NEW ISSUE
Book-Entry-Only

RATINGS:
Fitch: AAA
Moody's: Aaa
S&P: AAA
(See "SECTION SIX: 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 made by the County described herein, interest on the 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 such interest 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 interest on the Bonds will be exempt from income taxation by the Commonwealth of Virginia. See "SECTION THREE: TAX MATTERS" herein regarding certain other tax considerations.

$23,035,000
Loudoun County, Virginia
General Obligation Refunding Bonds, Series 2021B

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

The General Obligation Refunding Bonds, Series 2021B (the "Bonds") will constitute general obligations of Loudoun County, Virginia (the "County"), for the payment of which the full faith and credit and unlimited taxing power of the County will be irrevocably pledged. The County's Board of Supervisors will be authorized and required, unless other funds are lawfully available and appropriated for timely payment of the Bonds, to levy and collect annually on all locally taxable property in the County an ad valorem tax over and above all other taxes authorized or limited by law and without limitation as to rate or amount sufficient to pay the principal of and premium, if any, and interest on the Bonds as the same respectively become due and payable.

The Bonds will be issued as fully registered bonds and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, (a) references herein to the registered owner shall mean Cede & Co. and (b) principal, premium and interest shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal, premium and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of $5,000 or multiples thereof. Bond certificates will be immobilized at DTC and will not be available for delivery to the public (See "SECTION TWO: THE BONDS – Book-Entry-Only System" herein). The Bonds will bear interest from their date of delivery, payable semi-annually on June 1 and December 1 of each year to maturity, commencing June 1, 2022.

The Bonds are not subject to redemption prior to their stated maturities.

The Bonds are offered for delivery when, as and if issued, subject to the approval of their validity by Nixon Peabody LLP, Washington, D.C., Bond Counsel, as described herein. Certain legal matters will be passed upon for the County by the County Attorney, Leo P. Rogers. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about September 21, 2021.

This cover page contains certain information for reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. This Official Statement is dated August 31, 2021 and, except as expressly provided in the table of general obligation debt service and capital lease payments on page 44 and 45, respectively, the information contained herein speaks only as of that date.

Dated: August 31, 2021

$23,035,000
Loudoun County, Virginia
General Obligation Refunding Bonds,
Series 2021B

Maturity (December 1)	**Principal Amount**	**Interest Rate**	**Yield**	**CUSIP***
2022	$2,240,000	5.00%	0.080%	54589TLA8
2023	2,240,000	5.00%	0.120	54589TLB6
2024	2,270,000	5.00%	0.190	54589TLC4
2025	2,300,000	5.00%	0.330	54589TLD2
2026	2,320,000	5.00%	0.450	54589TLE0
2027	2,325,000	5.00%	0.600	54589TLF7
2028	2,325,000	5.00%	0.710	54589TLG5
2029	2,330,000	5.00%	0.820	54589TLH3
2030	2,340,000	5.00%	0.900	54589TLJ9
2031	2,345,000	4.00%	0.940	54589TLK6

* CUSIP numbers have been assigned by an organization not affiliated with the County and are included solely for the convenience of the holders of the Bonds. The County is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated above.

LOUDOUN COUNTY, VIRGINIA
BOARD OF SUPERVISORS

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

CERTAIN OTHER ELECTED OFFICIALS

H. Roger Zurn, Jr., County Treasurer

CERTAIN APPOINTED OFFICIALS

Tim Hemstreet, County Administrator
Charles Yudd, Deputy County Administrator
Janet Romanchyk, Chief Financial Officer/Director of Finance and Budget*
Nicole Speight, Debt Manager
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

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* Janet Romanchyk's position as Chief Financial Officer/Director of Finance and Budget is effective September 2, 2021.

The Bonds will be exempt from registration under the Securities Act of 1933. As obligations of a political subdivision of the Commonwealth of Virginia, the Bonds will also be exempt from registration under the securities laws of Virginia.

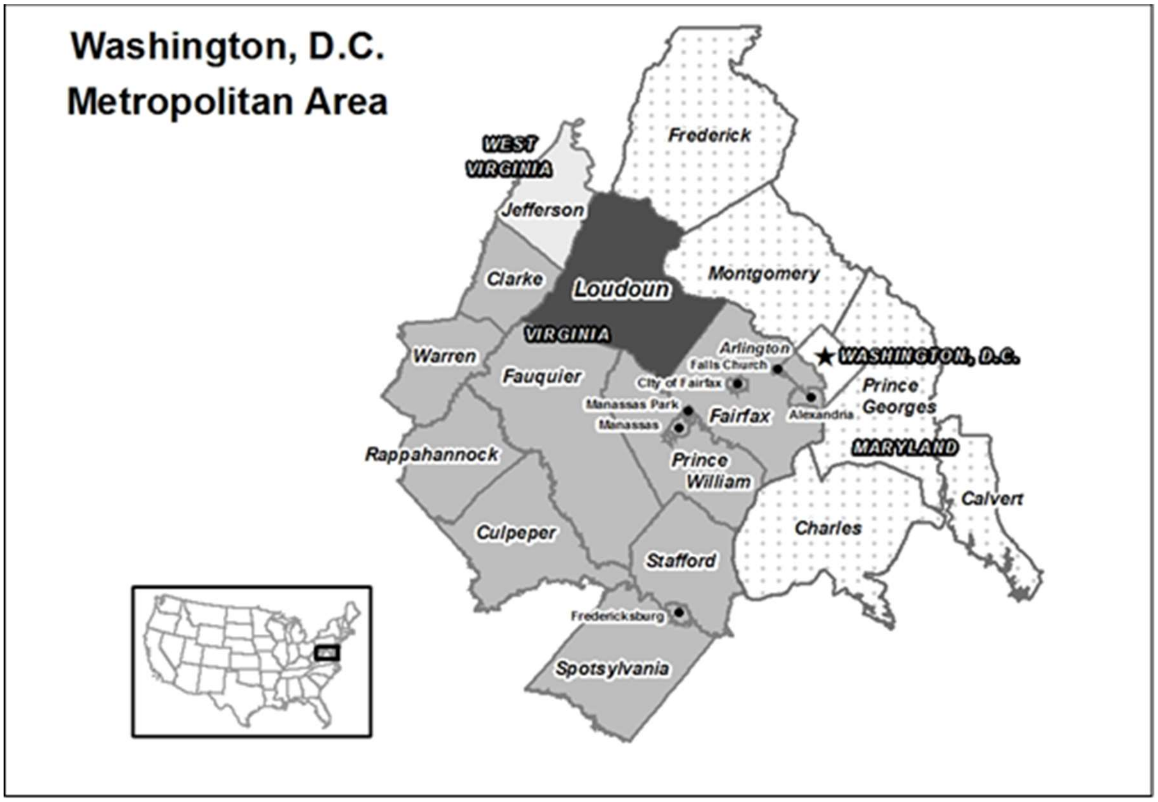
No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement in connection with the offering of the Bonds and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the 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 and the purchasers or owners of any of the Bonds. The information set forth herein has been obtained by the County from sources which are believed 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.

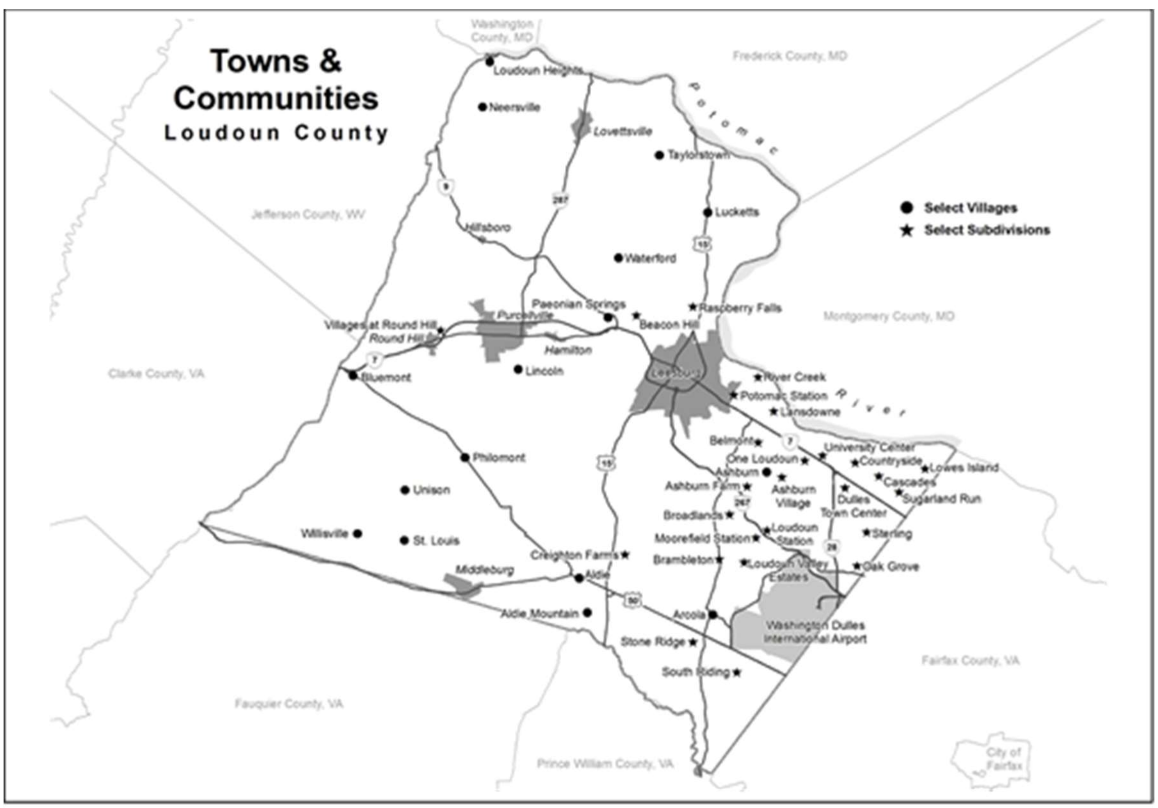
Forward looking statements. Certain statements contained in this Official Statement that are not historical facts are forward looking statements, which are based on the County's beliefs, as well as assumptions made by, and information currently available to, the County. Because the statements are based 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.

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

TABLE OF CONTENTS



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



Towns &
Communities
Loudoun County
Washington County, MD
Frederick County, MD
Loudoun Heights
Neersville
Lovettsville
Taylorstown
Potomac
Jefferson County, WV
Lucketts
Select Villages
Select Subdivisions
Hillsboro
Waterford
Paeonian Springs
Raspberry Falls
Beacon Hill
Montgomery County, MD
Villages at Round Hill
Round Hill
Purcellville
Hamilton
Clarke County, VA
Bluemont
Lincoln
Leesburg
River Creek
Potomac Station
Lansdowne
River
Belmont
University Center
One Loudoun
Countryside
Lowes Island
Philomont
Ashburn
Cascades
Ashburn Farm
Ashburn Village
Dulles Town Center
Sugarland Run
Unison
Broadlands
Loudoun Station
Willisville
St. Louis
Moorefield Station
Sterling
Creighton Farms
Brambleton
Loudoun Valley Estates
Oak Grove
Middleburg
Aldie
Aldie Mountain
Arcola
Washington Dulles International Airport
Stone Ridge
South Riding
Fairfax County, VA
Fauquier County, VA
Prince William County, VA
City of Fairfax

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OFFICIAL STATEMENT
Loudoun County, Virginia

$23,035,000
Loudoun County, Virginia
General Obligation Refunding Bonds,
Series 2021B

SECTION ONE: INTRODUCTION

The purpose of this Official Statement is to furnish information in connection with the sale by Loudoun County, Virginia (the "County" or "Loudoun"), of $23,035,000 General Obligation Refunding Bonds, Series 2021B (the "Bonds"), dated the date of their delivery. The Bonds will be general obligations of the County for the payment of which the full faith and credit of the County is irrevocably pledged. Financial and other information contained in this Official Statement has been prepared by the County from its records (except where other sources are noted). This information speaks as of its date and is not intended to indicate future or continuing trends in the financial or economic position of the County.

The Issuer

The County is located in the northernmost part of Virginia, 25 miles northwest of Washington, D.C. The County's 2020 population was 420,959 per the US Census Bureau's 2020 Decennial Census data release. A summary of certain general information about the County is provided in Section Four, and certain financial information of the County is provided in Section Five.

The COVID-19 pandemic (as defined below) is a significant development and while the full impacts of the COVID-19 pandemic on the County's operations and financial condition are difficult to predict, the County's operations, financial condition and outlook have been materially adversely affected by the COVID-19 pandemic, and could materially worsen if the pandemic's consequences are prolonged. These impacts involve many developing and unknown outcomes. Accordingly, any historical information described in this Official Statement, including general purpose financial statements in Appendix A attached hereto, which predates the COVID-19 pandemic or does not include information regarding its impact, should be considered in light of a possible or probable negative impact from the COVID-19 pandemic, as described in more detail below. See "COVID-19" in Section Five. Revenue and expenditure projections and all other-forward looking statements in this Official Statement are based on current expectations and are not intended as representations of fact or guarantees of results. Any such forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. Investors are advised to carefully consider the information presented below, together with other information presented in this Official Statement, in order to make an informed investment decision.

The Bonds

The Bonds will be dated the date of their delivery. The Bonds will have principal payments annually on December 1, 2022 through 2031, inclusive. The Bonds will be issued in authorized denominations of $5,000 and multiples thereof and will be held by the Depository Trust Company, New York, New York ("DTC"), or by its nominee as securities depository with respect to the Bonds.

Interest on the Bonds will be payable on June 1 and December 1 of each year to maturity, commencing June 1, 2022. As long as the Bonds are held by DTC or its nominee, interest will be paid to Cede & Co., as nominee of DTC, in same day funds on each interest payment date.

Use of Proceeds

The proceeds of the Bonds will be used to: (i) refund the County's outstanding General Obligation Public Improvement Bonds, Series 2012A, as further described herein and (ii) pay the costs of issuance associated with the Bonds. A more complete description of the use of proceeds is provided in Section Two.

Redemption

The Bonds are NOT subject to optional redemption prior to their stated dates of maturity.

A more complete description of the redemption features is provided in the subsection entitled "Redemption" in Section Two.

Delivery

The Bonds are offered for delivery, when, as and if issued, subject to the approval of validity by Nixon Peabody LLP, Washington, D.C., Bond Counsel, and to certain other conditions referred to herein. Certain legal matters will be passed upon for the County by the County Attorney, Leo P. Rogers. It is expected that the Bonds will be available for delivery, at the expense of the County, in New York, New York, through the facilities of DTC, on or about September 21, 2021.

Auditors

The County's general purpose financial statements for the fiscal year ended June 30, 2020 (the "2020 Comprehensive Annual Financial Report"), have been audited by the independent public accounting firm of Cherry Bekaert, LLP, and are included as Appendix A. The 2020 Comprehensive Annual Financial Report is available for inspection at the County's Department of Finance and Budget, 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.

Financial Advisor

Davenport & Company LLC, Richmond, Virginia, is employed as Financial Advisor to the County in connection with the issuance of the Bonds.

Continuing Disclosure

The County has agreed to execute a Continuing Disclosure Agreement at closing to assist the Underwriter (defined below) in complying with the provisions of Rule 15c2-12, as amended (the "Rule"), promulgated by the Securities and Exchange Commission (the "SEC") and as in effect on the date hereof, by providing annual financial information and event notices required by the Rule. See the subsection entitled "Continuing Disclosure" in Section Six.

Additional Information

Any question concerning the content of this Official Statement should be directed to Janet Romanchyk, Chief Financial Officer/Director of Finance and Budget, 1 Harrison Street, S.E., Leesburg, Virginia 20177, (703) 777-0500, or to the County's Financial Advisor, Davenport & Company LLC (804) 697-2900.

SECTION TWO: THE BONDS

Authorization of the Bonds

Issuance of the Bonds is authorized by resolutions and other proceedings of the Board of Supervisors of the County (the "Board of Supervisors" or "Board") adopted pursuant to and in conformity with Article VII of the Constitution of the Commonwealth of Virginia, and pursuant to the provisions of the Public Finance Act of 1991 (Chapter 26, Title 15.2) of the Code of Virginia of 1950, as amended. The issuance of the Bonds has been authorized by a resolution of the Board adopted on April 20, 2021 (the "Bond Resolution").

Plan of Financing

The proceeds of the Bonds will be used to refund the County's outstanding General Obligation Public Improvement Bonds, Series 2012A, as set forth in the following chart (the "Refunded Bonds"):

Maturity Dates	Interest Rate	Aggregate Amount	Call Date	Call Price
December 1, 2022	5.00%	$2,765,000	December 1, 2021	100%
December 1, 2023	3.00	2,765,000	December 1, 2021	100
December 1, 2024	3.00	2,765,000	December 1, 2021	100
December 1, 2025	3.00	2,765,000	December 1, 2021	100
December 1, 2026	4.00	2,765,000	December 1, 2021	100
December 1, 2027	4.00	2,765,000	December 1, 2021	100
December 1, 2028	4.00	2,760,000	December 1, 2021	100
December 1, 2029	4.00	2,760,000	December 1, 2021	100
December 1, 2030	4.00	2,760,000	December 1, 2021	100
December 1, 2031	3.00	2,760,000	December 1, 2021	100

Upon delivery of the Bonds, a portion of the proceeds of the Bonds will be irrevocably deposited with U.S. Bank National Association (the "Escrow Agent"), pursuant to an Escrow Agreement dated the date of issuance of the Bonds (the "Escrow Agreement"), between the County and the Escrow Agent. The Escrow Agreement may 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 Refunded Bonds when due.

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 any, and forecasted payments of principal and interest necessary to redeem the Refunded Bonds, and (b) computation of the yields on the Bonds and the Escrow Securities. Such computations will be based solely upon assumptions and information supplied by the Underwriters 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.

Sources and Uses of Funds

The following table sets forth the anticipated application of the proceeds of the Bonds for the purposes described above:

Sources of Funds	
Par Amount of Bonds	$23,035,000.00
Net Original Issue Premium	5,337,419.00
Total Sources	$28,372,419.00
Uses of Funds	
Deposit to Escrow Fund	$28,141,155.00
Costs of Issuance†	231,264.00
Total Uses	$28,372,419.00

† Includes underwriter's discount.

Description of the Bonds

The Bonds will be issued in fully registered form in denominations of $5,000 or integral multiples thereof and will be held by DTC, or its nominee, as securities depository with respect to the Bonds (see the subsection herein "Book-Entry-Only System"). Purchases of beneficial ownership interests in the Bonds will be made only in book-entry form and individual purchasers will not receive physical delivery of bond certificates. The Bonds will be dated the date of their delivery, 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 and twelve 30-day months, payable semi-annually on June 1 and December 1 of each year to maturity, commencing June 1, 2022 (each an "Interest Payment Date"), and will mature on December 1, in the years and in the principal amounts set forth on the inside cover page hereof.

As long as the Bonds are held by DTC or its nominee, interest will be paid to Cede & Co., as nominee of DTC, in same day funds on each Interest Payment Date. If the book-entry system is discontinued, bond certificates will be delivered as described in the Bond Resolution, and the beneficial owners of the bonds (the "Bondholders") will become registered owners of the Bonds. Interest on the Bonds will be payable on each Interest Payment Date by wire, check or draft of U.S. Bank National Association, Richmond, Virginia, as registrar and paying agent (the "Registrar"), mailed to each registered owner at the address appearing in the records of the Registrar on the 15th day (whether or not a business day) of the month preceding the applicable Interest Payment Date. Principal of and premium, if any, on the Bonds are payable upon presentation of the Bonds at the designated trust office of the Registrar.

Redemption

The Bonds are NOT subject to optional redemption prior to their stated dates of maturity.

Book-Entry-Only System

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

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The 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 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the 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, as amended. 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 ("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 company 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 ("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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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, however, are 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 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in a particular Series of Bonds, except in the event that use of the book-entry system for such Series of 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 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 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 Bonds within a single maturity of are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 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 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of, redemption premium, if any, and interest payments on the 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 Participant and not of DTC, the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County 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 to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Neither the County 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 premium, if any, and interest on the Bonds; (C) the delivery or timeliness of delivery by any Direct or Indirect Participant to any Beneficial Owner of any notice to be given to Bondholders; or (D) any other action taken by DTC, or its nominee, Cede & Co., as registered owner, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

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

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 Bonds without the consent of Beneficial Owners.

Security for the Bonds

The Bonds constitute general obligations of the County, and the full faith and credit of the County are irrevocably pledged to the payment of principal of and premium, if any, and interest on the Bonds. The Bond Resolution provides that the Board of Supervisors shall, in each year while any of the Bonds shall be outstanding, levy and collect on all property in the County subject to local taxation an annual ad valorem tax over and above all other taxes authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and premium, if any, and interest on the Bonds, unless other funds are legally available and appropriated for timely payment of the Bonds.

Bondholders' Remedies in the Event of Default

Section 15.2-2659 of the Code of Virginia of 1950, as amended (the "Virginia Code"), provides that upon affidavit filed by or on behalf of any owner of a general obligation bond, or by any paying agent therefore, in default as to payment of principal, premium or interest, 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 of Virginia (the "Commonwealth") to the political subdivision so in default and apply the amount so withheld to payment of the defaulted principal, premium, if any, and interest. Section 15.2-2659 also provides for notice to registered owners of such bonds of the default and the availability of withheld funds. To date, no order to withhold funds pursuant to Section 15.2-2659 or its predecessor provisions Sections 15.1-227.61 and 15.1-225 has ever been issued with respect to the County. Although neither Section 15.2-2659 nor its predecessor provisions Sections 15.1-227.61 and 15.1-225 have been approved by a Virginia court, the Attorney General of Virginia has ruled that appropriated funds may be withheld by the Commonwealth pursuant to that section. In the fiscal year ending June 30, 2020, the Commonwealth appropriated $501,362,472 to the County, of which $90,631,702 accrued to the County's General Fund, $10,643,994 accrued to the County's Capital Projects Fund, $393,632,391 accrued to the County's School Fund, and $6,454,385 accrued to the County's Other Governmental Funds.

Neither the Bonds nor the proceedings with respect thereto specifically provide any remedies to Bondholders if the County defaults in the payment of principal of or premium or interest on the Bonds, nor do they contain any provision for the appointment of a trustee to enforce the interests of the Bondholders upon the occurrence of such default. Upon any default in the payment of principal, premium or interest, a Bondholder could, among other things, seek from an appropriate court a writ of mandamus requiring the Board of Supervisors to observe the covenants contained in the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Furthermore, the right to enforce payment of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") permits a municipality such as the County, if insolvent or otherwise unable to pay its debts as they become due, to file a voluntary petition for the adjustment of debts provided that such municipality is "specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9 by State law, or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor under such chapter." Bankruptcy Code, § 109(c)(2). Current statutes of the Commonwealth do not expressly authorize the County or municipalities generally to file for bankruptcy under Chapter 9. Chapter 9 does not authorize the filing of involuntary petitions against municipalities such as the County.

Bankruptcy proceedings by the County could have adverse effects on Bondholders, including (a) delay in the enforcement of their remedies, (b) subordination of their claims to claims of those supplying goods and services to the County after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings, and (c) imposition without their consent of a plan of adjustment materially reducing or delaying payment of the Bonds, including adjusting the timing or amount of payments on the Bonds or the interest rate or other terms of the Bonds. Though the Bankruptcy Code contains provisions intended to ensure that, in any Chapter 9 plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claims, the plan may not provide for payment of the Bonds in full, particularly if the Bonds are determined to be unsecured obligations under the Bankruptcy Code. The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretations.

The County has never defaulted in the payment of either principal or interest on any debt obligation.

