LOUDOUN COUNTY, VIRGINIA

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Director of Management and Budget

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