Legal Matters

All legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Nixon Peabody LLP, Washington, D.C., Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the County by the County Attorney, Leo P. Rogers.

Bond Counsel has assisted in the preparation of certain information including portions of this Official Statement under the captions "THE BONDS" (except for "Book-Entry-Only System") and "TAX MATTERS" and in "APPENDIX B – FORM OF BOND COUNSEL OPINION," but has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the remainder of this Official Statement and, accordingly, expresses no opinion as to the accuracy, completeness or sufficiency of other material or information, including financial information, included herein.

Litigation

According to the County Attorney, there is no litigation of any kind now pending or, to the best of his information, knowledge, and belief, threatened to restrain or enjoin the issuance or delivery of the Bonds or in any manner questioning the proceedings and authority under which the Bonds are issued or affecting the ability of the County to levy or collect *ad valorem* taxes, without limitation as to rate or amount, on all locally taxable property in the County sufficient to pay when due principal of or premium, if any, or interest on the Bonds.

The County and its employees have been named from time to time as defendants in claims, which are being defended by the County Attorney and outside counsel, or insurance counsel. The County may be protected partially by sovereign immunity and by indemnification or insurance agreements depending upon the nature and size of a particular claim. The County Attorney is of the opinion that none of the litigation currently pending against the County reasonably can be expected to have a material adverse effect on the County's financial position or its operations.

SECTION THREE: 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 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 Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Bond Resolution and the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-

150 of the Internal Revenue Code of 1986 (the "Tax Certificate"), the County has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, the County has made certain representations and certifications in 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 made by the County described above, interest on the 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.

State Taxes

Bond Counsel is also of the opinion that the interest on the Bonds will be exempt from income taxation by the Commonwealth. Bond Counsel expresses no opinion as to other Commonwealth or local tax consequences arising with respect to the Bonds nor as to the taxability of the Bonds or the income there from under the laws of any state other than the Commonwealth.

Original Issue Premium

Bonds sold at prices in excess of their principal amounts are "Premium Bonds." An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which 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 Bond based on the purchaser's yield to maturity (or, in the case of Premium 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 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 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 Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the 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 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the 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 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 B. 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 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 Bonds for federal or state income tax purposes, and thus on the value or marketability of the 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 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 Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any change in law on the Bonds.

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

SECTION FOUR: LOUDOUN COUNTY, VIRGINIA

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. The County's 2020 population was 420,959 per the US Census Bureau's 2020 Decennial Census data release. According to the U.S. Department of Commerce, Bureau of the Census, Loudoun's population increased by 84% between 2000 and 2010, which resulted in Loudoun being recognized as the fifth fastest growing county in the nation. Between 2010 and 2019, Loudoun was the 21st fastest growing county in the nation. By 2025, the County's population is expected to be 466,862.*

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

* Source: Metropolitan Washington Council of Governments, Round 9.1 Cooperative Forecasts, submitted by Loudoun County in February 2021.

† Source: Loudoun County Department of Economic Development.

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 Department of Finance and Budget is (703) 777-0402.

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 or capital lease obligations.

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

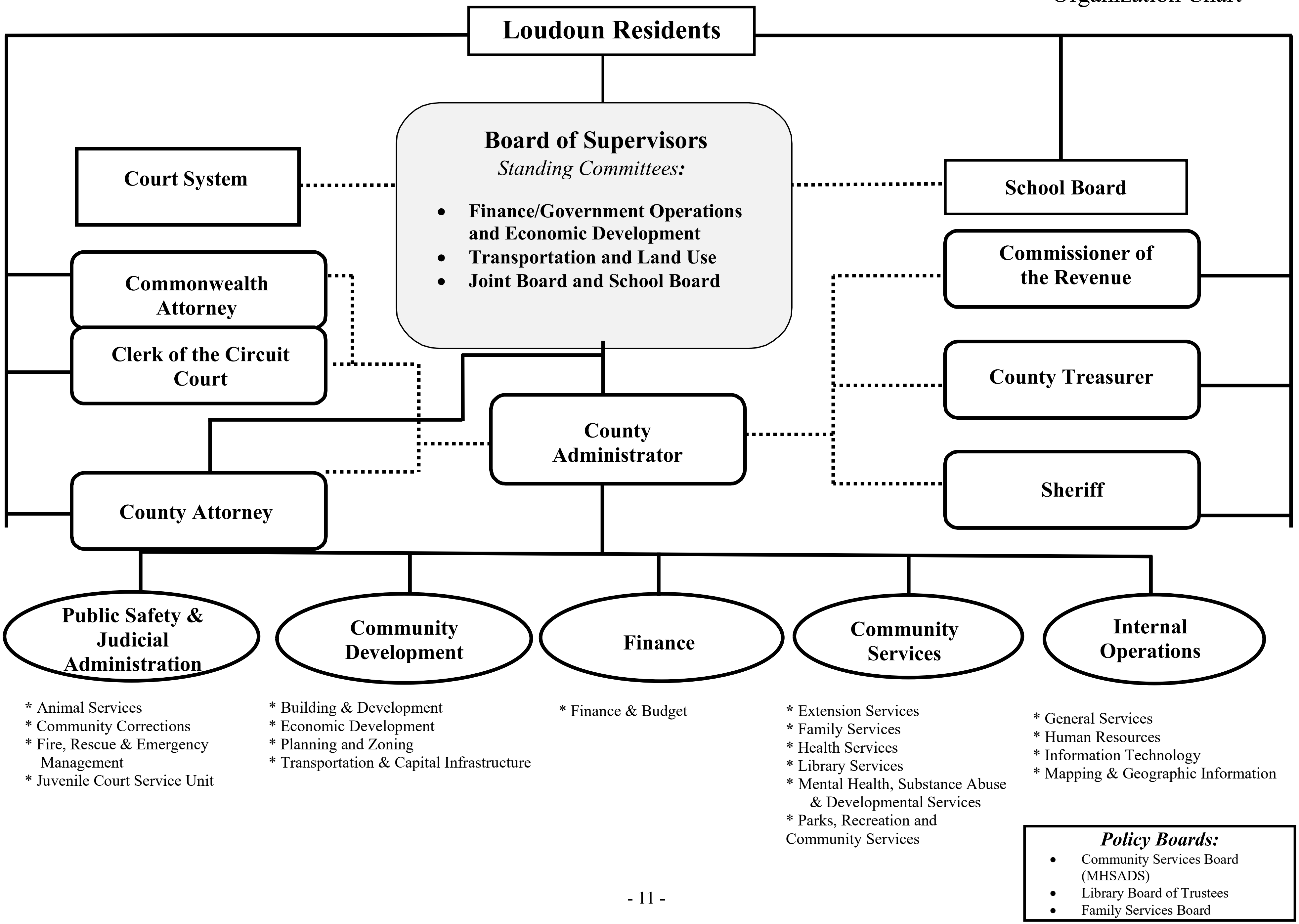
The County operates under the traditional county form of government with a County Administrator as established by the Virginia Code. The nine-member Board of Supervisors is vested with local legislative powers. Eight members of the Board are elected on the basis of their respective election districts 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 of Supervisors' liaison to all other departments and agencies. With the assistance of a Deputy County Administrator and four Assistant County Administrators, 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 of Supervisors and is responsible for recording and maintaining all legislative documents and actions of the Board of Supervisors.

The Board of Supervisors organizes itself into the following three Committees of the Board of Supervisors: 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 of Supervisors' 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.

Loudoun County
Organization 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. She serves on the Board's Finance/Government Operations and Economic Development Committee, and the Transportation and Land Use Committee. She also serves as Chair of the Virginia Association of Counties Health and Human Resources sub-committee, Chair of the Northern Virginia Transportation Authority, President of the Metropolitan Washington Council of Governments (COG), member of the COG Board of Directors, and member of the COG Human Services and Public Safety Policy Committee and the COG Reginal Forward Coalition, and member of the National Association of Counties Health and Human Resources Committee. She also serves as one of Loudoun's representatives on the Route 28 Transportation Improvement District Commission. In June 2018, Chair Randall was selected as one of only twenty-five women in the country to be included in the 2019 class of Governing Magazine's Women in Government Leadership Program. In 2009, Governor Tim Kaine appointed Randall to be the citizen representative on Virginia's Fair Housing Board. Governor Bob McDonnell retained her position on the Fair Housing Board where she eventually served as Chair. In March 2014, Randall was appointed by Governor Terry McAuliffe to the Virginia State Board of Corrections, where she served as Chair. By profession Randall is a mental health therapist working with substance abusing offenders in a local adult detention center; a position she enjoyed for over fifteen years.

Koran T. Saines, Vice Chairman, Board of Supervisors

Mr. Saines was elected to represent the Sterling District on the Board of Supervisors in November 2015. In 2020, he was elected by his fellow Board members to serve as vice chairman. 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. He also serves as one of Loudoun's representatives on the Route 28 Transportation Improvement District Commission, the Metropolitan Washington Council of Governments' (COG) Climate Energy and Environment Policy Committee and the Northern Virginia Transportation Authority Planning Coordination Advisory Committee, and is one of the Board's representatives on the Family Services Board. In 2019, he was appointed to the General Government Steering Committee of the Virginia Association of Counties (VACo) by the VACo president. Saines is a Sterling, Virginia native and graduated from 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. Saines' community service includes being president of the Chatham Green Unit Owners Association after previous stints as vice president and secretary. He has also previously served as an election officer, including as chief election officer in 2014.

Juli E. Briskman, Member, Board of Supervisors

Ms. Briskman was elected to represent the Algonkian District on the Board of Supervisors in November 2019. 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 Metropolitan Washington Council of Governments Board of Directors and the Potomac Watershed Roundtable. She is one of the Board's representatives on the Loudoun County Family Services Board and the Dulles Town Center Community Development Authority. 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.

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Tony R. Buffington Jr., Member, Board of Supervisors

Mr. Buffington was elected to represent the Blue Ridge District on the Board of Supervisors in November of 2015. He serves on the Board's Transportation and Land Use Committee. In addition to having served on the Joint Town of Leesburg/Loudoun County Law Enforcement Task Force, he has also served as Loudoun's representative on the Northern Virginia Regional Commission and as the Board's representative on the Coalition of Loudoun Towns (COLT). He has fought to preserve Loudoun's rural areas and support the towns while ensuring a strong rural economy and high quality of life for residents. He has been a strong advocate for numerous transportation initiatives designed to improve safety and reduce traffic congestion throughout the district. He received the 2018 "Friend of the Blue Ridge Mountain" award for his Conservation Easement Assistance initiative. In 1998, he joined the United States Marine Corps serving in Guantanamo Bay, Cuba, and other locations before receiving an honorable discharge in 2002 at the rank of sergeant. After his service in the Marines, he became a federal law enforcement officer in the Washington, D.C. area, where he continues to serve in a supervisory capacity. In addition to his federal service, he previously served as an appointed member of the Loudoun County Heritage Commission, and as Vice President of the Brambleton Homeowners Association.

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. She serves on the Board of Supervisors' Joint Board and School Board Committee and the Transportation and Land Use Committee. She represents Loudoun on the Metropolitan Washington Council of Governments' Air Quality Committee and the Route 28 Transportation Improvement District Commission. She also serves as the Board's representative on the Loudoun County Disability Services Board. She is currently a special education teacher at Leesburg Elementary School, 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. He serves on the Board's Finance/Government Operations and Economic Development Committee. He represents Loudoun on the Northern Virginia Regional Commission, the Loudoun County Agricultural District Advisory Committee, the Coalition of Loudoun Towns (COLT) 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, where he grew up on a farm, 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. He serves as Chairman of the Board's Finance/Government Operations and Economic Development Committee. He represents Loudoun on the Northern Virginia Transportation Commission (NVTC). He also serves one of the Board of Supervisors' representatives on the Route 28 Transportation Improvement District Commission. 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 has represented Loudoun on the Route 28

Transportation Improvement District Commission and the Metropolitan Washington Council of Governments Board of Directors (COG) since 2012. In 2018, he served as COG Chairman, the first from Loudoun since 1983, and also serves on the National Capital Region Transportation Planning Board. He currently serves as 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.

Michael R. Turner, Member, Board of Supervisors

Mr. Turner was elected to represent the Ashburn District on the Board of Supervisors in November 2019. He serves as the chair of the Board of Supervisors Transportation and Land Use Committee and represents Loudoun on the Northern Virginia Transportation Commission. He also serves as the ex-officio Chair of 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. She serves on the Board's Transportation and Land Use Committee and is co-chair of the Board's Joint Board and School Board Committee. She is one of the Board's representatives on the Annexation Area Development Policy Committee and the Family Services Board. She also represents Loudoun on the Northern Virginia Regional Commission and the National Capital Region Transportation Planning Board and the Metropolitan Washington Council of Governments' Chesapeake Bay and Water Resources 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

H. Roger Zurn, Jr., Treasurer

Mr. Zurn was elected Treasurer in November 1995. Previously, he served on the Board of Supervisors from 1990 through 1995, representing the Sterling District, and served as the chairperson of the Board's Finance Committee. Prior to his election to the Board of Supervisors, he chaired the County's Affordable Housing Advisory Committee. He is the former owner of Loudoun Temporary Service, Inc. and previously was the chief commercial lending officer for Farmers and Merchants National Bank of Loudoun. Mr. Zurn earned a Bachelor's degree at the University of Maryland.

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.

Charles A. Yudd, Deputy County Administrator

Mr. Yudd has served as Deputy County Administrator since July 2016. He joined Loudoun County in March 1997 as the Land Use Review Division Manager in the Department of Planning Services. Mr. Yudd moved to the Office of the County Administrator in 1999, working initially in the areas of land use, economic development and development review. He began his career with Prince William County, Virginia, in 1983, serving in development review positions in the Department of Planning. Mr. Yudd earned a bachelor's degree from the University of Maryland and a master's degree in Planning from the University of Virginia. He also holds the prestigious Credentialed Manager designation from ICMA, the International City/County Management Association.

Janet Romanchyk, Chief Financial Officer/Director of Finance and Budget

Ms. Romanchyk joined the County in 2011 as Controller. She currently serves as Chief Financial Officer/Director of Finance and Budget. She is responsible for planning, directing, and supervising of the county's operating and capital budgeting, procurement, grants management, performance management, internal program audit, finance, debt management, payroll, and financial systems administration. Prior to joining Loudoun County, she served as Finance Director of Fauquier County from 2010 to 2011, and Assistant Finance Director from 2006 to 2010. She received her Bachelor's degree in Public Justice from State University of New York (SUNY) at Oswego, a Bachelor's degree in Business and Accounting from SUNY Empire State College, and a Master's degree in Public Administration from George Mason University.

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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, a public safety facility and a social services facility. There are four sheriff substations and one sheriff administration building, nineteen fire and rescue stations, ten area libraries, including a law library, nine community centers, two recreation centers and fifty-three park sites, ninety-five 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 Department of Economic Development. The Department is supported by and active in multiple business-focused public-private partnerships.

The Department 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 tax exempt revenue bonds in accordance with the Industrial Development and Revenue Bond Act.

The Department works with the Board of Supervisors to create competitive business incentives that are strategic and selective. Incentives were leveraged to make the building improvements needed to attract the U.S. Customs and Border Protection Office of Information Technology to Quantum Park in Ashburn, filling the largest block of underutilized office space in Loudoun County. The Board of Supervisors also prioritizes initiatives that enhance messaging to the development community 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 2020, the Department assisted 30 Fast Track projects, which will lead to over $4.4 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

In response to adverse economic impacts in the County caused by the COVID-19 pandemic, the Department of Economic Development has undertaken new initiatives to support businesses. See "COVID-19 – Economic Development" in Section Five.

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 89% 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 28 Loudoun businesses currently on Inc. Magazine's annual listing of fastest growing companies; 2020 marked the seventh 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, farm-restaurant collaborations, virtual farm tours, and one-on-one business assistance and specialized training in agricultural innovation.

The Department's 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. Within days of pandemic-related emergency orders, the team also launched a webpage dedicated to providing information and resources to businesses in Loudoun and had a central role in the Department's efforts to help impacted businesses throughout the year. In 2020 alone, the Department's marketing efforts received top honors from the Hermes Creative awards, MarCom awards, the National Association of Counties, and the International Economic Development Council for its *Loudoun is Ready* campaign and for the Loudoun Virtual Farm Tour. Thanks to proactive media outreach, Loudoun is frequently covered by key regional media, such as the Washington Post and the Washington Business Journal. The Department's emphasis on digital storytelling has served as a valuable business retention tool and helped generate new leads.

Economic Development Partnership Project with DC Soccer Management Company, LLC and DC Sports Facilities Entertainment, LLC

The County is engaged in an economic development project with DC Soccer Management Company, LLC ("DCSMC") and DC Sports Facilities Entertainment, LLC ("DC Sports"). DCSMC was granted a franchise to establish a new team in the United Soccer League ("USL"), which is a Division II men's professional soccer league. The USL team is named Loudoun United FC (Loudoun United), and is an affiliate of the Major League Soccer team known as DC United. In July 2018, the County and DC Sports executed a lease agreement pursuant to which the County leases to DC Sports approximately 54 acres of land at the County owned Philip A. Bolen Memorial Park in Leesburg, Virginia to construct facilities for Loudoun United and DC United. The joint project includes the construction of (i) a stadium for with 5,000 seats; (ii) approximately 40,000 square-feet of shared headquarters and training facilities for DC United and Loudoun United; and (iii) four full-size soccer fields, including adequate parking, lighting and restroom facilities. Two of the fields are to be for exclusive use by the professional soccer teams, and two of the fields are to be available for County use and for joint community programming by DC Sports and the County. The EDA issued $15 million of lease revenue bonds in 2018 for design and construction, of which DC Sports will pay the principal and interest via lease payments, pursuant to the lease agreement. The term of the lease is 40 years, with an option for two ten-year extensions. The Loudoun United FC team held its inaugural season in 2019 at Segra Field. The Washington Spirit National Women's Soccer League Team began playing home games at Segra Field in September 2020, and Old Glory DC Rugby also began playing its home games at Segra Field in March 2021, further establishing the new stadium as a community hub for sports and entertainment.

The partnership with DCSMC and DC Sports is providing a variety of benefits to the community from a parks and recreation standpoint, as well as solidifying Loudoun County as a premier soccer location on the East coast. As part of this partnership, the County Department of Parks, Recreation and Community Services and DC United are working collaboratively to provide quality opportunities for youth within the County to participate in training sessions, clinics, camps, and other classes focused on developing young athletes. Over the past decade, the

County has become known as a tournament destination due to having outstanding facilities, exceptional staff, and the community amenities needed to support successful tournaments. This stadium will provide a venue to host opening and closing ceremonies as well as championship games, and other types of events such as concerts, festivals, and graduations. The County expects an ongoing positive economic impact from establishing the professional sports stadium in the County.

2020 Economic Performance

During calendar year 2020, Loudoun's economic success was evidenced by the rapid decline in unemployment after its peak in April and by the continued increase in the number of businesses. New commercial development also continued at a rapid pace, with 4.6 million square feet in new retail, flex, industrial, and office building permits issued in 2020, the second highest for any year in the past decade. The Department of Economic Development earned 114 "wins" in 2020; a "win" is a business that the department assists with locating, retaining, or expanding in Loudoun. In addition to wins related to data centers and other businesses in the information, and communications technology cluster, there were also wins in the aerospace, food services, retail and entertainment, and agricultural sectors. The 114 wins directly bring in $6.8 billion of commercial investment and 3,516 jobs created or retained. A few diverse wins announced in 2020 included Airbus, Frontier Kitchen, Flying Ace Farm, and the Washington Spirit National Women's Soccer League team.

Economic and Demographic Factors

For a discussion of the impact of the COVID-19 pandemic on employment trends in the County, see "COVID-19" in Section Five.

Employment

The following table presents average employment and weekly wages per employee for the quarter ended September 30, 2020. Total average employment of 164,799 in the quarter ended September 30, 2020 represents a decrease of 6.9 percent from the quarter ended September 30, 2019.

AVERAGE EMPLOYMENT AND WEEKLY WAGES PER EMPLOYEE
Quarter Ended September 30, 2020[1]

Industry	Employment	Weekly Wages
Goods-Producing Domain		
Natural Resources and Mining	635	$1,021
Construction	17,933	1,456
Manufacturing	7,894	2,018
Service-Providing Domain		
Trade, Transportation, and Warehousing	33,615	925
Information	7,596	2,816
Financial Activities	6,081	1,930
Professional and Business Services	33,302	1,783
Education and Health Services	28,844	989
Leisure and Hospitality	15,850	732
Other Services (except Public Administration)	5,099	939
Public Administration	7,392	1,686
Unclassified	559	1,063
Total	**164,799**	**$1,345**

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, 3rd Quarter 2020. Compiled by Loudoun County Department of Economic Development, March 2021.

The following table shows employment by sector for the quarter ended September 30, 2020 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 September 30, 2020[1]

Sector	Percentage
Goods-Producing Domain	
Natural Resources and Mining	0.4%
Construction	10.9
Manufacturing	4.8
Service-Providing Domain	
Trade, Transportation, and Warehousing	20.4
Information	4.6
Financial Activities	3.7
Professional and Business Services	20.2
Education and Health Services	17.5
Leisure and Hospitality	9.6
Other Services (except Public Administration)	3.1
Public Administration	4.5

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, 3rd Quarter 2020. Compiled by Loudoun County Department of Economic Development, March 2021.

The table below compares the average annual unemployment rates of the County, the Commonwealth of Virginia, the Washington MSA and the entire United States. The data shows that the County also has consistently achieved the lowest unemployment rates when compared to the state, the Washington MSA, and the country.

ANNUAL AVERAGE UNEMPLOYMENT RATES

Calendar Year	Loudoun County	Commonwealth of Virginia	Washington MSA	United States
2011	4.7%	6.6%	6.1%	8.9%
2012	4.4	5.9	5.8	8.1
2013	4.4	5.6	5.6	7.4
2014	4.3	5.1	5.1	6.2
2015	3.6	4.4	4.4	5.3
2016	3.2	4.0	3.9	4.9
2017	3.0	3.7	3.7	4.4
2018	2.5	2.9	3.4	3.9
2019	2.3	2.7	3.1	3.7
2020	5.2	6.2	6.3	8.1

Source: Bureau of Labor Statistics, March 2021. The 2020 values for Loudoun County and for the Washington MSA. 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, 2020)

Company Name	Industry	Employment Range
Loudoun County Public Schools	Educational Services	10,000 +
Loudoun County Government	Public Administration	2,500 - 4,999
Verizon	Information	2,500 - 4,999
Northrop Grumman	Manufacturing	1,000 - 2,499
U.S. Dept. of Homeland Security	Public Administration	1,000 - 2,499
United Airlines	Transportation & Warehousing	1,000 - 2,499
Raytheon Technologies	Engineering Services	1,000 - 2,499
Inova Health System	Health Care & Social Assistance	1,000 - 2,499
Walmart	Retail	1,000 - 2,499
U.S. Postal Service	Transportation & Warehousing	1,000 - 2,499
Dynalectric	Construction	1,000 - 2,499
Harris Teeter	Retail	500 - 999
W.E. Bowers & Associates	Construction	500 - 999
U.S. Dept. of Transportation	Public Administration	500 - 999
Wegmans	Retail	500 - 999
Universal Protection Service	Professional and Business Services	500 - 999
The Home Depot	Retail	500 - 999
Costco	Retail	500 - 999
Giant Food	Retail	500 - 999
Loudoun Medical Group	Health Care & Social Assistance	500 - 999
George Washington University	Educational Services	500 - 999
Amazon	Transportation & Warehousing	500 - 999
Chick-Fil-A	Accommodation and Food Services	500 - 999
Target	Retail	500 - 999
Ashby Ponds	Health Care and Social Assistance	500 - 999

Source: Virginia Employment Commission, Quarterly Census of Employment and Wages, 2nd Quarter 2020. Analysis by Loudoun County Department of Economic Development.

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Taxable Retail Sales

The following table is a summary of the most recent ten years of County taxable retail sales. According to the data, taxable retail sales have had an average annual increase of 3.0% for the ten-year period. 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 pandemic and a transition to online sales.

TAXABLE RETAIL SALES

Calendar Year	Taxable Retail Sales	Percentage Change
2011	$4,482,966,036	4.7%
2012	5,041,019,885	12.4
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)
Average Change in Retail Sales 2011-2020		**3.0%**

Source: Virginia Department of Taxation.

Population and Income

According to the County's most recent estimates, the County's 2020 population was 423,046. According to the Decennial Census in 2010, the County was the fifth most populous county/city in the Commonwealth of Virginia and in 2019 Loudoun was the fourth most populous. The following table presents the population figures for selected years.

POPULATION AND RATES OF CHANGE

Year	Loudoun County (April 1)	Annual Rate of Change	United States (July 1)	Annual Rate of Change
2011	320,171	2.5%	311,583,481	0.7%
2012	328,890	2.7%	313,877,662	0.7%
2013	341,187	3.7%	316,059,947	0.7%
2014	354,983	4.0%	318,386,329	0.7%
2015	368,654	3.9%	320,738,994	0.7%
2016	381,214	3.4%	323,071,755	0.7%
2017	392,376	2.9%	325,122,128	0.6%
2018	402,575	2.6%	326,838,199	0.5%
2019	413,000	2.6%	328,329,953	0.5%
2020	423,046	2.4%	329,484,123	0.4%

Sources: Loudoun County population - Loudoun County Department of Finance and Budget; United States population - U.S. Department of Commerce, Bureau of the Census, Annual Estimates of the Resident Population of the United States, Regions, States and Puerto Rico: April 1, 2011 to July 1, 2020; December 2020. Population numbers are estimates and 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 jurisdictions 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	2014	2015	2016	2017	2018	2019
Loudoun County	$122,294	$125,003	$134,464	$135,842	$139,915	$151,800
Washington MSA	91,193	93,294	95,843	99,669	102,180	105,659
Virginia	64,902	66,262	68,114	71,535	72,577	76,456
United States	53,657	55,775	57,617	60,336	61,937	65,712

Sources: U.S. Department of Commerce, Bureau of the Census, *2014 to 2019 American Community Survey One-Year Estimates.*

New Residential Construction

While residential construction was at a high level in the early 2000s, the number of building permits issued for new residential housing unit construction declined from 2006 to 2010 due to the effects of the nation-wide housing crisis and recession. The post-recession recovery of the housing market began in 2011. The years 2012 to 2018 exceeded the recession levels and the 2011 level. Residential permits in 2020 were down about a quarter from 2019 levels, reflecting the impact of the COVID-19 pandemic. The sharpest declines occurred in the spring and summer, moderating in the fall. The data in the table below is presented to illustrate housing construction characteristics of the County.

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
2011	1,061	3.3	1,302	72.5	596	236.7	2,959	51.0
2012	1,299	22.4	1,649	26.7	771	29.4	3,719	25.7
2013	1,685	29.7	1,797	9.0	1,318	70.9	4,800	29.1
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)

Source: Loudoun County Department of Building and Development.
Compiled by: Loudoun County Departments of Finance and Budget, and Planning and Zoning, March 2021.

Tourism

The tourism industry makes a substantial contribution to the County's economy and Virginia's tourism industry. Tourism spending in Loudoun County increased by 3.6% in 2019 to $1.91 billion, according to the Virginia Tourism Corporation. Statewide data showed that Virginia saw increased tourism revenue in 2019, and that Loudoun contributes the third-most among any jurisdiction in the state. Domestic tourism to Loudoun supported 17,809 jobs and generated $755 million in wages locally, up from $720 million in 2018, and an aggregate total of $29.6 million in hotel room tax and other local tax receipts in 2019. Visit Loudoun, the County's Convention & Visitors Association, estimates that over half of visitors stayed for business meetings, while 8% stayed for sports events, 13% for weddings, and 12% for general tourism and travel.

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, largely as a result of the COVID-19 pandemic. Room demand plummeted as stay-at-home orders were issued. Many hotels closed or operated at a reduced capacity. There were approximately 5,050 hotel rooms available in Loudoun County in 2020, down from 5,800 in 2019. Monthly data from STR indicates that as of December 2020, only one hotel remained closed.

HOTEL ROOMS TAX REVENUE

Fiscal Year	Total Tax Revenue	Percentage Change
2011	$5,044,602	-
2012	4,940,965	(2.1)%
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)
Average Annual Percentage Change 2011-2020		**0.9%**

Source: Fiscal Year 2011-2020 Comprehensive Annual 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

The County's Health Department is part of the Virginia Department of Health and 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.

The Health Department has provided critical services and information throughout the COVID-19 pandemic, including regular updates at each Board of Supervisors business meeting, information regarding the County's response to the pandemic, statistics regarding positive COVID-19 cases and deaths, as well as self-care, testing and vaccination information and resources.

Agriculture

Agriculture continues to be one of the largest industries by land area in Loudoun County, with approximately 122,000 acres farmed. Loudoun is home to more land acreage bearing grapes and wineries than any other county in Virginia. The annual market value of Loudoun's agricultural product sold in 2017 was $44 million, according to the Census of Agriculture, which is conducted once every five years. Loudoun's rural economic industry groups continue to explore ways to increase sales through farmers markets and wine and beer-related industries. Loudoun is also seeing growth in agritourism, with a 2017 study by Virginia Tech finding that Loudoun accounts for over $265 million of the $2.2 billion in agritourism spending in Virginia as businesses like orchards, Christmas tree farms, livestock farms and equestrian venues attract customers from the Washington, D.C. metropolitan area and beyond.

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 school system population has grown dramatically with the County's increase in general population. It has been necessary to increase the number of school facilities and to make adequate plans for the future. 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. While growth has begun to slow, County school enrollment decreased by 2,671 (3.2%) between September 2019 and September 2020.This decrease is related to the effect of the COVID-19 pandemic, in which some students and parents have opted for homeschooling or changing to private school.

PUBLIC EDUCATION FACILITIES

2020-2021 School Year

59 Elementary Schools[1]
17 Middle Schools[2]
17 High Schools
2 Instructional Centers[3]

Source: Loudoun County Public Schools 2020-2021 Fact Sheet

1 Includes two Charter Schools – Middleburg Community Charter School, and Hillsboro Charter Academy
2 Includes one Intermediate School
3 Douglass School and Academies of Loudoun

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ANNUAL STUDENT POPULATION - PUBLIC SCHOOLS

School Year	Number of Students	Percentage Change
2011-2012	65,668	3.9
2012-2013	68,289	4.0
2013-2014	70,858	3.8
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)

Source: September 30 Enrollment, Loudoun County Public Schools.

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 to more than 11,000 students each year.

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.

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 will extend 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. The remaining widening project for northbound Route 28 from the Dulles Toll Road to Sterling Boulevard in Loudoun County, was completed in summer 2020, and a widening project for northbound Route 28 from Route 50 to McLearen Road in Fairfax County, was completed in winter 2020. These projects were the final two Route 28 Tax District projects remaining.

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 amended FY 2021-FY 2026 Capital Improvement Program.

Air transportation is provided by the Dulles Airport, which is 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. As a result of the COVID-19 pandemic, air traffic at Dulles Airport decreased in 2020 with 8.3 million passengers and 197,917 tons of air cargo, representing a decrease of 66.4% for passengers and a decrease of 27.6% for cargo compared to the previous year. Domestic passenger traffic decreased by 62% from 2019 to 6.2 million passengers, while international traffic decreased 76% to 2.0 million passengers. The Metropolitan Washington Airports Authority anticipates increased passenger traffic in 2021, but forecasts that traffic will continue to remain below pre-pandemic levels through 2023.

The County is also home to a municipal airport, the Leesburg Executive Airport at Godfrey Field and is a designated Reliever Airport for Dulles Airport. The Leesburg airport boasts a 5,500-foot runway, an instrument landing system commissioned in March 2011, as well as new Precision Approach Path Indicators, and an upgrade of the 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.

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"). As planned, the full extension will serve Virginia's largest employment centers and provide a direct ride from the County and Dulles Airport to downtown Washington, D.C. Construction of the first phase of the Dulles Metrorail Project ("Phase 1") was completed at the end of December 2013. Revenue-generating service for Phase 1 began in July 2014, bringing transit service through Tyson's Corner to Reston in Fairfax County.

On July 3, 2012, the Board of Supervisors voted to participate as a funding partner in the second phase of the Dulles Metrorail Project ("Phase 2"). Phase 2 will extend the Metrorail system another 11.6 miles to and beyond the Dulles Airport into the County and create stations within the County at Route 606 and Route 772. Pursuant to a Memorandum of Agreement executed in December 2011 by the United States Department of Transportation ("USDOT"), MWAA, Fairfax County and Loudoun County, the County is responsible for 4.8 percent of the total cost of the Dulles Metrorail Project, which County share is currently estimated to be $273 million. On December 9, 2014, the County obtained Transportation Infrastructure Finance and Innovation Act ("TIFIA") financing from USDOT, which was evidenced by the EDA's $195,072,507 Metrorail Service District Improvement Revenue Bonds (Silver Line Phase 2 Project), Series 2014 (the "Series 2014 TIFIA Bonds"), to partially fund the cost of construction of Phase 2. The County fulfilled its remaining funding obligation with respect to Phase 2 from the proceeds of the EDA's $56,645,000 Metrorail Service District Improvement Revenue Bond Anticipation Notes (Silver Line Phase 2 Project), Series 2018, issued on June 21, 2018 (the "Series 2018 Metrorail Notes"). The Series 2014 TIFIA Bonds and the Series 2018 Metrorail Notes were refunded in June 2020 with a portion of the proceeds of the EDA's $267,295,000 Public Facility Lease Revenue and Refunding Bonds, Series 2020A (Loudoun County Public Facilities Project). It is anticipated that Phase 2 will be completed 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). Construction of Phase 2 is nearing completion and is expected to begin revenue service during the first quarter of 2022.

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 will fund construction, 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.

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, to be funded separately from the Dulles Metrorail Project. Two garages were to be constructed at the Ashburn (Route 772) Station (one North and one South of the Dulles Greenway) and one at the Loudoun Gateway (Route 606) Station (the "Metrorail Garages"). In December 2015, the County entered into an agreement with Comstock to deliver the Ashburn North Parking Garage with 1,434 parking spaces at no cost to the County. Construction of this garage is complete.

In May 2017, the Board of Supervisors awarded a Design-Build contract for the construction of the Loudoun Gateway (Route 606) Garage with 1,965 parking spaces and the Ashburn South (Route 772) Garage with 1,540 spaces. The parking garages will provide multi-deck parking adjacent to the new Metrorail Stations. The Ashburn South and Loudoun Gateway garages were completed in summer 2020 and have been turned over to the County's Department of General Services for maintenance and operation. However, the garages will remain closed until Phase 2 opens for revenue service.

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.

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 will be reinstituted on 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 will receive a $20 million annual transfer from the Northern Virginia Transportation District (a State Fund) to support both local and regional NVTA allocations.

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 (TOT) 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. 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 TransAction 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 2022 capital budget includes $17.5 million from the 30% local funds only. Allocations from the 70% regional funds to the County are projected to be available later in the six-year CIP period.

SECTION FIVE: 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 September 2020, the Board of Supervisors revised the fiscal policy to increase the annual debt issuance guideline, currently $225 million, to $250 million in FY 2022 and $260 million in FY 2025 (subject to review by the Board in FY 2025).

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").

<u>Component Units</u> – 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.

<u>The Loudoun County School Board</u> – 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. The Schools issue separate financial statements available on the School's website, http://www.lcps.org.

Basis of Presentation

<u>Government-wide Financial Statements</u> – 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) Private-Purpose Trust Fund – These funds are used to account for the assets received and disbursed by the County acting in a trustee capacity or as an agent for individuals, private organizations or governments. The War Memorial Trust Fund is used to account for monies provided by private donors and other miscellaneous sources, restricted to use for the purchase, maintenance and improvement of war memorials within the County.

(c) Agency Funds – These funds are used to account for monies received, held and disbursed on behalf of certain welfare recipients, certain developers, certain employee benefits, and certain inmates at the time of incarceration.

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

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered 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 A.

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. The proceeds of the Bonds will be invested with the Virginia SNAP Program.

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 fiscal years 1985, 1986 and 1990–2019 Comprehensive Annual Financial Reports. 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 the fiscal year ended June 30, 2019. 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 Department of Finance 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 Department of Finance 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 capital lease obligation has a non-appropriation clause that generally states that each fiscal year's lease payments are subject to the Board of Supervisors' appropriation.

FY 2020, FY 2021, and FY 2022 Adopted Budgets

On April 2, 2019, the Board of Supervisors adopted the Annual Budget for FY 2020. The real property tax rate was reduced from $1.085 to $1.045 per $100 assessed value.

On April 7, 2020, the Board of Supervisors adopted the Annual Budget for FY 2021. The real property tax rate was reduced from $1.045 to $1.035 per $100 assessed value.

On April 6, 2021, the Board of Supervisors adopted the Annual Budget for FY 2022. The real property tax rate was reduced from $1.035 to $0.98 per $100 assessed value.

The following table shows the County's budgeted revenues and expenditures for FY 2020, FY 2021, and FY 2022.

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BUDGETED GOVERNMENTAL FUNDS
FY 2020, FY 2021 AND FY 2022
ADOPTED REVENUES AND EXPENDITURES

	FY 2020 Adopted	FY 2021 Adopted	FY 2022 Adopted
Revenues:			
General Property Taxes	$1,408,533,838	$1,572,822,308	$1,720,713,338
Other Local Taxes	348,779,007	257,095,875	208,559,092
Permits and Licenses	23,794,484	23,874,129	25,078,859
Intergovernmental	114,092,643	114,504,399	113,402,498
Fines and Forfeitures	1,982,701	1,652,700	1,543,300
Other Local Revenue	93,110,287	102,738,103	72,783,485
Other Financing Sources	2,287,776,339	2,135,288,204	2,471,609,095
Subtotal, Revenues	**$4,278,069,299**	**$4,207,975,718**	**$4,613,689,667**
Use of Fund Balance	**$64,926,510**	**$62,968,424**	**$66,292,877**
Total Revenues	**$4,342,995,809**	**$4,270,944,142**	**$4,679,982,544**
Expenditures:			
General Government Administration	$116,919,957	$108,200,761	$131,473,200
Judicial Administration	11,010,654	12,333,093	13,686,239
Public Safety	208,444,868	231,741,726	244,340,159
Public Works	$46,903,678	52,247,920	60,890,223
Health and Welfare	109,389,643	118,754,964	116,956,605
Parks, Recreation and Culture	74,123,441	81,255,183	85,730,174
Community Development	101,605,046	130,083,067	123,810,260
Education	1,368,965,885	1,414,132,962	1,580,181,610
Capital Outlay	492,534,856	334,695,278	399,212,945
Debt Service	$211,443,712	220,819,881	232,930,619
Transfer to Other Funds	1,595,082,901	1,497,897,930	1,687,511,685
Subtotal, Expenditures	**$4,336,424,641**	**$4,202,162,765**	**$4,676,723,719**
Addition to Fund Balance	**$6,571,168**	**$68,781,377**	**$3,258,825**
Unallocated Balance	**$0**	**$0**	**$0**
Total Expenditures	**$4,342,995,809**	**$4,270,944,142**	**$4,679,982,544**

Source: Loudoun County, FY 2020, FY 2021, and FY 2022 Appropriations Resolutions.

COVID-19

The following information regarding the recent and ongoing COVID-19 pandemic describes the expected impacts of the COVID-19 pandemic on the County's finances and operations as well as its impacts on projections and budget information, for which in certain cases information was prepared and released by the County prior to the COVID-19 pandemic. While the effect of the COVID-19 pandemic and the related impacts on the County's financial results and operations are difficult to predict, the County's financial results or operations could be materially adversely affected if the COVID-19 pandemic and its consequences are prolonged. Investors are advised to carefully consider the information presented below, together with other information presented in this Official Statement, in order to make an informed investment decision. Certain information provided below, and elsewhere in this Official Statement, involves forward-looking statements, which are based on current expectations and are not intended as representations of fact or guarantees of results. Any such forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected.

Background

On March 11, 2020, the World Health Organization declared the outbreak of a new respiratory disease ("COVID-19") caused by a strain of novel coronavirus to be a global pandemic (the "COVID-19 pandemic"). The Governor of the Commonwealth issued Executive Order No. 51 on March 12, 2020, declaring a state of emergency in the Commonwealth, and the President of the United States declared a national state of emergency on March 13, 2020. The Governor of the Commonwealth subsequently issued additional executive orders implementing measures to respond to the COVID-19 pandemic in an effort to reduce community spread of the virus and protect citizens. These measures included school closures, a ban on mass gatherings, closing or restricting access to certain businesses and activities deemed nonessential, restricting nonessential travel, and a stay at home order for all persons unless carrying out an essential function. The County has also implemented several measures in response to the COVID-19 pandemic, including (1) relaxing formal procurement requirements to allow the County to more easily acquire goods or services needed to assist in the response to the COVID-19 pandemic, (2) modifying normal employment rules so that County employees can be reassigned to COVID-19 pandemic response activities, and (3) allowing certain residents and businesses to obtain financial aid and emergency loans offered by federal or state governments.

Existing and potential impacts to the County associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges to the County's public health system, disruption of the regional and local economy, widespread business closures and significantly higher levels of unemployment, with corresponding decreases in County revenues. Additional information with respect to events surrounding the COVID-19 pandemic and responses thereto can be found on State and local government websites, including but not limited to the Governor's office (https://www.virginia.gov/coronavirus/). *The County has not incorporated by reference the information on such websites and does not assume any responsibility for the accuracy of the information on such websites.*

Impact on County Finances

The County has continually monitored the global, national, regional and local economic impacts of the COVID-19 pandemic. Because of the evolving nature of the COVID-19 pandemic, the federal, state and local responses thereto and uncertainties as to how long community spread of COVID-19 will continue, how long before effected businesses can fully reopen to the public, the effectiveness and timeliness of the federal stimulus and impact on consumer sentiment, the County cannot predict the extent or duration of the outbreak or what the long-term impact will be on the County's economy and the County's financial condition and operations. In developing its projections for the fiscal year ended June 30, 2021 ("FY 2021") and for the fiscal year ended June 30, 2022 ("FY 2022"), County staff uses conservative scenarios from information and forecasts prepared by Moody's Analytics, most recently updated in March 2021, and models scenarios with revenue impacts resulting from such indicators as unemployment rates, infection rates, and additional federal aid. National economic forecasts developed by Moody's Analytics have projected annual unemployment rates in the County of 4.1 percent in 2021 and 3.2 percent in 2022, as compared to the actual unemployment rate of 5.2 percent experienced in 2020.

The County's annual budget for FY 2021 was adopted by the Board of Supervisors on April 7, 2020 and is posted on the County's website at http://www.loudoun.gov/budget. The adopted budget for FY 2021 assumed that the disruption in economic activity caused by the COVID-19 pandemic could result in up to $100 million of budgeted revenues in FY 2021 not being received. To address this potential shortfall, $100 million in FY 2021 budgeted expenditures were held in a reserve, with $40 million of County expenditures and $60 million of LCPS expenditures frozen. Frozen County expenditures included salary increases for County employees, new additions to the FY 2021 budget and all new departmental resource requests. As revenues were deemed to be available, the Board of Supervisors released funding from the reserve in a proportional manner to the County and School Division. The first release from the reserve was approved in December 2020 and totaled $50 million - $20 million for County Government and $30 million for LCPS. While the remaining $50 million remained frozen, in April 2021 the Board approved the release of remaining frozen positions, allowing departments to begin recruitment efforts.

County staff continue to prepare monthly expenditure and revenue forecasts for the General Fund to understand the potential revenue shortfalls. Real property tax revenues, which were believed to be at the greatest risk, have fared better than anticipated. Despite negative revaluation for many commercial properties, strong residential revaluation resulted in higher assessed values for January 1, 2021 than anticipated when the FY 2021 budget was developed. Revenue losses are still anticipated in categories most closely tied to consumer behaviors such as recreational fees, after-school programs, and transit services. Business taxes appear to be experiencing a decline but not as significant as staff thought was possible. Consumer spending has also trended positively despite business restrictions.

The latest FY 2021 forecasts were prepared by County staff for presentation to the June 8, 2021 meeting of the Finance/Government Operations and Economic Development Committee ("FGOEDC"), based on County financial data available through April 2021. The General Fund revenue forecast for FY 2021 was revised to $2,018.1 million, representing a revenue shortfall of $41.2 million (2.0 percent) as compared to the FY 2021 revised budget assumption of $2,059.3 million. The County anticipates that revenue associated with charges for services will be significantly less than the FY 2021 revised budget assumption of $48.7 million, reducing its forecast by $29.6 million (60.7 percent). Some of this will be offset by the use of transportation related revenues to mitigate the impacts of lost revenue from limited transit services. The actual level of revenues collected for such services, namely recreation and transportation, will depend on human behavior and program availability and capacity, rather than general economic indicators. A real property tax revenue shortfall of $26.7 million is anticipated from the reduction in the real property tax rate for tax year 2021 by 5.5 cents (from $1.035 to $0.980) offset by positive gains from rollback taxes. The General Fund expenditure forecast for FY 2021 was revised to $1,993.4 million, representing an expenditure savings of $65.9 million (3.2 percent) as compared to the FY 2021 revised budget assumption of $2,059.3 million. This forecast maintains the remaining $50 million expenditure reserve contained in the adopted FY 2021 budget. The Board approved an allocation of $20 million of ARPA (as defined below) funds for revenue loss in FY 2021 specific to the COVID-19 pandemic (see "*Federal Aid*" below). County staff will continue to monitor the impacts of the COVID-19 pandemic on County finances and operations and provide monthly revenue updates to the FGOEDC.

The County's annual budget for FY 2022 was adopted by the Board of Supervisors on April 6, 2021 and is posted on the County's website at http://www.loudoun.gov/budget.

Federal Aid. In response to the COVID-19 pandemic, federal legislation known as the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was enacted to provide relief to individuals, businesses and state and local governments for COVD-19 related expenses. The CARES Act established a $150 billion Coronavirus Relief Fund ("CRF") to assist state, local, territorial and tribal governments with direct costs associated with the pandemic. In May 2020, the County received approximately $36 million in CRF funding through the Commonwealth, determined on a population-based distribution, of which approximately $6 million was made available to towns within its jurisdiction and $30 million was available for use by the County to cover the County's COVID-19 related medical, public health, economic support and business disruption funding, and other emergency response costs. Federal guidance specifically prohibits the use of CARES funding to offset revenue losses, even if such losses are attributable to the COVID-19 pandemic. In August 2020, the County received an additional allocation of CRF funding of approximately $36 million. The funds were distributed in the same manner as the CRF funds received in May 2020, as well as $12 million disbursed to LCPS. In total, the County has received approximately $72.2 million in federal aid under the CARES Act.

Federal legislation known as the American Recovery Plan Act ("ARPA") was enacted to provide additional relief to individuals, businesses and state and local governments for COVD-19 related expenses. Under the ARPA, the County received $40 million in FY 2021 and will receive another $40 million in FY 2022. In June 2021, the Board approved allocations of ARPA funds for revenue loss in FY 2021 specific to the COVID-19 pandemic, as well as immediate needs for economic development programs, local tourism stabilization, non-profit support, ongoing COVID-19 response, broadband, and future initiatives. Staff will make specific recommendations to the Board of Supervisors regarding use of the second allocation expected in June 2022.

Economic Development

The Department of Economic Development operates programs to support businesses in the County adversely affected by the COVID-19 pandemic and had direct outreach to over 4,000 businesses in 2020 through its efforts to provide financial assistance, counseling and other resources. The Business Interruption Fund program awarded 2,000 businesses with $5,000, $7,500 or $10,000 grants totaling approximately $12 million in five rounds of grants, with the amount awarded varying with the number of employees. The Loudoun Is Ready Outdoor Seating

Grants program also provided grants of up to $5,000 to 53 businesses in December 2020 to cover costs associated with purchasing or renting tents, heaters, and fuel for heaters used to accommodate dining in outdoor seating areas.

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 agency 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 2020 revenues by source.

FY 2020 ACTUAL REVENUES[1]

Revenue Type	Amount	Percentage of Total	Change from 2019
General Property Taxes	$1,442,309,517	60.6%	$121,654,496
Other Local Taxes	198,861,710	8.4	11,991,416
Permits and Licenses	21,733,966	0.9	(4,118,302)
Fines and Forfeitures	1,541,034	0.1	(388,760)
Use of Money and Property	28,475,011	1.2	(6,349,708)
Charges for Services	56,507,324	2.4	(14,141,060)
Gifts and Donations	22,568,847	0.9	(2,100,491)
Miscellaneous	5,996,365	0.2	(3,639,975)
Recovered Costs	16,213,803	0.7	(3,746,228)
Intergovernmental	573,691,403	24.1	43,920,384
Payment from Component Unit	12,537,377	0.5	5,655,619
Total Revenue	**$2,380,436,357**	**100.0%**	**$148,737,391**

1 Includes all Governmental funds and Component Unit – School Board funds.
Source: FY 2020 Comprehensive Annual Financial Report: Exhibit V - Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds, Schedule 34 - 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 2016 through 2020.

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

Revenues:	**2016**	**2017**	**2018**	**2019**	**2020**
General Property Taxes	$1,053,830,393	$1,134,524,954	$1,227,219,633	$1,320,655,021	$1,442,309,517
Other Local Taxes	173,957,982	212,559,087	197,669,567	186,870,295	198,861,710
Permits and Licenses	22,386,605	24,159,923	26,416,784	25,852,268	21,733,966
Intergovernmental	435,291,017	483,486,727	493,185,851	529,771,019	573,691,403
Charges for Services	57,564,825	63,630,904	67,232,866	70,648,384	56,507,324
Fines and Forfeitures	1,726,649	2,068,578	2,060,055	1,929,794	1,541,034
Use of Money and Property	9,066,069	13,250,129	22,259,157	34,824,719	28,475,011
Gifts and Donations	43,861,872	36,554,981	30,825,025	24,669,340	22,568,847
Miscellaneous	5,859,657	5,119,559	7,915,529	9,636,340	5,996,365
Recovered Costs	12,388,380	14,049,013	16,289,399	19,960,031	16,213,803
Payment from Comp Unit	0	28,417,114	21,253,042	6,881,758	12,537,377
Total Revenues	$1,815,933,449	$2,017,820,969	$2,112,326,908	$2,231,698,969	$2,380,436,357
Expenditures:					
General Government Administration	$75,818,203	$92,085,756	$95,154,923	$114,907,985	$133,416,586
Judicial Administration	14,218,844	14,504,305	14,894,819	16,230,700	17,219,393
Public Safety	173,299,516	183,158,722	192,189,776	203,845,828	218,890,576
Public Works	35,498,009	38,888,809	44,746,348	46,600,826	59,150,512
Health and Welfare	88,519,474	91,856,980	96,230,919	103,303,144	112,655,778
Education	959,625,087	1,086,944,501	1,168,645,595	1,241,736,047	1,344,651,344
Parks, Recreation, and Culture	54,094,185	58,537,526	57,121,532	72,156,643	79,674,769
Community Development	173,225,017	193,719,087	223,710,726	164,586,419	165,917,980
Capital Outlay	186,995,165	206,868,896	260,746,629	259,388,760	232,075,169
Debt Service	180,024,653	176,061,071	179,697,519	194,579,174	414,922,156
Total Expenditures	$1,941,318,153	$2,142,625,653	$2,333,138,786	$2,417,335,526	$2,778,574,263
Revenues Over (Under) Expenditures	($125,384,704)	($124,804,684)	($220,811,878)	($185,636,557)	($398,137,906)
Other Financing Sources (Uses)					
Net Transfers In (Out)	($47,775,498)	$797,543	($8,572,845)	($10,447,017)	($12,827,487)
Sale of Capital Assets	89,340	47,716	339,200	275,591	115,183
Proceeds from Bond Sales	194,428,399	190,189,059	214,556,165	315,353,364	434,913,434
Proceeds from Lease/Purchase	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Issuance of Federal Loans	42,396,239	51,308,836	69,198,788	20,960,668	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$73,753,776	$127,538,470	$64,709,430	$150,506,049	$ 34,063,224
Prior Period Restatement	$19,042,737	($17,569,319)			
Fund Balance Beginning	$904,976,903	$997,773,416	$1,107,742,567	$1,172,451,999	$1,322,958,048
Fund Balance End of Year	**$997,773,416**	**$1,107,742,567**	**$1,172,451,999**	**$1,322,958,048**	**$1,357,021,272**

1 Includes all Governmental funds and Component Unit – School Board funds.
Source: FY 2020 Comprehensive Annual Financial Report: Exhibit V - Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds and Schedule 35 - 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 2016 through 2020 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)

	2016	2017	2018	2019	2020
Fund Balance	$997,773,416	$1,107,742,567	$1,172,451,999	$1,322,958,048	$1,357,021,272
Nonspendable	5,198,919	2,231,301	1,845,112	1,257,141	1,880,939
Restricted	434,839,068	473,432,108	494,590,625	549,550,057	520,780,572
Committed	382,906,954	404,638,664	419,504,493	520,681,009	584,282,035
Assigned	119,118,100	143,428,520	156,906,271	150,945,913	177,752,329
Remaining Unassigned Fund Balance	$55,710,375	$84,011,974	$99,605,498	$100,523,928	$72,325,397

1 Includes all Governmental funds and Component Unit – School Board funds.
Source: FY 2020 Comprehensive Annual Financial Report: Exhibit III - Balance Sheet for Governmental Funds, Schedule 34- 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
2016	997,773,416	1,815,933,449	54.9%
2017	1,107,742,567	2,017,820,969	54.9
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

1 Includes all Governmental funds and Component Unit – School Board funds.
Source: FY 2020 Comprehensive Annual Financial Report: Exhibit III – Balance Sheet, Governmental Funds and Schedule 34 – 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 2016 through 2020 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:	**2016**	**2017**	**2018**	**2019**	**2020**
General Property Taxes	$1,033,758,018	$1,113,925,774	$1,203,943,441	$1,296,127,650	$1,414,605,678
Other Local Taxes	146,127,627	161,480,151	160,587,445	164,062,365	173,145,186
Permits and Licenses	22,384,995	24,158,503	26,413,319	25,850,493	21,733,966
Intergovernmental	90,938,930	94,057,037	97,434,295	99,188,573	119,351,951
Charges for Services	34,273,963	36,969,037	39,286,622	41,509,071	34,131,804
Fines and Forfeitures	1,726,649	2,068,578	2,059,764	1,929,794	1,541,034
Use of Money and Property	5,832,491	8,569,985	14,018,102	24,414,454	21,480,879
Gifts and Donations	129,686	192,565	107,369	172,075	62,211
Miscellaneous	381,708	268,407	665,699	1,324,768	206,995
Recovered Costs	8,798,645	9,674,223	11,708,816	10,684,252	10,137,940
Payment from Component Unit	-	28,417,114	15,674,101	6,881,758	11,537,377
Total Revenues	$1,344,352,712	$1,479,781,374	$1,571,898,973	$1,672,145,253	$1,807,935,021
Expenditures:					
General Government Administration	$72,951,877	$81,082,237	$91,968,373	$107,640,994	$113,693,723
Judicial Administration	14,013,797	14,381,114	14,772,826	16,089,312	17,069,046
Public Safety	169,153,608	175,863,532	185,602,390	194,279,634	211,748,919
Public Works	17,567,569	17,023,383	18,003,377	20,308,544	21,306,191
Health and Welfare	68,938,159	72,084,756	75,884,270	83,237,457	89,477,617
Education	681,705,584	729,948,688	778,824,151	823,022,048	903,341,751
Parks, Recreation, and Culture	50,806,573	52,619,454	55,586,926	65,024,002	67,839,313
Community Development	49,275,814	50,335,005	50,516,282	53,898,123	62,565,985
Total Expenditures	$1,124,412,981	$1,193,338,169	$1,271,158,595	$1,363,500,114	$1,487,042,545
Revenues Over (Under) Expenditures	$219,939,731	$286,443,205	$300,740,378	$308,645,139	$320,892,476
Other Financing Sources (Uses)					
Net Transfers In (Out)	($245,073,227)	($235,161,996)	($277,470,070)	($293,691,688)	($331,732,376)
Impact of Prior Year Restatement (Note XXIII)	19,042,737	-	-	-	-
Return of fiscal reserve from component unit	-	-	-	-	-
Sale of Capital Assets	84,500	47,716	339,200	262,140	115,087
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	($6,006,259)	$51,328,925	$23,609,508	$15,215,591	($10,724,813)
Fund Balance Beginning	$292,336,927	$286,330,668	$337,659,593	$361,269,101	$376,484,692
Fund Balance End of Year	**$286,330,668**	**$337,659,593**	**$361,269,101**	**$376,484,692**	**$365,759,879**

Source: FY 2020 Comprehensive Annual 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)

	2016	2017	2018	2019	2020
Fund Balance	$286,330,668	$337,659,593	$361,269,101	$376,484,692	$365,759,879
Nonspendable	2,236,771	1,409,235	1,324,240	791,889	951,975
Committed	194,062,295	212,953,184	226,632,199	239,793,705	261,538,533
Assigned	34,321,280	54,776,969	33,784,272	46,912,547	46,433,645
Remaining Unassigned Fund Balance	**$55,710,322**	**$68,520,205**	**$99,528,390**	**$88,986,551**	**$56,835,726**

Source: FY 2020 Comprehensive Annual 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
2016	286,330,668	1,344,352,712	21.3%
2017	337,659,593	1,479,781,374	22.8
2018	361,269,101	1,571,898,973	23.0
2019	376,484,692	1,672,145,253	22.5
2020	365,759,879	1,807,935,021	20.2

Source: 2020 Comprehensive Annual 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, in the second year of the biennium, 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 Amended FY 2021 – FY 2026 CIP expenditures, and sources of financing for those expenditures. FY 2022 is the second year of the CIP biennium. The following table shows the CIP budget as adopted by the Board on April 6, 2021.

CAPITAL IMPROVEMENT PROGRAM
USES AND SOURCES OF FUNDS
(Fiscal Year Ending June 30)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
EXPENDITURES							
General Government							
Administration	$19,985,000	$30,982,000	$47,217,000	$34,029,000	$49,159,000	$37,764,000	$219,136,000
General Government	36,458,000	39,723,000	50,778,000	140,931,000	33,399,000	28,550,000	329,839,000
Health and Welfare	618,000	1,831,000	450,000	-	-	4,926,000	7,825,000
Information Technology	11,826,000	30,926,000	13,732,000	14,824,000	6,394,000	6,236,000	83,938,000
Parks, Recreation & Libraries	36,737,000	25,011,000	3,299,000	31,185,000	53,089,000	67,476,000	216,797,000
Public Safety	20,646,000	10,591,000	53,381,000	26,943,000	38,158,000	102,049,000	251,768,000
Towns	9,111,000	3,777,000	5,172,000	5,615,000	4,987,000	3,191,000	31,853,000
Transportation	148,702,000	91,982,000	180,043,000	210,900,000	274,510,000	266,006,000	1,172,143,000
Subtotal, General Government	**$284,084,000**	**$234,823,000**	**$354,072,000**	**$464,427,000**	**$459,696,000**	**$516,198,000**	**$2,313,300,000**
Schools							
Elementary Schools	$-	$-	$7,250,000	$56,290,000	$-	$10,075,000	$73,615,000
Middle Schools	8,460,000	90,680,000	-	-	-	13,585,000	112,725,000
High Schools	-	-	-	-	21,985,000	169,300,000	191,285,000
Other School Projects	78,815,000	73,310,000	80,060,000	100,025,000	59,745,000	60,280,000	452,235,000
Subtotal, Schools	**$87,275,000**	**$163,990,000**	**$87,310,000**	**$156,315,000**	**$81,730,000**	**$253,240,000**	**$829,860,000**
TOTAL EXPENDITURES	**$371,359,000**	**$398,813,000**	**$441,382,000**	**$620,742,000**	**$541,426,000**	**$769,438,000**	**$3,143,160,000**
FUNDING SOURCES							
Local Tax Funding	93,487,000	$104,418,000	$124,394,000	$124,588,000	$113,210,000	$111,347,000	$671,444,000
Local Tax Funding - Roads	22,107,000	23,716,000	24,014,000	24,131,000	24,735,000	25,353,000	144,056,000
General Obligation Bonds	87,397,000	195,692,000	192,957,000	262,111,000	320,977,000	522,450,000	1,581,584,000
Lease Revenue Financing	50,561,000	20,420,000	43,497,000	126,847,000	40,038,000	10,981,000	292,344,000
Federal Grant	5,023,000	4,650,000	-	-	-	-	9,673,000
CMAQ	-	-	-	-	-	5,000,000	5,000,000
RSTP	-	-	-	-	-	7,000,000	7,000,000
State Revenue Sharing	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	30,000,000
Smart Scale	3,250,000	14,462,000	25,308,000	4,390,000	-	-	47,410,000
NVTA 70% - Regional	67,106,000	-	-	36,730,000	18,000,000	47,500,000	169,336,000
NVTA 30% - Local	13,333,000	17,498,000	12,407,000	20,170,000	12,182,000	23,711,000	99,301,000
Cash Proffers	21,153,000	4,154,000	2,458,000	11,872,000	1,970,000	1,089,000	42,696,000
Fees	2,942,000	8,803,000	11,347,000	4,903,000	5,314,000	10,007,000	43,316,000
TOTAL FUNDING SOURCES	**$371,359,000**	**$398,813,000**	**$441,382,000**	**$620,742,000**	**$541,426,000**	**$769,438,000**	**$3,143,160,000**

Source: FY 2022 Adopted Budget, April 6, 2021.

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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 2021, the County had the following authorized and unissued general obligation bonds that were approved by voter referendum:

Purpose	Year of Authorization	Security	Amount Authorized	Amount Unissued
General Government	2013	General Obligation	$ 48,430,000	$ 480,000
Schools	2013	General Obligation	10,755,000	831,710
General Government	2014	General Obligation	45,625,000	10,736,000
Schools	2014	General Obligation	162,900,000	11,085,290
General Government	2015	General Obligation	2,940,000	2,940,000
Schools	2015	General Obligation	150,995,000	9,821,000
General Government	2016	General Obligation	111,615,000	70,935,000
Schools	2016	General Obligation	233,070,000	38,224,000
General Government	2017	General Obligation	15,660,000	13,760,000
Schools	2017	General Obligation	81,761,000	29,528,000
General Government	2018	General Obligation	152,585,000	114,070,000
Schools	2018	General Obligation	98,820,000	17,640,000
General Government	2019	General Obligation	121,550,000	110,803,000
Schools	2019	General Obligation	93,940,000	88,920,000
General Government	2020	General Obligation	184,551,000	180,021,000
Schools	2020	General Obligation	123,755,000	95,084,000
Total			**$1,638,952,000**	**$794,879,000**

Source: Department of Finance and Budget, August 2021.

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 capital lease obligations.

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The following table shows the County's total long term debt expected as of June 30, 2021.

STATEMENT OF LONG-TERM DEBT

General Government[1]	$ 739,828,107
Schools	985,780,776
Total Long-Term Debt as of June 30, 2020	**$1,725,608,883**
Additional Long-Term Debt issued after June 30, 2020	$ 319,505,000
Refundings issued after June 30, 2020	(111,300,000)
Long-Term Debt paid since June 30, 2020	(147,584,753)
Long-Term Debt expected at June 30, 2021[2]	**$1,786,499,130**

1 Includes outstanding principal on General Obligation bonds, Capital Leases, federal loans, and bond anticipation notes.
2 As of June 30, 2021. The table does not include this current issue of Bonds.
Source: Department of Finance and Budget, August 2021.

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)

	2016	**2017**	**2018**	**2019**	**2020**
Long Term Debt[1]	$1,309,393,538	$1,422,571,860	$1,574,668,301	$1,779,254,147	$1,863,149,345
Debt to Estimated Full Assessed Value	1.63%	1.65%	1.66%	1.76%	1.73%
Ratio of Per Capita Debt to Per Capita Income	4.7	4.84	5.01	5.37	5.49
Debt Service to Expenditures	9.08	8.30	7.74	8.01	7.00

1 Including Capital Leases and unamortized bond premium. The FY 2020 Outstanding Debt Ratios were calculated as of June 30, 2020.
Source: FY 2020 Comprehensive Annual Financial Report: Table L – 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	$ 677,854,130	37.9%
10 years	1,174,179,130	65.7
15 years	1,574,144,130	88.1
20 years	1,783,344,130	99.8
25 years	1,785,499,130	99.9
27 years	1,786,499,130	100.0

1 As of June 30, 2021. Table excludes this current issue of Bonds.
Source: Department of Finance and Budget, August 2021.

The final table in this section details the amount of general obligation debt service, capital lease and revenue obligation payments that are currently required for public improvement and school construction purposes from July 1, 2021 through 2048.

LOUDOUN COUNTY
GENERAL OBLIGATION DEBT, REVENUE OBLIGATIONS & CAPITAL LEASES
FOR PUBLIC IMPROVEMENT AND SCHOOL CONSTRUCTION PURPOSES
DEBT SERVICE REQUIREMENTS

	Outstanding General Obligation Debt, Revenue Obligations & Capital Leases for Public Improvement and School Construction Purposes (as of June 30, 2021)			Less Refunded Bonds			General Obligation Refunding Bonds, Series 2021B			Total
Fiscal Year Ending June 30	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Total Debt Service
2022	$154,298,104	$67,724,352	$222,022,456	$ -	$1,022,300	$1,022,300	$ -	$ 783,542	$ 783,542	$221,783,698
2023	139,611,639	61,300,067	200,911,706	2,765,000	953,175	3,718,175	2,240,000	1,072,300	3,312,300	200,505,831
2024	138,835,830	54,780,809	193,616,639	2,765,000	842,575	3,607,575	2,240,000	960,300	3,200,300	193,209,364
2025	130,328,558	48,564,250	178,892,808	2,765,000	759,625	3,524,625	2,270,000	847,550	3,117,550	178,485,733
2026	114,780,000	42,942,428	157,722,428	2,765,000	676,675	3,441,675	2,300,000	733,300	3,033,300	157,314,053
2027	110,195,000	37,682,290	147,877,290	2,765,000	579,900	3,344,900	2,320,000	617,800	2,937,800	147,470,190
2028	101,740,000	32,920,023	134,660,023	2,765,000	469,300	3,234,300	2,325,000	501,675	2,826,675	134,252,398
2029	100,840,000	28,731,181	129,571,181	2,760,000	358,800	3,118,800	2,325,000	385,425	2,710,425	129,162,806
2030	93,085,000	24,778,763	117,863,763	2,760,000	248,400	3,008,400	2,330,000	269,050	2,599,050	117,454,413
2031	90,465,000	20,946,180	111,411,180	2,760,000	138,000	2,898,000	2,340,000	152,300	2,492,300	111,005,480
2032	85,880,000	17,424,806	103,304,806	2,760,000	41,400	2,801,400	2,345,000	46,900	2,391,900	102,895,306
2033	83,825,000	14,365,736	98,190,736	-	-	-	-	-	-	98,190,736
2034	82,025,000	11,481,356	93,506,356	-	-	-	-	-	-	93,506,356
2035	77,075,000	8,914,836	85,989,836	-	-	-	-	-	-	85,989,836
2036	71,160,000	6,727,643	77,887,643	-	-	-	-	-	-	77,887,643
2037	63,885,000	4,754,391	68,639,391	-	-	-	-	-	-	68,639,391
2038	56,140,000	3,016,924	59,156,924	-	-	-	-	-	-	59,156,924
2039	43,490,000	1,594,352	45,084,352	-	-	-	-	-	-	45,084,352
2040	35,310,000	734,494	36,044,494	-	-	-	-	-	-	36,044,494
2041	10,375,000	252,580	10,627,580	-	-	-	-	-	-	10,627,580
2042	395,000	135,665	530,665	-	-	-	-	-	-	530,665
2043	410,000	118,680	528,680	-	-	-	-	-	-	528,680
2044	430,000	101,050	531,050	-	-	-	-	-	-	531,050
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	**$1,786,499,131**	**$490,203,556**	**$2,276,702,687**	**$27,630,000**	**$6,090,150**	**$33,720,150**	**$23,035,000**	**$6,370,142**	**$29,405,142**	**$2,272,387,679**

Source: Department of Finance and Budget. Data regarding outstanding General Obligation Debt & Capital Leases is calculated as of June 30, 2021. Table includes debt service on the $10,000,000 Loudoun County Public Schools Equipment Lease. Totals may not add due to rounding.

Capital Leases and Revenue Obligations

The table below sets forth outstanding capital lease and revenue obligations as of June 30, 2021.

Issue	Outstanding Principal	Projects
VML/VACo Recovery Act Lease Bonds, Series 2010A	$ 510,000	Design of a juvenile detention center
IDA Public Safety Facility Lease Revenue Refunding, Series 2012A	5,015,000	Refunding bonds issued for the acquisition, construction, and equipping of the Adult Detention Center
EDA Public Facility Lease Revenue Bonds, Series 2015A	18,965,000	Road construction, equipping of County office facilities, improvement of solid waste facilities
EDA Public Facility Lease Revenue Bonds, Series 2015	55,190,000	Road construction, equipping of County office facilities, improvement of solid waste facilities
EDA Public Facility Lease Revenue Bonds, Series 2016A	25,720,000	Refunding, Group residence, Youth Shelter, General District Court Building, County office facilities, road construction
EDA Public Facility Lease Revenue Bonds, Series 2016B	48,605,000	Road construction, equipping of County office facilities, improvement of solid waste facilities; juvenile detention center; Public Safety Firing Range, Community Center upgrade
School Vehicle Lease – 2017	2,556,479	Acquisition of school buses and equipment
EDA Public Facility Lease Revenue Bonds, Series 2018	88,055,000	DC United Stadium and Metro Parking Garages
School Vehicle Lease – 2018	5,135,314	Acquisition of school buses and equipment
EDA Public Facility Lease Revenue Bonds, Series 2019 A&B	21,375,000	Improvement of Solid Waste Facilities; General District Court Building; Transit Connector Bridge, LMIS replacement and Rt 7 pedestrian improvements
School Vehicle Lease – 2019	7,567,337	Acquisition of school buses and equipment
EDA Public Facility Lease Revenue and Refunding Bonds, Series 2020A	262,895,000	Refunding, General District Court Building, LMIS replacement, Public Safety Firing Range, County office facilities, school buses and equipment
School Vehicle Lease – 2020	10,000,000	Acquisition of school buses and equipment
VRA Refunding – 2020	2,985,000	Refunding of Series 2010A VRA Revenue Bonds issued to finance the expansion and improvement of solid waste facilities
EDA Public Facility Revenue Bonds, Series 2021 A&B	74,785,000	Refunding, General District Court Building, network infrastructure, land acquisition for LCPS, County office facilities, school buses and equipment, improvement of solid waste facilities
Total Outstanding Principal	**$629,359,130**	

Source: Department of Finance and Budget, August 2021.
Totals may not add due to rounding.

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

Fiscal Year	Outstanding Leases and Revenue Obligations[1]
2022	$ 44,983,104
2023	42,551,639
2024	39,615,830
2025	36,013,558
2026	33,295,000
2027-2031	170,120,000
2032-2036	160,075,000
2037-2041	99,550,000
2042-2046	2,155,000
2047-2048	1,000,000
Total Payments	**$629,359,130**

1 Subject to annual appropriation.
Source: Department of Finance and Budget, August 2021.

Overlapping and Underlying Debt

As of June 30, 2020, 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)	$108,950,812
Dulles Town Center Community Development Authority	15,920,000
Tall Oaks	154,568
Greenlea Community Bridge	932,986
Total	**$125,958,366**
Underlying[2]	
Leesburg	$111,776,062
Middleburg	5,132,991
Round Hill	5,140,000
Purcellville	54,122,981
Hamilton	240,000
Lovettsville	3,905,771
Total	**$180,317,805**

1 Source: FY 2020 Comprehensive Annual Financial Report: Table L – Overlapping Debt.
2 Source: Department of Finance and Budget, April 2021.

Future Financing

After the issuance of the Bonds, the County will have $794,879,000 aggregate principal amount of unissued general obligation bonds that have been approved by the voters at referenda held in the County in years 2013 through 2020. In accordance with the Amended FY 2021-2026 Capital Improvement Program, the County expects, subject to market conditions, to issue $1,581,584,000 aggregate principal amount of general obligation debt and undertake $292,344,000 of other debt financing.

Debt History

The County has never defaulted on any of its general obligation bonds, federal loans or capital lease obligations.

Operating Data

Personal and Real Property Tax Revenues

Ad valorem property taxes contributed 88.2% of the County's governmental funds revenues in Fiscal Year 2020. The County levies an *ad valorem* tax on the assessed value of real and personal property located within the County. Other local taxes contributed 11.8% of the County's governmental funds revenues in Fiscal Year 2020. 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
2011	697,946,941	161,792,257	63,589,457	20,236,914	46,602,463	990,168,032
2012	702,364,344	174,230,293	68,907,540	19,864,904	47,901,655	1,013,268,736
2013	705,323,248	195,582,295	69,555,652	21,504,030	52,920,200	1,044,885,425
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

1 Includes the amount reimbursed by the Commonwealth pursuant to the Commonwealth's Personal Property Tax Relief Act of 1998.
Source: FY 2020 Comprehensive Annual 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.

Pursuant to the Personal Property Tax Relief Act of 1998, personal property taxes applicable to the first $20,000 in assessed value of certain individually owned motor vehicles was initially intended to be eliminated over a period of five years. Beginning in FY 1999, the State began a phased reduction of personal property taxes on the first $20,000 in value of private vehicles. During the 2004 State General Assembly session, the reduction was held to 70%, with the foregone revenue reimbursed to localities. Beginning in 2006, the State's reimbursement to localities was capped, and the percentage reduction on each citizen's tax bill is expected to decline over time.

The following table sets forth the assessed value of all taxable property in the County since 2011.

HISTORICAL ASSESSED VALUE

Fiscal Year	Real Property Assessed Value[1]	Percentage Change from Prior Year	Personal Property Assessed Value[2]	Percentage Change from Year Prior	Total Assessed Value	Percentage Change From Prior Year
2011	55,826,664,100	2.5	4,453,859,865	6.1	60,280,523,965	2.8
2012	57,355,664,900	2.7	4,709,212,069	5.7	62,064,876,969	3.0
2013	60,036,145,203	4.7	5,346,177,559	13.5	65,382,322,762	5.3
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	12,145,364,467	20.3	101,125,912,084	8.6
2020	95,221,198,095	7.0	13,624,866,930	12.2	108,846,065,025	7.6
2021	99,511,572,534	4.5	15,999,536,149	17.4	115,511,101,378	6.2

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: Department of Finance and Budget, April 2021. Real property values for FY 2020 and earlier are from the Tax Year 2020 Fair Market Value Form and Form 757. Personal property values for FY 2020 and earlier appear in the FY 2020 Comprehensive Annual Financial Report, Table F. FY 2021 personal property values reflect Department of Finance and Budget forecasts.

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 $1.41 billion in general property taxes in 2020.

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]
2011	$806,454,909	$798,419,783	99.00%	$8,019,252	$806,439,035	99.99%
2012	824,569,509	814,911,747	98.83	9,636,064	824,547,811	99.99
2013	850,544,188	838,772,203	98.62	11,754,079	850,526,282	99.99
2014	913,020,924	897,169,471	98.26	15,785,595	912,955,066	99.99
2015	972,560,342	963,827,628	99.10	8,501,995	972,329,623	99.98
2016	1,050,515,338	1,016,281,573	96.74	33,823,573	1,050,105,146	99.96
2017	1,130,201,613	1,090,009,645	96.44	39,595,266	1,129,604,911	99.95
2018	1,218,455,205	1,190,308,082	97.69	27,034,787	1,217,342,869	99.91
2019	1,323,055,108	1,283,331,322	97.00	36,900,242	1,320,231,564	99.79
2020	1,444,427,147	1,406,414,552	97.37	Not Available	1,406,414,552	97.37

1 Exclusive of penalties and interest.
2 Percentages are calculated using levy adjusted for fiscal year.
3 Does not include land redemptions.
Source: FY 2020 Comprehensive Annual 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 6.0% of the County's total taxable real property value as of January 1, 2021.

TOP 25 REAL ESTATE ASSESSMENTS AS OF JANUARY 1, 2021		
Taxpayer	**Assessment**	**Percentage of Tax Base**
DIGITAL LOUDOUN 3 LLC	$ 719,559,540	0.7%
CYRUSONE LLC	490,590,520	0.5%
DIGITAL LOUDOUN PKWY CTR NORTH LLC	416,361,990	0.4%
EQUINIX R P II LLC	386,542,130	0.4%
TOLL ROAD INVESTORS PARTSHP II LP	331,605,100	0.3%
REDWOOD-ERC ASHBURN LLC	328,095,620	0.3%
AMAZON DATA SERVICES, INC	293,244,020	0.3%
CHELSEA GCA REALTY PARTNERSHIP LP	287,501,910	0.3%
RAGINGWIRE DATA CENTERS INC	246,225,660	0.3%
SMITH, VERLIN W ET AL TEES	216,741,900	0.2%
FOX PROPERTIES LLC	21,095,930	0.0%
ALSHAIN VENTURES LLC	184,462,040	0.2%
G I P STOUGHTON LLC	160,728,980	0.2%
SOLACE ASHBURN DFG LLC	159,080,690	0.2%
SREIT BROAD VISTA TERR LLC	152,156,770	0.2%
VISA USA INC	148,938,320	0.2%
ALIGNED ENERGY DATA CENTERS ASHBURN LLC	146,606,340	0.2%
SENTINEL ASHBURN II LLC	143,453,510	0.1%
BLUE SLING ACC 9 LLC	137,715,370	0.1%
BRAMBLETON GROUP LLC	133,174,190	0.1%
BCAL PCP PROPERTY LLC	130,661,260	0.1%
CAMDEN SUMMIT PARTNERSHIP LP	128,109,870	0.1%
S A ASSOCIATES SOUTH LLC	128,032,700	0.1%
MEDINA DC 2 ASSETS LLC	127,393,160	0.1%
INTEGRATE ASHBURN I LLC	126,499,330	0.1%
Total	**$5,744,576,850**	6.0%

Source: Loudoun County Office of the Commissioner of the Revenue and the Department of Finance & Budget, April 2021. Assessed values are from the January 2021 Assessment Summary. Based upon the 2020 Form 757 (for public utility property) there are seven property owners whose January 1, 2020 values would place them in the top 25. These are Virginia Electric & Power Company ($1.3 billion), Panda Stonewall LLC ($544.6 million), MCI Communications Services, Inc. ($226.8 million), Northern Virginia Electric Cooperative ($223.0 million), Verizon Virginia, LLC ($139.5 million), and Washington Gas Light Company ($175.4 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 (VACo). These coverages have variable per occurrence limits in place by coverage type ranging from $1 million to $50 million. The general liability and automobile coverage each have a $250,000 deductible, $2 million per occurrence limit along with a $10 million aggregate limit. The County is also insured for constitutional officers and law-enforcement liability risk through the State Division of Risk Management. These programs have a $1.5 million per occurrence limit through the state plan as well as an excess policy for an additional $3 million through VACo. These policies insure the County Sheriff's 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). Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the Schools' previous commercial insurance programs.

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

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

The County General Government and Component Unit-Schools contract with a third party administrator to adjust workers' compensation claims, provide underwriting services, and recommend reserve levels, including claims reported but not settled. Claims not closed as of January 1, 1990, remain with the Virginia Municipal Group Self-Insurance Association. The General Government's administrator is HealthSmart Casualty Claims Solutions, and the Component Unit-Schools' administrator is PMA Companies.

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. Eligibility requirements were modified in September 2009 for both active employees and retirees. Eligible employees for the County General Government include regular staff working twenty (20) or more hours per week, and temporary employees working thirty (30) or more hours per week for a period of 90 days or longer. In accordance with the Affordable Care Act (ACA) beginning in 2015 any employee who works an average of thirty (30) or more hours within a designated "measurement period" will be eligible to enroll in a county-sponsored health plan. Effective July 1, 2014 group coverage for Medicare eligible retirees transitioned to Cigna Medicare Surround and Cigna RX which coordinates with Medicare. Eligible retirees include retirees who have ten (10) years of County employment and who immediately begin drawing a retirement annuity from the Virginia Retirement System. Effective January 1, 2013, employees were designated into OPEB groups based on years of service and/or age. Employees less than 35 years of age as of January 1, 2013 must have fifteen (15) years of County employment at retirement to be eligible for retiree health. Other cost savings measures including caps on employer cost sharing, eligibility for new hires, implementation of a Retirement Health Savings Plan and a 10% aggregate cost shift to retirees were put into place to mitigate OPEB costs going forward as well as to reduce the County's Annual Required Contribution (ARC). Employer contribution rates for County employees vary depending on budgeted hours. Employer contribution rates for retirees vary based on the type of retirement, years of service, plan type, and coverage level.

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

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

Fiscal Year	Claim Types	Primary Government	Component Unit - Schools	TOTAL
2019	Unpaid Claims Beginning of Fiscal Year	$3,863,556	$11,782,660	$15,646,216
	Incurred Claims (Including IBNR)	54,025,642	164,758,605	218,784,247
	Claim Payments	(53,610,755)	(166,358,759)	(219,969,514)
	Unpaid Claims End of Fiscal Year	**$4,278,443**	**$10,182,506**	**$14,460,949**
2020	Unpaid Claims Beginning of Fiscal Year	$4,278,443	$10,182,506	$14,460,949
	Incurred Claims (Including IBNR)	55,249,882	183,378,973	238,628,855
	Claim Payments	(55,593,348)	(182,472,079)	(238,065,427)
	Unpaid Claims End of Fiscal Year	**$3,934,977**	**$11,089,400**	**$15,024,377**

Source: FY 2020 Comprehensive Annual Financial Report: Note X – Risk Management.

The Board of Supervisors has the authority to modify the provisions of the County's active and post-employment benefits program. As of June 30, 2019, there were 2,988 active employees and 528 retirees, including individuals who qualify for disability retirement, enrolled in the program. During fiscal year 2019, expenditures of $54,025,642 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 5 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 of Loudoun's recommended employer contribution rate for the year ended June 30, 2020 was 10.24% of covered employee compensation. This rate was based on a rate determined from an actuarial valuation as of June 30, 2018. 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 $24,983,649 and $23,340,603 for the years ended June 30, 2020 and June 30, 2019, respectively. The County's net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018 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, 2019. Actuarial assumptions were that payroll will increase by 3.50% to 5.35% annually, an inflation factor of 2.5% and a 6.75% investment rate of return, net of expenses. As of June 30, 2019, the Plan's fiduciary net position as a percentage of the total Pension liability was 89.19% for the primary government, 91.84% for the component unit non-professional plan, and 73.51%* 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

PRIMARY GOVERNMENT

	2019	2018	2017
Total pension liability			
Service cost	$26,173,780	$25,390,358	$24,259,267
Interest	52,327,222	49,049,879	45,282,666
Changes in benefit terms			12,538,091
Differences between expected and actual experience	6,683,672	(1,396,269)	(716,682)
Change in assumptions	26,646,550	-	(3,887,588)
Benefit Payments, including refunds of employee contributions	(27,416,623)	(25,032,947)	(22,283,878)
Net change in total pension liability	84,414,601	48,011,021	55,191,876
Total pension liability - beginning	761,240,058	713,229,037	658,037,161
Total pension liability - ending (a)	$845,654,659	$761,240,058	$713,229,037
Plan fiduciary net position			
Contributions - employer	$22,340,603	$19,862,827	$19,049,642
Contributions - employee	11,019,669	10,343,693	9,976,492
Net investment income	47,430,170	48,177,012	70,422,242
Benefit Payments, including refunds of employee contributions	(27,416,623)	(25,032,947)	(22,283,878)
Administrative expense	(448,703)	(402,848)	(391,704)
Other	(30,100)	(43,529)	(63,372)
Net change in total pension liability	52,895,016	52,904,208	76,709,422
Plan fiduciary net position - beginning	701,371,484	648,467,276	571,757,854
Plan fiduciary net position - ending (b)	754,266,500	701,371,484	648,467,276
Net pension liability - ending (a) - (b)	$91,388,159	$59,868,574	$64,761,761
Plan fiduciary net position as a percentage of the total Pension liability	89.19%	92.14%	90.92%
Covered-employee payroll	$228,040,805	$209,447,996	$195,740,717
Net pension liability as a percentage of covered-employee payroll	40.08%	28.58%	33.09%

COMPONENT UNIT - NON-PROFESSIONAL PLAN

	2019	2018	2017
Total pension liability			
Service cost	$5,330,056	$5,032,000	$5,209,000
Interest	10,573,312	9,946,000	9,459,000
Differences between expected and actual experience	5,812,334	29,000	(37,000)
Changes in Assumption	5,348,446	-	(2,080,000)
Benefit Payments, including refunds of employee contributions	(6,392,665)	(5,692,000)	(5,490,000)
Net change in total pension liability	20,671,483	9,315,000	7,061,000
Total pension liability - beginning	154,243,642	144,929,000	137,868,000
Total pension liability - ending (a)	$174,915,125	$154,244,000	$144,929,000
Plan fiduciary net position			
Contributions - employer	$3,387,225	$3,287,000	$3,079,000
Contributions - employee	3,010,797	2,796,000	2,624,000
Net investment income	10,117,648	10,355,000	15,251,000
Benefit Payments, including refunds of employee contributions	(6,392,665)	(5,692,000)	(5,490,000)
Administrative expense	(96,958)	(87,000)	(86,000)
Other	(6,411)	(9,000)	(13,000)
Net change in total pension liability	10,019,636	10,650,000	15,365,000
Plan fiduciary net position - beginning	150,621,971	139,971,000	124,606,000
Plan fiduciary net position - ending (b)	160,640,607	150,621,000	139,971,000
Net pension liability - ending (a) - (b)	$14,274,518	$3,623,000	$4,958,000
Plan fiduciary net position as a percentage of the total Pension liability	91.84%	97.65%	96.58%
Covered-employee payroll	$63,808,087	$57,768,804	$53,665,362
Net pension liability as a percentage of covered-employee payroll	22.37%	6.27%	9.24%

Source: FY 2020 Comprehensive Annual 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
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%

Source: FY 2020 Comprehensive Annual Financial Report: Exhibit XVI.

For additional information relating to the retirement plans, see Note XVIII – Retirement Plans in "APPENDIX A – AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

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 Comprehensive Annual Financial Report. The table below shows the net liability for each plan as of June 30, 2020 and the associated funding ratios.

County	Retiree Health Benefits	LODA Program	VRS GLI Program	Total all Programs
Total OPEB Liability	$113,936,297	$16,793,112	$39,508,000	$170,237,409
Plan Net Position	$89,023,898	$0	$20,545,000	$109,568,898
Net OPEB Liability	$24,912,399	$16,793,112	$18,963,509	$60,669,020
Plan Net Position as a Percentage of Total OPEB Liability	78.10%	0.00%	52.00%	64.36%

School Board	Retiree Health Benefits	VRS GLI Program	VRS HIC Program	VRS VLDP Program	Total all Programs
Total OPEB Liability	$444,859,184	$119,375,374	$109,843,619	$988,239	$675,066,416
Plan Net Position	$197,130,385	$62,076,893	$11,449,287	$672,634	$271,329,200
Net OPEB Liability	$247,728,799	$57,298,481	$98,394,331	$315,605	$403,737,216
Plan Net Position as a Percentage of Total OPEB Liability	44.31%	52.00%	10.42%	68.06%	40.19%

Source: (i) FY 2020 Comprehensive Annual Financial Report: Note XI, Exhibit XIX, Exhibit XXI and (ii) Loudoun County Public Schools FY 2020 Comprehensive Annual Financial Report, Note C.

For additional information relating to the Other Post-Employment Benefit Plans, see Note XI – Other Post-Employment Benefit Plans in "APPENDIX A – AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

Employee Relations and Collective Bargaining

Some employees are members of professional associations. Effective May 1, 2021, the Virginia General Assembly passed legislation that allows for 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. In July 2021, the Board of Supervisors voted to support adoption of a local ordinance authorizing the County to recognize, bargain with, and enter into a collective bargaining contract with a labor union or employee association as a bargaining agent for its eligible employees. The Board also voted to direct the County Attorney to return to the Board in September 2021 for a closed session to discuss legal issues surrounding the draft local ordinance and further voted to advertise and schedule a public hearing for October 13, 2021, for the draft ordinance.

SECTION SIX: MISCELLANEOUS

Ratings

Fitch Ratings, Inc. ("Fitch") has assigned a rating of "AAA" to the Bonds. Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aaa" to the Bonds. S&P Global Ratings ("Standard & Poor's") has assigned a rating of "AAA" to the Bonds. The ratings reflect only the views of such organizations and any desired explanation of the significance of any ratings should be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, from Standard & Poor's at 55 Water Street, New York, New York 10041, and from Fitch at One State Street Plaza, New York, New York 10004.

The County furnished to such rating agencies the information contained in this Official Statement and certain publicly available materials and information about the County. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies, and assumptions of the rating agencies. Such ratings may be changed at any time, and no assurance can be given that they will not be revised downward or withdrawn entirely by either or both of such rating agencies if, in the judgment of either or both, circumstances so warrant. Such circumstances may include, without limitation, changes in or unavailability of information relating to the County. Any such downward revision or withdrawal of either of such ratings may have an adverse effect on the market price of the Bonds.

Sale at Competitive Bidding

After competitive bidding on August 31, 2021, the Bonds were awarded to Morgan Stanley & Co. LLC (the "Underwriter"). The Underwriter has supplied the information as to the interest rates and offering yields of the Bonds set forth on the inside cover of this Official Statement. If all the Bonds are resold to the public at such offering yields, the Underwriter has informed the County that it anticipates a total underwriting discount of $31,689.71. The Underwriter may change public offering yields from time to time.

Morgan Stanley & Co. LLC., an underwriter of the Bonds, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Financial Advisor

Davenport & Company LLC, Richmond, Virginia, serves as financial advisor (the "Financial Advisor") to the County with respect to the sale of the Bonds. The Financial Advisor has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Bonds by the County.

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 Bonds. As described in Appendix C, the continuing disclosure 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 Bonds. Notices of the aforesaid events will be filed by or on behalf of the County with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system ("EMMA"). The nature of the information to be provided and the notices of such events is set forth in "APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT."

The Continuing Disclosure Agreement requires the County to provide only financial and operating limited information at specific times and the information may not constitute all of the information necessary to value the 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.

Additional Information

Any question concerning the content of this Official Statement should be directed to Janet Romanchyk, Chief Financial Officer/Director of Finance and Budget, 1 Harrison Street, S.E., Leesburg, Virginia 20177 (703) 777-0500, or to the County's Financial Advisor, Davenport & Company LLC, (804) 697-2900.

Summaries and Descriptions

All summaries in this Official Statement of provisions of the Constitution, statutes of the Commonwealth, resolutions of the County, or other documents and instruments and of the Bonds are subject to the detailed provisions and judicial interpretations to which reference is hereby made for further information. Such summaries do not purport to be complete statements of any or all of such provisions.

This Official Statement and any advertisement of the Bonds are not to be construed as a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly identified, are set forth as such and not as representations of fact, and no representation is made that any of these estimates will be realized.

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Approval of Official Statement

The Board of Supervisors has, pursuant to the Bond Resolution, authorized the execution of the Official Statement on behalf of the County.

LOUDOUN COUNTY, VIRGINIA

By: /s/ Janet Romanchyk
Chief Financial Officer/
Director of Finance and Budget

APPENDIX A

AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia (the "County"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Loudoun, Virginia, as of June 30, 2020, 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.

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Emphasis of Matter

As discussed in Note XXII to the financial statements, in March 2020, the World Health Organization declared COVID-19 a global pandemic. Given the uncertainty of the situation and the duration of any business disruption, the related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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.

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2020, 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
November 25, 2020

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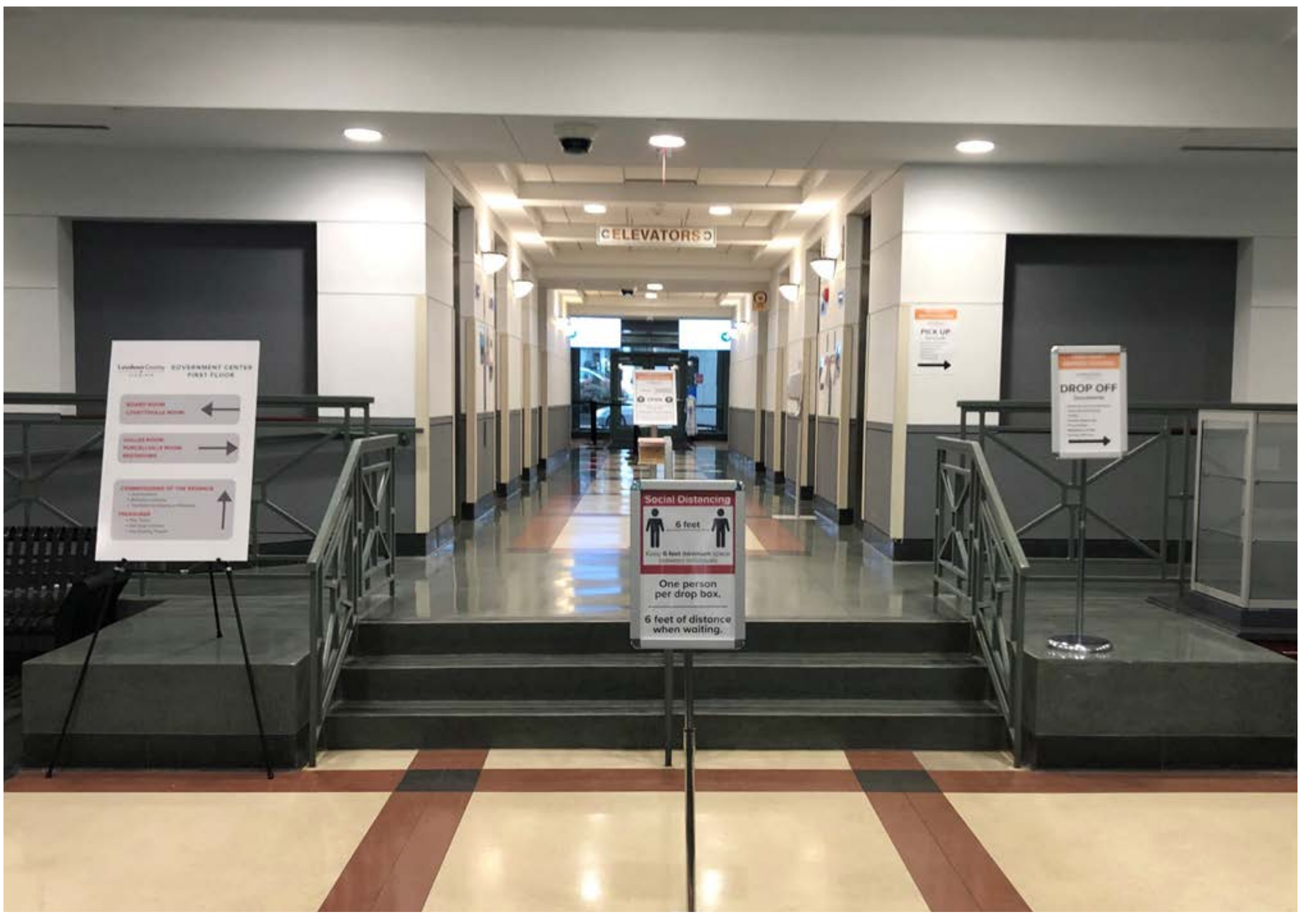
Management's Discussion and Analysis



Social Distancing Signs added to the Government Center Lobby in Response to the Coronavirus

COUNTY OF LOUDOUN, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

This section of the comprehensive annual 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, 2020. 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, comprised 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 2020

The total reporting entity, which includes the School Board component unit, has positive net position of $1.9 billion at June 30, 2020, which represents an increase of $87.1 million or 4.8% over FY 2019 net position. (Exhibit I).

The total reporting entity's Governmental Activities has expenses net of program revenues of $2.9 billion and general revenues of $3.0 billion, resulting in an increase of $87.1 million. (Exhibit II)

The total cost of the County's governmental programs increased by 6.5% during fiscal year 2020, while the County's total revenues increased by 7.5% from the prior year.

As of June 30, 2020, the County's total governmental funds reported combined fund balances of $1.2 billion. Approximately 56.5%, or $672.6 million 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 $56.8 million was 15.5% of total General Fund balance after adding $16.1 million to the County's fiscal reserve. (Exhibit III)

Total General Fund revenues, including other financing sources and uses, exceeded final budget expectations by $21.9 million. General fund expenditure savings totaled $61.3 million compared to final budget expectations. (Exhibit XIII)

In June 2020, the County sold $200.0 million in General Obligation Bonds, Series 2020A, to provide funding for the design, construction, renovation, and equipping of various school facilities, public safety facilities, an animal shelter, and transportation projects, and refunded two outstanding bond series for a net present value savings of $3.8 million.

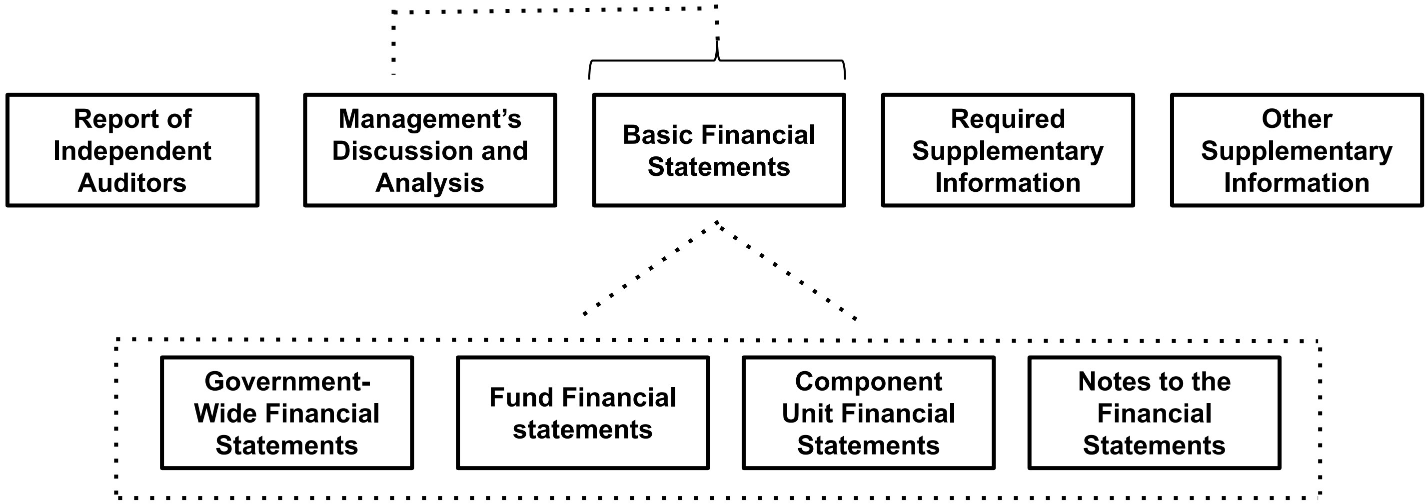
In June 2020, the County sold $267.3 million of Public Facility Lease Revenue Bonds, Series 2020A, through the EDA, to provide funding for the design, construction, renovation and equipping of government office space, computer system upgrades and school projects The County additionally refunded its Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) loans and Bond Anticipation Notes associated with funding the Dulles Corridor Metrorail Project for a net present value savings of $28.9 million.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report consists of three sections: introductory, financial, and statistical. As the following chart shows, the financial section of this report has five components – 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 and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's Net Position and changes in them. One can think of the County's Net Position – the difference between assets and deferred outflows and liabilities and deferred inflows – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's Net Position are one indicator of whether its financial health is improving. However, other 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 Fund and the Self-Insurance Fund, both of which are considered to be Internal Service Funds. The operations of these funds are generally intended to be self-supporting and the results are included in the Governmental Activities in the entity-wide financial statements.

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

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

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, 2020 and 2019 (thousands)

	Primary Government			Component Unit-Schools		
	FY 20	FY 19	Increase / (Decrease)	FY 20	FY19	Increase / (Decrease)
Current and Other Assets	$ 2,603,787	$ 2,411,337	$ 192,450	$ 427,584	$ 377,051	$ 50,533
Capital Assets	1,551,688	1,428,498	123,190	2,019,476	1,956,643	62,833
Total Assets	**$ 4,155,475**	**$ 3,839,835**	**$ 315,640**	**$ 2,447,060**	**$ 2,333,694**	**$ 113,366**
Total Deferred Outflows of Resources	**$ 68,948**	**$ 32,081**	**$ 36,867**	**$ 480,316**	**$ 235,537**	**$ 244,779**
Other Liabilities	$ 564,122	$ 447,594	$ 116,528	$ 190,245	$ 156,186	$ 34,059
Long-term Liabilities	2,129,226	2,016,877	112,349	1,484,175	1,187,767	296,408
Total Liabilities	**$ 2,693,348**	**$ 2,464,471**	**$ 228,877**	**$ 1,674,420**	**$ 1,343,953**	**$ 330,467**
Total Deferred Inflows of Resources	**$ 769,987**	**$ 696,522**	**$ 73,465**	**$ 95,063**	**$ 104,363**	**$ (9,300)**
Net Position						
Net Investment in Capital Assets	$ 1,366,235	$ 1,260,385	$ 105,850	$ 1,972,890	$ 1,893,341	$ 79,549
Restricted	269,068	306,842	(37,774)	3,903	3,883	20
Unrestricted	(874,216)	(856,303)	(17,913)	(818,900)	(776,308)	(42,592)
Total Net Position	**$ 761,087**	**$ 710,924**	**$ 50,163**	**$ 1,157,893**	**$ 1,120,916**	**$ 36,977**

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 - School's Net Position relates to various reasons as outlined below:

Primary Government:

For total governmental activities, net position increased by $50.2 million compared to the County's net position in FY 2019. For the 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 $0.8 million.

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 increased by 5.3% over the prior year. The Primary Government and Schools use these capital assets to provide a variety of services to its residents.

The County's cash and cash equivalents increased by $135.3 million, or 8.2% primarily due to tax revenues collected during the fiscal year.

As of June 30, 2020, the County had outstanding debt of $1.9 billion, an increase of $83.9 million compared to FY 2019. The County additionally had an increase in its pension liability of $31.5 million driven largely by differences between expected and actual experience offset by a decrease in its Other Postemployment Benefits (OPEB) liability of $8.5 million.

Other liabilities increased $116.5 million as compared to FY 2019 for a variety of reasons. Most notably is the increase in unearned revenues for CARES act funds that were received, but not expended by June 30, 2020 in the amount of $18.9 million. Additionally the County saw increases in accounts payable and accrued liabilities of $26.2 million along with an increase of $48.3 million in amounts due to the component unit - Schools. Increases in other liabilities of $25.6 million are due to moving performance bond deposits and employer payroll liabilities to the general fund as a pre-emptive measure in preparation for the implementation of GASB Statement 84, *Fiduciary Activities*. This change in accounting moves both the assets and liabilities for these activities and therefore does not affect the Country's net position.

Component Unit – Schools:

The Schools assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1.2 billion at the close of FY 2020, representing an increase of $37.0 million from the net position at June 30, 2019.

Deferred outflows increased $244.8 million resulting from increases in deferred outflows related to OPEB and pensions. These increases are driven largely by differences between expected and actual experience and changes in actuarial assumptions.

Long-term liabilities increased $296.4 million resulting from increases in net OPEB liabilities and net pension liabilities. Similar to the increase in deferred outflows of resources, the increases in long-term liabilities are driven largely by differences between expected and actual experience and changes in actuarial assumptions.

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, 2020 and 2019 (thousands)

	Primary Government			Component Unit-Schools		
	FY 20	FY 19	Increase / (Decrease)	FY 20	FY 19	Increase / (Decrease)
REVENUES						
Program Revenues:						
Charges for Services	$ 71,163	$ 83,074	$ (11,911)	$ 16,850	$ 23,936	$ (7,086)
Operating Grants and Contributions	100,737	80,545	20,192	80,864	78,109	2,755
Capital Grants and Contributions	37,126	35,969	1,157	172,770	191,329	(18,559)
General Revenues:						
Property Taxes	1,450,909	1,328,510	122,399	-	-	-
Other Taxes	198,533	186,870	11,663	-	-	-
Grants and Contributions not Restricted to Specific Programs	57,195	58,373	(1,178)	354,968	324,887	30,081
Other Revenue	32,940	44,170	(11,230)	4,764	7,324	(2,560)
Payment from Component Unit	12,537	6,882	5,655	-	-	-
Payment from Primary Government	-	-	-	872,630	807,652	64,978
Total Revenues	**$ 1,961,140**	**$ 1,824,393**	**$ 136,747**	**$ 1,502,846**	**$ 1,433,237**	**$ 69,609**
EXPENSES						
General Government Administration	134,638	116,789	17,849	-	-	-
Judicial Administration	18,651	15,545	3,106	-	-	-
Public Safety	226,847	211,015	15,832	-	-	-
Public Works	71,096	59,946	11,150	-	-	-
Health and Welfare	113,319	102,078	11,241	-	-	-
Parks, Recreation and Culture	82,480	75,887	6,593	-	-	-
Community Development	154,407	164,491	(10,084)	-	-	-
Education	1,058,765	1,001,725	57,040	1,465,868	1,230,458	235,410
Interest and Other Debt Service Charges	50,774	46,664	4,110	-	-	-
Total Expenses	**$ 1,910,977**	**$ 1,794,141**	**$ 116,836**	**$ 1,465,868**	**$ 1,230,458**	**$ 235,410**
Change in Net Position	50,163	30,252	19,911	36,978	202,779	(165,801)
Net Position Beginning of Year	710,924	680,672	30,252	1,120,916	918,237	202,679
Restatement of Prior Year Net Position	-	-	-	-	(100)	100
Net Position Beginning of Year	710,924	680,672	30,252	1,120,916	918,137	202,779
Net Position End of Year	**$ 761,087**	**$ 710,924**	**$ 50,163**	**$ 1,157,894**	**$ 1,120,916**	**$ 36,978**

Amounts may not foot due to rounding

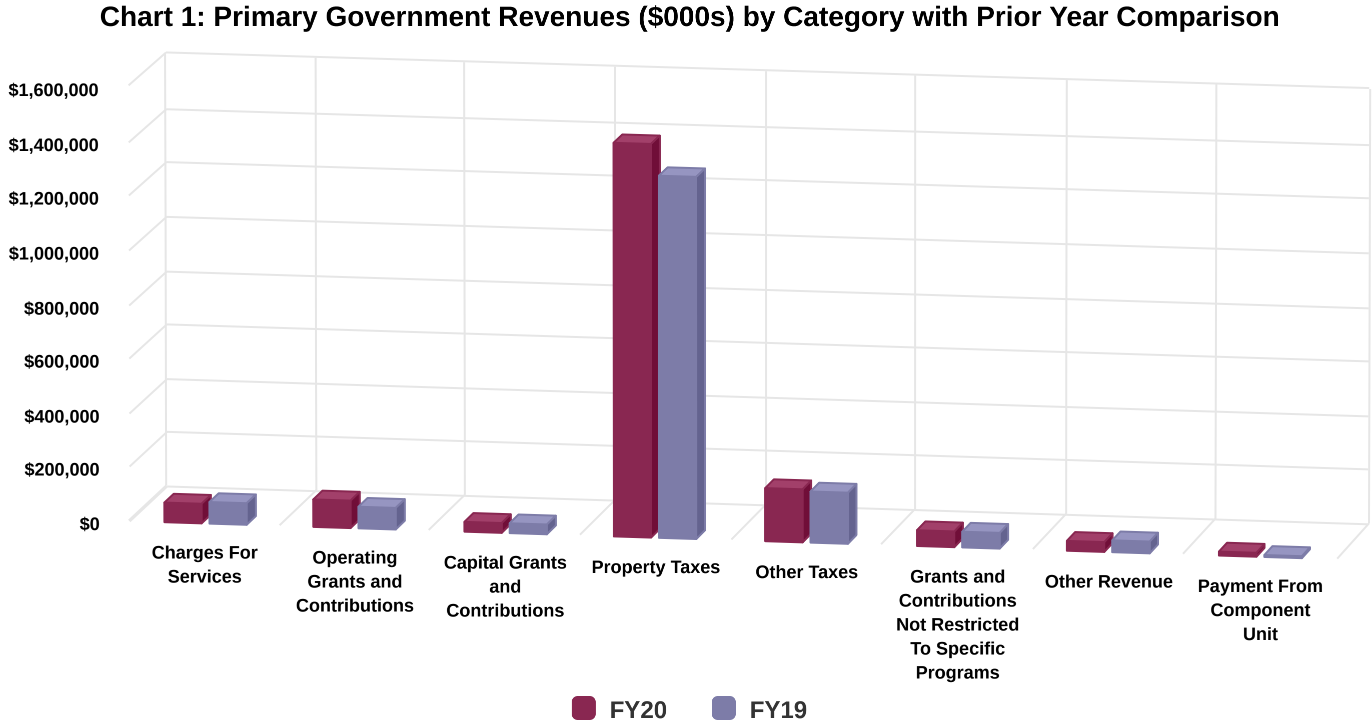
Revenues

For the fiscal year ended June 30, 2020, the Primary Government revenues totaled approximately $2.0 billion, an increase of $136.7 million from the prior fiscal year.

Property tax revenue, the County's largest revenue source, increased by approximately $122.4 million from the prior fiscal year due to increases in real property and personal property taxes. Growth in data centers and the resulting buildout of those facilities, which increases computer equipment and furniture and fixtures, is the largest driver of increases in property tax revenue. 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 $209.0 million, an increase of $9.4 million over FY 2019. Operating grants and contributions represent the most significant of program revenues, totaling $100.7 million, an increase of $20.2 million over FY 2019. This increase is primarily due to the recognition of CARES Act funding received to address the COVID-19 pandemic. Charges for services had an overall decrease of $11.9 million driven by a decrease in services due to the closure of certain facilities and programs as a result of the pandemic.

The following chart compares the total revenues by category for the Primary Government for the fiscal years ended June 30, 2020 and 2019.



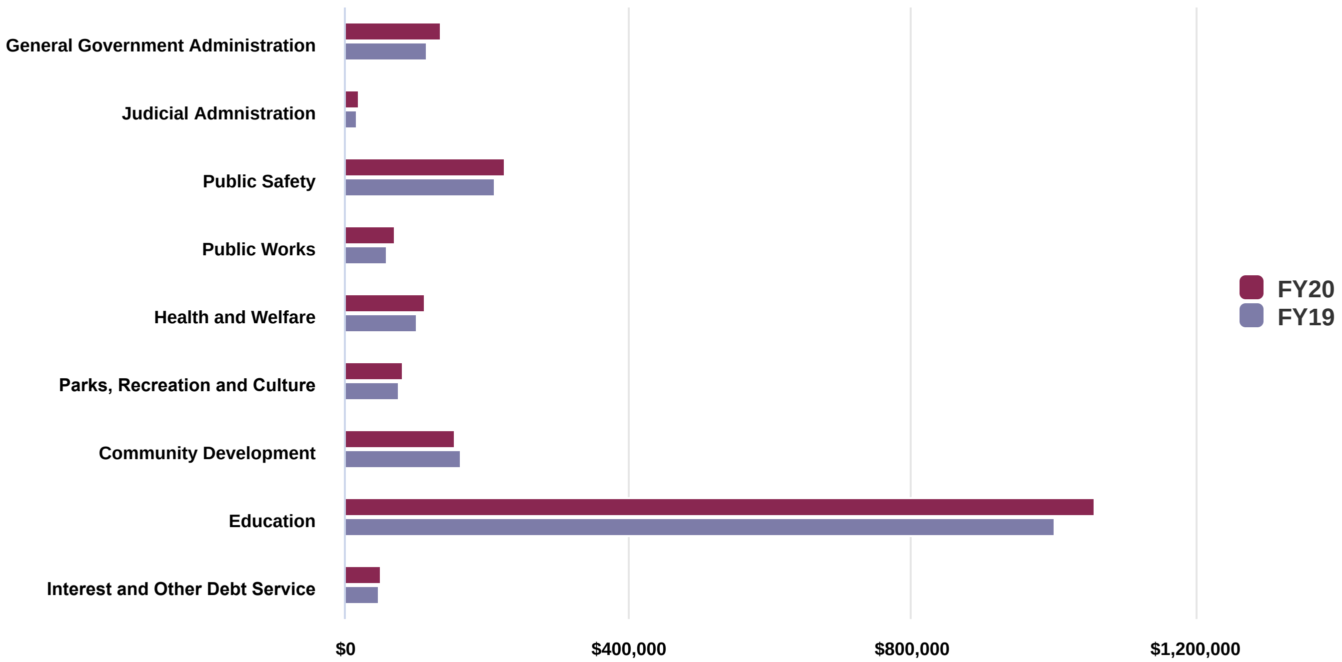
Expenses

For the fiscal year ended June 30, 2020, expenses for governmental activities total $1.9 billion, representing an increase of $116.8 million over FY 2019.

Education continues to be one of the County's highest priorities and commitments. Of the total expenses, $1.1 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 fiscal year 2020 increased by $57.0 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 with an increase in contributions for capital projects. The County holds bond proceeds for the Schools and reimburses the Schools as projects are constructed. Public Safety represents the second largest expense, totaling $226.8 million in FY 2020 with an increase of $15.8 million over the prior fiscal year. This is largely the result of incurring additional expenses related to addressing the public health crisis of the COVID-10 pandemic. Other increases are primarily due to the addition of new positions.

The following chart compares the total expenses by function for the Primary Government for the fiscal years ended June 30, 2020 and 2019.

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, 2020, the governmental funds reflect a combined fund balance of 1.2 billion as illustrated below (refer to Exhibit III).

Table 3
Governmental Funds
Financial Analysis of Fund Balance

	Fiscal Year 2020				
	General	Capital Projects	Debt Service	Non-Major Governmental	Total
Non-Spendable	$ 951,975	$ -	$ -	$ -	$ 951,975
Restricted	-	363,131,551	-	153,769,453	516,901,004
Committed	261,538,533	197,101,394	-	24,307,984	482,947,911
Assigned	46,433,645	37,011,696	31,294,060	18,123,823	132,863,224
Unassigned	56,835,726	-	-	-	56,835,726
Total Fund Balances	**$ 365,759,879**	**$ 597,244,641**	**$ 31,294,060**	**$ 196,201,260**	**$ 1,190,499,840**

The General Fund balance decreased $10.7 million from the prior fiscal year partially due to the planned reduction of unassigned fund balance through greater use of surplus personal property tax revenues due to data center growth. Beginning in FY 2020, $12 million of the estimated business personal property tax revenue on computer equipment was programmed into the capital fund to provide a source of funding for the renovation, alteration and renewal program for County and School capital facilities. Additionally, the COVID-19 pandemic impacted revenues associated with transit, recreation programs, and to a lesser extent, sales tax and other non-tax revenues.

The County maintains a fiscal reserve in the committed portion of fund balance equal to no less than 10% of the County and Component Unit - Schools' operating revenues. In FY 2020, the fiscal reserve increased by $16.1 million.

The Capital Projects fund balance increased $9.2 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 and lease revenue issuances offset by an increase in spending for capital projects.

Debt Service fund balance decreased by $6.5 million from the prior year resulting from planned use of prior year fund balance to reduce the overall level of assigned fund balance offset by refunding savings.

Management's Discussion and Analysis

Non-major Governmental fund balances decreased by $.6 million from the prior fiscal year. This decrease is attributable to lower cash contributions from developers and using more contributions to advance eligible capital projects, lower revenue received in the Restricted Transient Occupancy Tax fund related to COVID-19, offset by increases in taxes from the Metrorail special tax district and other taxes in the Transportation District fund, growth in emergency transport services, and other small increases and decreases in other non-major governmental funds.

General Fund Budgetary Highlights

Table 4
General Fund Budget to Actual (thousands)

	Fiscal Year 2020			
	Original Budget	Amended Budget	Actual	Variance Positive / (Negative)
Revenues and Transfers In				
Taxes	$ 1,546,278	$ 1,546,278	$ 1,587,751	$ 41,473
Intergovernmental	97,173	126,697	119,352	(7,345)
Other and Transfers In	95,810	114,596	102,390	(12,206)
Total Revenues and Transfers In	**$ 1,739,261**	**$ 1,787,571**	**$ 1,809,492**	**$ 21,922**
Expenditures and Transfers Out				
Expenditures	$ 1,499,760	$ 1,546,613	$ 1,487,043	$ 59,570
Transfers Out	279,094	334,871	333,175	1,696
Total Expenditures and Transfers Out	**$ 1,778,854**	**$ 1,881,484**	**$ 1,820,217**	**$ 61,267**

The final amended budget for revenues and transfers exceeded the original budget by $48.3 million. This was primarily due to the appropriation of federal Coronavirus Aid Relief and Economic Security Act (CARES) funds to address the COVID-19 pandemic, return of FY 2019 unassigned fund balance form the Component Unit - Schools, and grant funding from the state and federal government. The final amended budget appropriations, which include expenditures and transfers out, exceeded the original budget by $102.6 million. This was primarily due to the re-appropriation of 2019 unassigned fund balance and the timing difference between the adoption of the original budget and the encumbrances carried over at the end of the fiscal year as part of the amended budget.

Actual revenues and transfers exceeded amended budget amounts by $21.9 million while actual expenditures and transfers out were less than the amended budget amounts by $61.3 million. Highlights of the comparison of amended budget to actual figures for the fiscal year ended June 30, 2020, include the following:

- Actual tax revenues exceeded amended budget amounts by $41.5 million. This increase is a result of increases in real property taxes and personal property taxes of $29.6 million, penalties and interest of $3.8 million, higher taxes on recordations and wills due to refinancing activities, and business license taxes of $5.9 million. All other local taxes (e.g., local sales & use taxes, consumer utility tax, motor vehicle licenses, bank franchise taxes and transient occupancy taxes) had modest positive or negative variances. The increase in personal property is due to the combination of increasing vehicle values and revenue derived from computer equipment and furniture and fixtures within the growing data centers located in the County.
- Actual other revenues and transfers fell short of the amended budget by $12.2 million as a result of the pandemic. Revenues affected primarily include after school activity fees, recreational sports program fees, library fees, building permit fees and transit fees, which were all down due school closures and stay at home orders issued by the Governor of the Commonwealth. Charges for Services were $14.5 million below budget and 166 toll revenue $3.0 million below budget.
- Actual expenditures and transfers were $61.3 million, or 3.3%, less than amended budget amounts and 2.2% less when compared to FY 2019. In April, 2020, the County instituted a suspension of non-essential hiring and expenditures in light of the pandemic and the economic uncertainty that followed. Ths salary savings resulting from the hiring freeze was partially offset by the continued payment of salaries for employees in programs that were closed, such as library and parks and recreation staff, resulting in overall savings of 1.8% of the amended budget. Many of these employees were redirected to assist with the pandemic response. Other areas of savings include travel and training, contractual services for programs affected by the pandemic such as sports programs, afterschool programs, and transit as well as non-essential contractual services and supplies. These savings were partially offset with additional costs to respond to the pandemic.

Capital Assets

At the end of fiscal year 2020, the Primary Government had invested approximately $1.6 billion in a variety of capital assets as reflected in the following schedule. This represents a net increase (including additions and deductions) of $123.2 million or 8.6% over FY 2019. 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

Capital Assets	Balance At June 30, 2019	Net Additions / Deletions	Balance At June 30, 2020
Land	$ 174,328,515	$ 27,331,461	$ 201,659,976
Buildings	561,188,109	10,865,763	572,053,872
Improvements Other Than Buildings	69,457,139	31,344,244	100,801,383
Equipment	271,897,683	20,697,042	292,594,725
Infrastructure	669,767,341	17,539,606	687,306,947
Construction in Progress	130,013,684	60,923,424	190,937,108
Accumulated Depreciation	(448,154,673)	(45,511,370)	(493,666,043)
Total Capital Assets, Net of Accumulated Depreciation	**$ 1,428,497,798**	**$ 123,190,170**	**$ 1,551,687,968**

The Component Unit - Schools capital assets reflected in the following table totaled $2.0 billion, which represents a net increase of $62.8 million.

Table 6
Component Unit - Schools
Change in Capital Assets

Capital Assets	Balance At June 30, 2019	Net Additions / Deletions	Balance At June 30, 2020
Land	$ 160,237,672	$ -	$ 160,237,672
Buildings	2,099,537,729	158,811,367	2,258,349,096
Improvements Other Than Buildings	8,954,492	3,676,294	12,630,786
Equipment	143,865,614	6,464,880	150,330,494
Infrastructure	1,121	-	1,121
Construction in Progress	186,962,077	(50,431,647)	136,530,430
Accumulated Depreciation	(642,915,397)	(55,688,393)	(698,603,790)
Total Capital Assets, Net of Accumulated Depreciation	**$ 1,956,643,308**	**$ 62,832,501**	**$ 2,019,475,809**

For fiscal year 2020, the County adopted an amended six-year Capital Improvement Program (CIP) that totals $2.4 billion, with transportation projects totaling $1.2 billion, school construction and renovation projects totaling $521.9 million, and county construction projects totaling $723.7 million. Funding for the FY 2020 adopted CIP increased approximately $44.0 million from the FY 2019 adopted CIP primarily due to additional funding for county construction projects totaling $98.3 million and school projects totaling $37.6 million offset by a decrease in transportation projects totaling $91.6 million. The decrease in transportation projects is generally due to the reduction of the County's metro capital contribution which was adjusted based on new estimates from the Washington Area Transit Authority (WMATA). School construction projects increased due to the addition of facility renewals, alterations, and other projects. The $2.4 billion Amended FY 2019-FY2024 plan is principally funded with $527.3 million in local tax funding, $31.9 million in proffers, $269.8 million in grants, $405.4 million in NVTA funding, and $1.178 billion funded with long term debt.

The following graphs provide an overview of adopted expenditures in each programmatic category of the FY 2019 - FY 2024 Adopted CIP Budget.

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

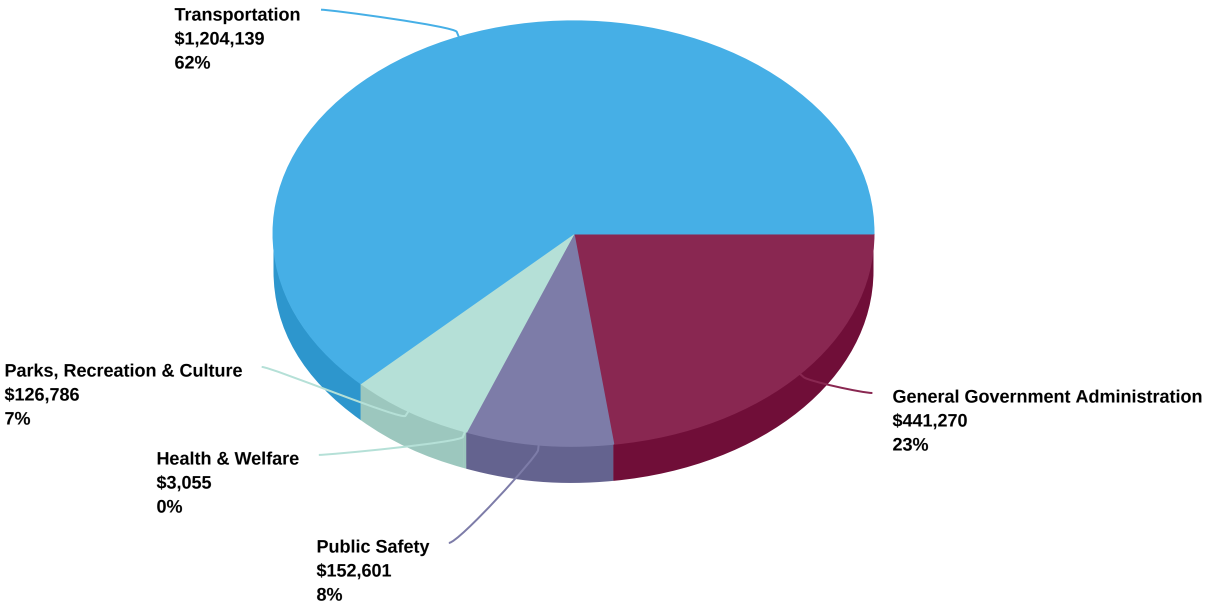
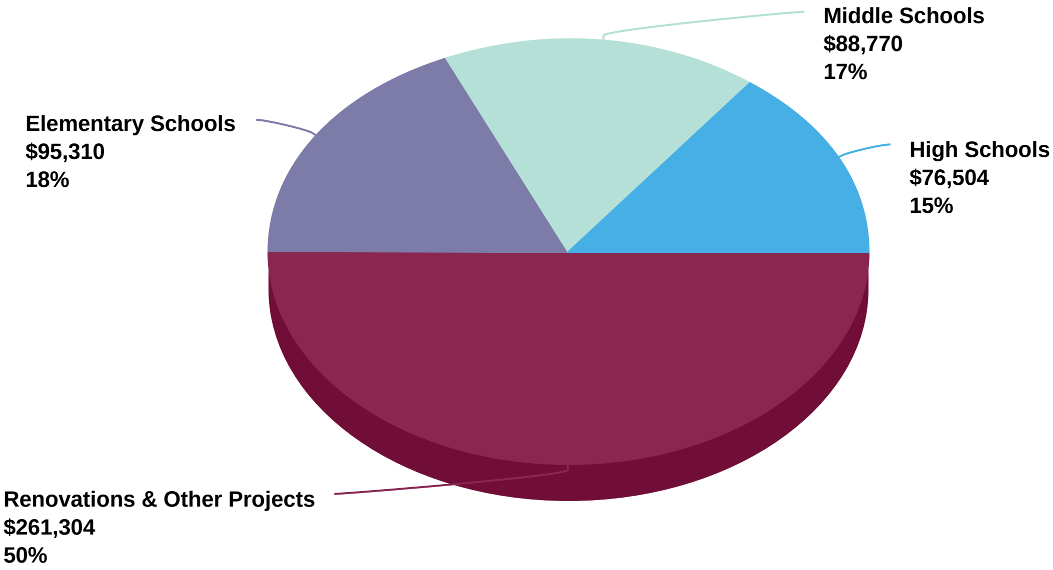


Chart 4: Amount ($000s) and Percentage of School Project Expenditures by Type



Additional information is available in the FY2020 Adopted Budget, Volume 2 and can be found on the County website at www.loudoun.gov/budget.

Long Term Debt

At the end of fiscal year 2020, the County had $1.9 billion in outstanding general obligation bonds, premiums, and capital leases. This represents a net increase of $112.0 million from last year. More detailed information on long term debt can be found in Note XIV of the notes to the financial statements.

In fiscal year 2020, Moody's Investors Services, Inc. reaffirmed the County's bond rating of Aaa, Fitch Credit Rating Services and S&P Global maintained the County's bond rating of AAA. These are the highest ratings available from each of these firms.

Economic Factors

Loudoun County's economic and demographic conditions in many ways benefit from the relative stability, high income, and low unemployment characteristics of the Washington, D.C. region. Today, thanks in part to the diversity of Loudoun's business base and the financial strength of the long-term investors in the community, the County's commercial environment has been able to withstand downturns in the national and international economies. The County's economy continues to demonstrate sustained growth in employment and has outpaced other local jurisdictions within the region. As of June 2020, the County's unemployment rate rose to 7.5%, which is 3.7 percentage points below the corresponding U.S. unemployment rate of 11.2%. At the same time last year, the unemployment rate was 2.4%. Additionally, the assessed value of commercial properties increased by 16.8% and the assessed value of taxable residential properties increased by 5.5%.

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 and retail businesses, which sparked commercial construction activity at an unprecedented scale. As a result, Loudoun has transformed from strictly a bedroom community to a highly desirable employment center.

Businesses have 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 which are strategic and selective. Additionally, the County maintains partnerships aimed at furthering business development in the County including the Economic Development Advisory Commission, the Rural Economic Development Council, Small Business Development Center, George Mason University's Mason Enterprise Center and the Loudoun Chamber of Commerce. All of these efforts are part of an intentional strategy to support and grow the business community.

Currently Known Facts Likely to Impact Future Financial Condition

In April 2020, the Board set the calendar year 2020 real property tax rate at $1.035 per $100 of assessed value, $0.01 lower than the previous rate of $1.045 for calendar year 2019. Assessment data for real property appreciated 4.0 percent for 2020 over 2019 allowing the tax rate to be decreased while still providing sufficient revenue to support Loudoun County Public Schools and County departments which continue to feel the impact of the County's continued population growth.

During the FY2021 budget process, the COVID-19 pandemic struck, creating uncertainty in revenue projections. While the County's largest revenue sources, such as real property tax, and personal property tax revenue derived from data centers are expected to have a stable long-term outlook, the Board took a conservative approach by reserving $100 million of the FY 2021 General Fund expenditures as a safeguard against potential revenue shortfalls. The $100 million reserve includes $40 million of County appropriations, and $60 million of School appropriations. For the County, the reserve froze all new additions to the FY 2021 budget while preserving existing funding to departments. The Board will release these expenditures once the economic picture becomes clearer. When the Board releases funding from the reserve, it will be released in a proportional manner to the County and Schools.

In response to the COVID-19 Emergency, the County received federal aid known as the Coronavirus Relief Funds (CRF) from the Coronavirus Aid, Relief and Economic Security Act (CARES Act). In May 2020, the County received approximately $36 million in CRF funding and a second distribution of $36 million in CRF funding in August 2020 through the Commonwealth. From each tranche, the County distributed $6 million of CRF funding to the towns within the County. In addition to providing ongoing economic support to business, funds will be used to support medical, public health, rental assistance and other emergency response costs.

As a funding partner in the Dulles Corridor Metrorail expansion known as the Silver Line, Loudoun County is responsible for 4.8% of the project cost to extend the Metrorail system 11.6 miles to and beyond the Dulles Airport into the County. Loudoun County's share is currently estimated to be $273.1 million. The County used a federal TIFIA loan and bond anticipation note to partially fund the cost of construction. During FY 2020, the County refunded the federal TIFIA loan and refinanced the bond anticipation notes to long-term financing. This refinancing terminated the TIFIA loan agreement and trust agreement associated with both obligations, and eliminated certain requirements related to prepaying debt with revenues from a special improvement tax levied on taxable real estate located within the Metrorail Service District. With the termination of the trust agreement, the County has greater flexibility to use special tax district revenues in accordance with the uses permitted in the County's ordinance.

The County also agreed to secure sufficient funding to build three Metrorail Garages, and appropriated $130 million in the Capital Improvement Plan (CIP) to cover the cost. In December 2015, the County was able to successfully negotiate a comprehensive agreement with an affiliate of Comstock Partners for the construction, operations and maintenance of one of the garages located at the Ashburn North (Route 772) station. The County will self-perform the construction of the remaining two garages at the Ashburn South (Route 772) and Loudoun Gateway (Route 606) stations. A design-build contract was awarded to S.B. Ballard Construction Company in spring 2017. As of June 30, 2020 the construction of the Ashburn North station is substantially complete with pending punch list items to be addressed prior to the opening of parking for Metrorail service. The Ashburn South and Loudoun Gateway stations are substantially complete as well, and will remain closed until Silver Line revenue service begins, which is now anticipated no earlier than July 1, 2021. The County is currently in the process of engaging a consultant to produce a demand rate study that will evaluate and provide recommendations for an appropriate rate structure to finance the operations of the garages based on expected utilization of each parking garage.

Impact of New Accounting Pronouncements

The Governmental Accounting Standards Board issued Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*". This statement provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of the following statements:

- Statement No. 83, *Certain Asset Retirement Obligations.* The County implemented the requirements of this Statement in fiscal yer 2019.
- Statement No. 84, *Fiduciary Activities*
- Statement No. 87, *Leases*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct borrowings and Direct Placements.* The County implemented the requirements of this Statement in fiscal year 2019.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interest*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).* The County implemented the requirements of this Implementation Guide in fiscal years 2018 and 2019, in accordance with the original effective dates.
- Implementation Guide No. 2018-1, *Implementation Guidance Update - 2018.* The County implemented the requirements of the Implementation Guide in fiscal year 2019.
- Implementation Guide No. 2019-1, *Implementation Guidance Update - 2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*
- Implementation Guide 2019-3, *Leases*

The County will implement the requirements of the above Statements in accordance with the new effective dates as set by Statement No. 95.

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 Janet Romanchyk, Acting Director, Department of Finance and Budget, County of Loudoun, Virginia, 1 Harrison Street, SE, 4th Floor – MSC #41D, Leesburg, VA 20176. The telephone number is (703) 777-0290 and the County's web site is www.loudoun.gov.

Basic Financial Statements

Loudoun County Leadership Team at the Annual Leadership Advance, August 2019.

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Exhibit I

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

	Primary Government Governmental Activities	Component Unit School Board	Total Reporting Entity	
ASSETS				
Cash and Cash Equivalents	$ 1,475,811,495	$ 829,533	$ 1,476,641,028	
Restricted Cash and Investments	302,775,308	6,585,012	309,360,320	
Receivables, Net:				
Taxes:				
Delinquent	47,953,142	-	47,953,142	
Not Yet Due	706,147,078	-	706,147,078	
Accounts	10,995,085	6,939,006	17,934,091	
Due from Other Governments	52,615,453	11,389,417	64,004,870	
Due from Primary Government	-	400,127,214	400,127,214	
Due from Component Unit	-	26,587	26,587	
Due from OPEB Trust	47,209	-	47,209	
Inventory	90,635	1,539,367	1,630,002	
Prepaid Items	436,657	148,234	584,891	
Notes and Loans Receivable, Net	6,915,197	-	6,915,197	
Capital Assets:				
Non-depreciable	511,903,693	296,768,102	808,671,795	
Depreciable, Net	1,039,784,275	1,722,707,707	2,762,491,982	
Capital Assets, Net	1,551,687,968	2,019,475,809	3,571,163,777	
Total Assets	**4,155,475,227**	**2,447,060,179**	**6,602,535,406**	
DEFFERED OUTFLOWS OF RESOURCES				
Deferred Amounts Related to Pensions	52,778,065	301,034,149	353,812,214	
Deferred Amounts Related to OPEB	12,257,077	179,281,820	191,538,897	
Deferred Amounts on Refunding Debt	3,912,371	-	3,912,371	
Total Deferred Outflows of Resources	**68,947,513**	**480,315,969**	**549,263,482**	
LIABILITIES				
Accounts Payable	75,425,293	60,837,136	136,262,429	
Accrued Interest Payable	5,315,798	457,428	5,773,226	
Accrued Liabilities	23,799,160	121,515,574	145,314,734	
Unearned Revenues	29,003,303	3,120,678	32,123,981	
Due to Component Unit	400,053,555	73,659	400,127,214	
Due to Primary Government	-	26,587	26,587	
Other Liabilities	30,525,104	4,213,494	34,738,598	
Long-term Liabilities:				
Due Within One Year	170,171,765	29,544,191	199,715,956	
Due in More Than One Year	1,959,054,262	1,454,630,844	3,413,685,106	
Total Long-term Liabilities	2,129,226,027	1,484,175,035	3,613,401,062	
Total Liabilities	**2,693,348,240**	**1,674,419,591**	**4,367,767,831**	
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Not Yet Due	706,147,078	-	706,147,078	
Prepaid Taxes	37,677,824	-	37,677,824	
Deferred Rent Payments	310,616	-	310,616	
Deferred Amounts Related to Pensions	9,515,278	87,699,164	97,214,442	
Deferred Amounts Related to OPEB	14,971,650	7,364,224	22,335,874	
Deferred Amounts on Refunding Debt	1,364,776	-	1,364,776	
Total Deferred Inflows of Resources	**769,987,222**	**95,063,388**	**865,050,610**	
NET POSITION				
Net Investment in Capital Assets	1,366,235,482	1,972,889,722	4,377,927,834	(A)
Restricted for:				
Capital Projects	116,071,948	-	116,071,948	
Legal Agreement	-	3,879,568	3,879,568	
Permanent Fund-Nonexpendable	-	23,770	23,770	
Public Facilities and Services	73,128,170	-	73,128,170	
Affordable Housing	26,288,775	-	26,288,775	
Transportation	46,230,458	-	46,230,458	
Library Services	4,655,690	-	4,655,690	
Tourism	674,490	-	674,490	
Animal Shelter	1,663,587	-	1,663,587	
Other Purposes	354,889	-	354,889	
Unrestricted	(874,216,210)	(818,899,891)	(2,731,918,731)	(A)
Total Net Position	**$ 761,087,279**	**$ 1,157,893,169**	**$ 1,918,980,448**	

(A) The sum of the columns does not equal the Total Reporting Entity column by a difference of $1,038,802,630 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, 2020

		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	$ 134,638,080	$ 1,441,435	$ 10,013,370	-	$ (123,183,275)	$ -	$ (123,183,275)
Judicial Administration	18,651,132	1,781,923	2,144,904	-	(14,724,305)	-	(14,724,305)
Public Safety	226,847,048	20,757,381	19,048,404	914,366	(186,126,897)	-	(186,126,897)
Public Works	71,095,790	9,621,301	6,429,892	17,638,843	(37,405,754)	-	(37,405,754)
Health and Welfare	113,318,707	7,652,990	39,797,571	385,933	(65,482,213)	-	(65,482,213)
Parks, Recreation and Culture	82,480,243	12,214,294	1,138,630	7,345,010	(61,782,309)	-	(61,782,309)
Community Development	154,407,031	17,693,688	22,092,049	10,841,742	(103,779,552)	-	(103,779,552)
Education	1,058,765,309	-	71,798	-	(1,058,693,511)	-	(1,058,693,511)
Interest and Other Debt Service Charges	50,773,897	-	-	-	(50,773,897)	-	(50,773,897)
Total Primary Government	$ 1,910,977,237	$ 71,163,012	$ 100,736,618	$ 37,125,894	$ (1,701,951,713)	$ -	$ (1,701,951,713)
Component Unit:							
School Board	$ 1,465,867,819	$ 16,849,623	$ 80,863,796	$ 172,769,957		$ (1,195,384,443)	$ (1,195,384,443)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					$ 1,450,909,025	$ -	$ 1,450,909,025
Local Sales and Use Taxes					102,405,957	-	102,405,957
Consumer Utility Taxes					22,452,354	-	22,452,354
Business License Taxes					43,076,876	-	43,076,876
Franchise License Taxes					854,966	-	854,966
Motor Vehicle Licenses					7,296,326	-	7,296,326
Bank Franchise Taxes					1,955,370	-	1,955,370
Taxes on Recordation and Wills					15,648,324	-	15,648,324
Transient Occupancy Taxes					4,843,313	-	4,843,313
Payment from County					-	872,629,877	872,629,877
Payment from Component Unit					12,537,377	-	12,537,377
Grants and Contributions Not Restricted to Specific Programs					57,195,320	354,968,242	412,163,562
Revenue from Use of Money and Property					27,208,852	1,209,328	28,418,180
Miscellaneous					5,731,194	3,554,163	9,285,357
Total General Revenues					1,752,115,254	1,232,361,610	2,984,476,864
Change in Net Position					50,163,541	36,977,167	87,140,708
Net Position at Beginning of Year					710,923,738	1,120,916,002	1,831,839,740
Net Position at End of Year					$ 761,087,279	$ 1,157,893,169	$ 1,918,980,448

See accompanying notes to the financial statements.

Exhibit III

COUNTY OF LOUDOUN, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2020

	General	Capital Projects	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 1,473,531,671	$ -	$ -	$ 2,279,824	$ 1,475,811,495
Restricted Cash and Investments	104,534,099	185,457,164	10,914,729	316	300,906,308
Receivables, Net:					
Taxes:					
Delinquent	47,013,554	-	-	939,588	47,953,142
Not Yet Due	706,147,078	-	-	-	706,147,078
Accounts	7,254,645	48,538	411,379	3,098,129	10,812,691
Due from Other Governments	41,607,153	9,295,427	-	1,712,873	52,615,453
Interfund Receivables	-	457,731,375	83,053,810	203,615,657	744,400,842
Prepaid Items	332,461	-	-	104,196	436,657
Notes and Loans Receivable, Net	619,514	-	-	6,295,683	6,915,197
Total Assets	$ 2,381,040,175	$ 652,532,504	$ 94,379,918	$ 218,046,266	$ 3,345,998,863
LIABILITIES					
Liabilities:					
Accounts Payable	$ 13,701,517	$ 47,694,861	$ 855,671	$ 10,331,332	$ 72,583,381
Accrued Liabilities	22,377,510	333,603	-	127,175	22,838,288
Unearned Revenues	22,871,428	36,324	-	6,095,551	29,003,303
Interfund Payables	827,153,983	-	-	716,941	827,870,924
Due to Component Unit	328,564,762	7,223,075	61,913,437	2,097,503	399,798,777
Other Liabilities	28,791,457	-	6,134	1,727,513	30,525,104
Total Liabilities	1,243,460,657	55,287,863	62,775,242	21,096,015	1,382,619,777
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	28,476,296	-	-	267,432	28,743,728
Property Taxes Not Yet Due	706,147,078	-	-	-	706,147,078
Prepaid Taxes	37,196,265	-	-	481,559	37,677,824
Deferred Rent Payments	-	-	310,616	-	310,616
Total Deferred Inflows of Resources	771,819,639	-	310,616	748,991	772,879,246
FUND BALANCES:					
Non-spendable	951,975	-	-	-	951,975
Restricted	-	363,131,551	-	153,769,453	516,901,004
Committed	261,538,533	197,101,394	-	24,307,984	482,947,911
Assigned	46,433,645	37,011,696	31,294,060	18,123,823	132,863,224
Unassigned	56,835,726	-	-	-	56,835,726
Total Fund Balances	365,759,879	597,244,641	31,294,060	196,201,260	1,190,499,840
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,381,040,175	$ 652,532,504	$ 94,379,918	$ 218,046,266	$ 3,345,998,863

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, 2020

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

Total Fund balances - governmental funds		$ 1,190,499,840
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	1,926,926,586	
Less accumulated depreciation	(437,443,698)	1,489,482,888
Delinquent taxes and other long term assets not available to pay for current period expenditures are deferred in the governmental funds.		28,743,728
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	3,912,371	
Unamortized deferred gain on refunding of debt	(1,364,776)	2,547,595
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.		65,035,142
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	(33,094,376)	
Landfill closure and post closure care costs	(25,066,691)	
Net OPEB Obligation	(60,669,020)	
Unamortized deferred amounts on OPEB	(14,971,650)	
Net Pension Liability	(91,388,159)	
Total Pension Liability (LOSAP)	(42,473,382)	
Unamortized deferred amounts on pension investments	(9,515,278)	
Bonds payable	(1,122,745,000)	
Capital leases payable	(577,645,000)	
Unamortized bond premium	(162,759,345)	(2,140,327,901)
Interest on long-term liabilities is not accrued in the governmental funds, but is rather recognized as an expenditure when due.		(5,315,798)
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.		130,421,785
Net Position of Governmental Activities		$ 761,087,279

See accompanying notes to the financial statements.

Basic 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, 2020

	General	Capital Projects	Debt Service	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
General Property Taxes	$ 1,414,605,678	$ -	$ -	$ 27,703,839	$ 1,442,309,517
Other Local Taxes	173,145,186	854,966	-	24,861,558	198,861,710
Permits and Licenses	21,733,966	-	-	-	21,733,966
Fines and Forfeitures	1,541,034	-	-	-	1,541,034
Use of Money and Property	21,480,879	25,847	3,595,584	2,106,542	27,208,852
Charges for Services	34,131,804	-	-	5,549,542	39,681,346
Gifts and Donations	62,211	-	-	22,506,636	22,568,847
Miscellaneous	206,995	216,728	1,232,667	54,006	1,710,396
Recovered Costs	10,137,940	13,972	-	2,075,552	12,227,464
Intergovernmental - Commonwealth	90,631,702	10,643,994	-	6,454,385	107,730,081
Intergovernmental - Federal	28,720,249	131,936	-	11,022,103	39,874,288
Payment from Component Unit	11,537,377	1,000,000	-	-	12,537,377
Total Revenues	1,807,935,021	12,887,443	4,828,251	102,334,163	1,927,984,878
EXPENDITURES					
Current Operating:					
General Government Administration	113,693,723	18,406,571	-	1,316,292	133,416,586
Judicial Administration	17,069,046	-	-	150,347	17,219,393
Public Safety	211,748,919	1,194,424	-	5,947,233	218,890,576
Public Works	21,306,191	15,067,592	-	22,776,729	59,150,512
Health and Welfare	89,477,617	131,239	-	23,046,922	112,655,778
Parks, Recreation and Culture	67,839,313	11,016,241	-	819,215	79,674,769
Community Development	62,565,985	96,226,746	-	7,125,249	165,917,980
Education	903,341,751	-	32,299,450	123,124,108	1,058,765,309
Capital Outlay	-	102,817,391	-	5,849,034	108,666,425
Debt Service:					
Principal Payments	-	-	133,855,000	-	133,855,000
Interest	-	-	63,633,213	-	63,633,213
Service Charges	-	-	2,064,000	-	2,064,000
Payment to Refunded Bond Escrow Agent	-	-	204,945,150	-	204,945,150
Total Expenditures	1,487,042,545	244,860,204	436,796,813	190,155,129	2,358,854,691
Excess (Deficiency) of Revenues Over (Under) Expenditures	320,892,476	(231,972,761)	(431,968,562)	(87,820,966)	(430,869,813)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,442,362	250,623,436	198,887,311	48,818,071	499,771,180
Transfers Out	(333,174,738)	(9,496,794)	(10,901,737)	(159,025,398)	(512,598,667)
Bonds Issued	-	-	45,115,000	154,880,000	199,995,000
Capital Leases Issued	-	-	224,760,000	42,535,000	267,295,000
Premium on Bonds Issued	-	-	29,845,921	-	29,845,921
Premium on Capital Leases Issued	-	-	45,952,941	-	45,952,941
Payment to Refunded Bond Escrow Agent	-	-	(108,175,428)	-	(108,175,428)
Sale of Capital Assets	115,087	-	-	96	115,183
Total Other Financing Sources (Uses), net	(331,617,289)	241,126,642	425,484,008	87,207,769	422,201,130
Net Change in Fund Balances	(10,724,813)	9,153,881	(6,484,554)	(613,197)	(8,668,683)
Fund Balances at Beginning of Year	376,484,692	588,090,760	37,778,614	196,814,457	1,199,168,523
Fund Balances at End of Year	$ 365,759,879	$ 597,244,641	$ 31,294,060	$ 196,201,260	$ 1,190,499,840

See accompanying notes to the financial statements.

Exhibit VI

COUNTY OF LOUDOUN, VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCESOF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Amounts reported for governmental activities (Exhibit II) are different because:		
Net change in fund balances - total governmental funds		$ (8,668,683)
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	140,753,286	
Less current year depreciation	(46,320,982)	94,432,304
In the Statement of Activities, only the gain (loss) on capital assets is reported while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of capital asset dispositions.		(2,990,294)
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.		24,884,616
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	8,271,284	
Change in deferred amounts related to OPEB	9,394,243	
Change in deferred amounts related to pensions	27,493,508	45,159,035
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	444,614,245	
Bond and Loan Proceeds	(543,088,862)	
Current year amortization of premium	14,579,418	
Current year amortization of deferred amount of refunding	803,164	(83,092,035)
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	(1,161,778)	
Change in landfill closure/post-closure liability	(984,704)	
Change in Net OPEB Liability	8,537,253	
Change in Net Pension Liability	(31,519,585)	
Change in Total Pension Liability (LOSAP)	(2,317,250)	
Change in deferred inflows related to pensions	1,308,524	
Change in deferred inflows related to OPEB	(10,285,768)	
Change in accrued interest liability	1,902,065	(34,521,243)
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.		14,959,841
Change in Net Position of Governmental Activities		$ 50,163,541

See accompanying notes to the financial statements.

Exhibit VII

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF FUND NET POSITION
PROPRIETARY - INTERNAL SERVICE FUNDS
AS OF JUNE 30, 2020

ASSETS	
Current Assets:	
Restricted Cash and Investments	$ 1,869,000
Receivables, Net	182,394
Interfund Receivables	83,517,291
Inventory	90,635
Total Current Assets	85,659,320
Long-term Assets:	
Capital Assets:	
Non-depreciable	
Depreciable, Net	62,205,080
Total Long-term Assets	62,205,080
Total Assets	$ 147,864,400
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 2,841,912
Due to Component Unit	254,777
Claims Liabilities	9,646,678
Accrued Liabilities	960,872
Total Current Liabilities	13,704,239
Long-term Liabilities:	
Claims Liabilities	3,738,376
Total Long-term Liabilities	3,738,376
Total Liabilities	17,442,615
NET POSITION	
Investment in Capital Assets	62,205,080
Unrestricted	68,216,705
Total Net Position	$ 130,421,785

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, 2020

Operating Revenues:	
Charges for Services	$ 80,315,613
Use of Property	96,921
Miscellaneous	695,804
Total Operating Revenues	81,108,338
Operating Expenses:	
Personnel Services	340,487
Other Services and Charges	8,519,084
Materials and Supplies	1,191,442
Depreciation	10,685,737
Claims	58,432,759
Total Operating Expenses	79,169,509
Operating Income	1,938,829
Non-Operating Revenues:	
Gain on Sale of Capital Assets	193,525
Net Income Before Transfers	2,132,354
Transfers In	13,031,896
Transfers Out	(204,409)
Change in Net Position	14,959,841
Net Position at Beginning of Year	115,461,944
Net Position at End of Year	$ 130,421,785

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, 2020

Cash Flows from Operating Activities	
Receipts from Customers	$ 81,131,277
Payments to Suppliers for Goods and Services	(12,712,108)
Payments for Interfund Services Used	(6,153,952)
Claims Paid	(57,424,636)
Receipts from Component Unit	25,727
Payments to Employees	(338,039)
Net Cash Provided by Operating Activities	4,528,269
Cash Flows from Non-capital Financing Activities:	
Transfers In	13,031,896
Transfers Out	(204,409)
Net Cash Provided by Non-capital Financing Activities	12,827,487
Cash Flows from Capital and Related Financing Activities:	
Additions to Capital Assets	(18,150,673)
Proceeds from Sale of Capital Assets	794,917
Net Cash Used in Capital and Related Financing Activities	(17,355,756)
Cash and Cash Equivalents at Beginning of Year	1,869,000
Cash and Cash Equivalents at End of Year	$ 1,869,000
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	$ 1,938,829
Adjustment Not Affecting Cash:	
Depreciation	10,685,737
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:	
Receivables, Net	22,939
Interfund Services	(6,153,952)
Inventory	(23,646)
Prepaid Items	834,914
Accounts Payable	(4,102,587)
Due to Component Unit	25,727
Claims Liabilities	1,008,123
Accrued Liabilities	292,185
Total Adjustments	2,589,440
Net Cash Provided by Operating Activities	$ 4,528,269
Non-Cash Capital Related Financing Activities:	
Gain on Sale of Capital Assets	$ 193,525

See accompanying notes to the financial statements.

Exhibit X

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2020

	OPEB Trust Fund	War Memorial Trust Fund	Agency Funds
ASSETS			
Cash and Cash Equivalents	$ -	$ 23,318	$ 4,348,013
Investments at Fair Value	89,071,107	-	-
Taxes Receivable for Local Governments	-	-	10,132,851
Total Assets	89,071,107	23,318	$ 14,480,864
LIABILITIES			
Accounts Payable	-	-	$ 3,530,245
Interfund Payables	47,209	-	-
Funds Held in Trust for Others	-	-	10,950,619
Total Liabilities	47,209	-	$ 14,480,864
NET POSITION			
Restricted for:			
Postemployment Beneifts Other than Pensions	89,023,898	-	
Amounts Held in Trust for Private Purposes	-	23,318	
Total Net Position	$ 89,023,898	$ 23,318	

See accompanying notes to the financial statements.

Exhibit XI

COUNTY OF LOUDOUN, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	OPEB Trust Fund	War Memorial Trust Fund
ADDITIONS		
Contributions:		
Employer	$ 9,927,193	$ -
Gifts and Donations	-	7,371
Total Contributions	9,927,193	7,371
Investments:		
Net Appreciation in Fair Value of Investments	3,456,644	-
Investment Income	13,317	261
Total Investment Income	3,469,961	261
Less Investment Expense:		
Investment Management Fees	(49,473)	-
Net Investment Income	3,420,488	261
Total Additions	13,347,681	7,632
DEDUCTIONS		
Benefit Payments	3,886,336	293
Administrative Expense	540,857	-
Total Deductions	4,427,193	293
Net Increase in Net Position	8,920,488	7,339
Net Position at Beginning of Year	80,103,410	15,979
Net Position at End of Year	$ 89,023,898	$ 23,318

See accompanying notes to the financial statements.

Notes to the Financial Statements

COVID-19 News Conference, March 2020

COUNTY OF LOUDOUN, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

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

B. BASIS OF PRESENTATION

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

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

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

Statement of Net Position – The Statement of Net Position displays the financial position of the Primary Government and it's discretely presented component units. 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.

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 replacement fund and a major equipment replacement fund.

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Accordingly, real and personal property taxes are recorded as unearned revenues and property taxes receivable when billed, net of allowances for uncollectible amounts. 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 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, which is managed as a "2a-7 like pool". The portfolio securities are valued by the amortized cost method with maturities of thirteen months or less. The fair value of the County's position in the LGIP is the same as the value of the pool shares. The LGIP does not have any limitations or restrictions on participant withdrawals.

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

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

All interest is credited to the General Fund, 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), road registered vehicles, and equipment with an initial individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of five years. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

J. COMPENSATED ABSENCES

1. Primary Government Employees - In 1994, the Primary Government adopted a policy under which employees can accumulate and be paid-out upon employment separation, a maximum of 364 hours of earned but unused annual (vacation) leave. Employees with accrued balances in excess of 364 hours may utilize their accumulated balances in excess of 364 hours by the end of the leave year. Unused annual leave hours in excess of 364 at the end of the leave year are forfeited by each employee. As of June 30, 2020, $25,403,386 of earned but unused annual leave was accrued as compensated absences.

   In 2004, the Primary Government adopted a policy under which non-exempt employees will receive payment at year-end for unused exchange time, with the exception of exchange time earned during the last two full pay periods of the leave year, which will carry over to the following year. Non-exempt employees will receive payment of all exchange time leave balances upon separation from County employment. Exempt, non-senior staff carry-over exchange time earned not to exceed their authorized bi-weekly hours plus exchange time earned during the last two pay periods of the leave year. Exempt, non-senior staff will receive payment of exchange time leave balances not to exceed their authorized bi-weekly hours upon separation from County employment. As of June 30, 2020, $370,433 of unused exchange time was accrued as compensated absences.

   Effective July 1, 2001, employees with 10 or more years of service are compensated for unused sick leave when they leave County employment. Employees meeting these criteria will be compensated for 25% of unused sick leave to a maximum amount of $10,000 per individual. As of June 30, 2020, $7,320,557 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 560 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, 2020, $20,727,737 of accumulated vacation leave was accrued as compensated absences.

   Any School retiree with ten or more years of service will receive 25% of their final daily wage for each day of unused sick leave, not to exceed an index of 25% of the previous year's average teacher salary for LCPS as reported in the State of Virginia's Annual School Report. The allowed maximum is $17,508 per individual for FY20. As of June 30, 2020, $16,874,449 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, 2020, $6,636,387 of eligible retiree salary supplement was accrued.

K. LONG-TERM OBLIGATIONS

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

In the fund financial statements, governmental funds recognize 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.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The County has three items that qualify for reporting in this category, deferred amounts related to pensions, deferred amounts related to other postemployment 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 postemployment benefits 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 and changes in assumptions and proprotions, 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 position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has five items that qualify for reporting in this category. Unavailable revenues for revenues from property taxes not yet due and from prepayment of taxes, which are reported in the governmental funds' Balance Sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. A deferred gain on refunding debt 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 postemployment benefits resulting from the net difference between projected and actual earnings on plan investments is amortized over a closed five year period, other deferred amounts related to changes in assumptions and differences in expected versus actual experience will be amortized over a closed period equal to the average of the expected remaining service lives of plan participants.

M. FUND BALANCE FLOW ASSUMPTIONS

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

N. FUND BALANCE POLICIES

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

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

Assigned fund balance classifications are intended to be used by the government for a specific purpose but 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)

O. ACCOUNTING PRONOUNCEMENTS

The County has implemented the following GASB pronouncements in fiscal year 2020:

1. Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.* This Statement, issued in May 2020 and became effective immediately, provides temporary relief to governments and other stakeholders in light of the Covid-19 pandemic. The objective of this statement is met by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning June 15, 2018 or later.

The County is currently reviewing the following GASB pronouncements issued on or before June 30, 2020 and effective for future periods for their impact to the reporting entity:

2. Statement No. 84, *Fiduciary Activities*. This Statement, issued in January 2017, improves the guidance regarding identification of fiduciary activities by establishing criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for periods beginning in fiscal year 2021.
3. Statement No, 87, *Leases*. This Statement, issued in June 2017, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for periods beginning in fiscal year 2022.
4. Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement, issued in June 2018, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This Statement is effective for periods beginning in fiscal year 2022.
5. Statement No. 90, *Majority Equity Interests*. This Statement, issued in August 2018, improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. This Statement is effective for periods beginning in fiscal year 2021.
6. Statement No. 91, *Conduit Debt Obligations*. This Statement, issued May 2019, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures. This Statement is effective for periods beginning in fiscal year 2023.
7. Statement No. 92, *Omnibus 2020*. This Statement, issued in January 2020, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements across a wide variety of topics. This Statement is effective for periods beginning in fiscal year 2022.
8. Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement, issued in March 2020, preserves the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The removal of LIBOR as an appropriate benchmark interest rate and the exception for lease modifications when only replacing LIBOR are effective for periods beginning in fiscal year 2022, other requirements of this statement are effective for periods beginning in fiscal year 2021 or fiscal 2023..
9. Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement, issued in March 2020, establishes the definitions of PPP's and APA's, requires governments to report assets and liabilities related to PPP's, and disclose important information about PPP transactions. This allows users to understand the scale and important aspects of a government's PPP's and evaluate a government's future obligations and assets resulting from such transactions. This Statement is effective for periods beginning in fiscal year 2023.
10. Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement, issued in May 2020, establishes the definition of SBITA's and requires governments to report a subscription asset and a subscription liability and to disclose essential information about the arrangement, thereby allowing users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from such transactions. This Statement is effective for periods beginning in fiscal year 2023.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This Statement, issued in June 2020, will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. This Statement is effective for periods beginning in fiscal year 2022, except for the component unit criteria, which is effective in fiscal year 2021 with the implementation of Statement No. 84.

NOTE II – LEGAL COMPLIANCE – FUND DEFICITS

Budgets are prepared and adopted on a basis consistent with GAAP. Annual appropriation resolutions and budgets are adopted for the Primary Government's General and Debt Service Funds and the School's Operating and Debt Service Funds. The legal level of budgetary control for the General Fund is at the fund level, management control is maintained at the department level. The following Primary Government's Special Revenue Funds also have legally adopted budgets: Route 28 Special Improvements, Comprehensive Services Act, Legal Resource Center, Transient Occupancy Tax, Community Development Authority, Rental Assistance Program, Greenlea District, State and Federal Grants, Tall Oaks Water and Sewer, Public Facilities, Affordable Housing, Transportation District, Uran Holocaust, Horton Program for the Arts, Symington, EMS Transport, and Metro Garages. 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, 2020, no funds had deficit fund balances.

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

NOTE III - BANK DEPOSITS AND INVESTMENTS

Investment Policy

In accordance with the *Code of Virginia*, the County's Investment Policy (Policy), as approved by the Finance Board on March 16, 2010, and amended in November 2015, permits investments in U.S. Government obligations, obligations of the Commonwealth of Virginia or political subdivisions thereof, prime quality commercial paper, bankers' acceptances, repurchase agreements, certificates of deposit (non-negotiable only), money market funds, VML/VACo investment Pool, and the State Treasurer's LGIP.

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

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

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	
High Quality Corporate Notes	50% of Portfolio	
Money Market Accounts	50% of Portfolio	
Municipal Obligations	50% of Portfolio	
Prime Quality Commercial Paper	35% of Portfolio	Maximum of 5% of the total portfolio may be invested in the commercial paper of one issuing corporation
VML/VACo Investment Pool	20% of Portfolio	
Bankers' Acceptances	10% of Portfolio	Maximum of 25% of the total portfolio with any one institution
State Non-Arbitrage Pool (SNAP)	100% of Bond Proceeds Only	

NOTE III - BANK DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

As of June 30, 2020, the Portfolio was invested as follows:

1.04% of the portfolio was invested in "Aaa", "AA+" or better rated agency obligations

8.94% was invested in "A-1/P-1", or better short term commercial paper

65.73% was invested in "AAAm" rated state run pooled money market fund

24.29% was invested in fully collateralized bank CD's or MMKT/Savings/NOW Accounts

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

Concentration of Credit Risk

As of June 30, 2020, 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.

Notes to the Financial Statements

NOTE III - BANK DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2020, the following securities were held that had call features:

Fund	Maturity Date	Issue	Fair Value	Par/Cost	Yield %	Step Features
General Fund	3/11/2024	FHLMC	$ 5,002,259	$ 5,000,000	0.550	3.75 year, non-callable for 12 months, quarterly calls
	6/11/2024	FHLB	5,002,799	5,000,000	0.600	4 year, non-callable for 6 months, anytime calls
	6/17/2024	FFCB	4,998,557	5,000,000	0.71	4 year, non-callable for 3 months, continuous calls

On June 30, 2020, the County had the following investments and maturities (refer to Cash and Cash Equivalents in Exhibit I and Exhibit X)

		Maturity				
Investment Type	**Fair Value**	**Less Than 3 Months**	**Between 3-6 Months**	**Between 6–13 Months**	**Between 13-24 Months**	**Between 24-60 Months**
Bank Deposits	$ 49,779,590	$ 49,779,590	$ -	$ -	$ -	$ -
Money Market Funds	79,129,211	79,129,211	-	-	-	-
LGIP	945,743,346	945,743,346	-	-	-	-
Certificates of Deposit (CD) – Commercial Banks	200,787,730	49,327,941	91,341,739	56,695,913	845,245	2,576,892
U.S. Government Agencies	15,000,000	-	-	-	-	15,000,000
Commercial Paper (CP)	128,696,710	98,826,218	29,870,492	-	-	-
CDARs	61,046,239	5,000,000	41,043,407	15,002,832	-	-
Total Deposits & Investments	**$ 1,480,182,826**	**$ 1,227,806,306**	**$ 162,255,638**	**$ 71,698,745**	**$ 845,245**	**$ 17,576,892**

The Component Unit's cash, consisting of Student Activity Funds' cash of $8,436,647, petty cash of $200, Middleburg Community Charter School cash of $262,411 and Hillsboro Charter Academy cash of $566,922 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, 2020, all of the County's securities, other than bank certificates of deposit, were held in a highly rated bank's safekeeping department in the County's name.

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

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

The Primary Government and component unit's OPEB trust fund participates in the Virginia Pooled OPEB Trust. Funds of participating jurisdictions are pooled and invested in the name of the Virginia Pooled OPEB Trust. The Board of Trustees of the Virginia Pooled OPEB Trust establishes investment objectives, risk tolerance, and asset allocation policies in light of market and economic conditions and generally prevailing prudent investment practices. At June 30, 2020, the Primary Government's share in this pool was $89,071,107 as reported on the face of the OPEB trust fund statement found in Exhibit X. At June 30, 2020, the Component Unit-Schools' share in this pool was $197,130,385 as reported on the face of the Component Unit trust fund statement found in Schedule 46.

The Primary Government is the administrator of a noncontributory, single employer, defined benefit Length of Service Retirement Plan (LOSAP). The Plan was established and is maintained to provide retirement benefits to vested participants in the Plan at the time of their retirement from Fire and Rescue Volunteer Services. Investments are selected, monitored and evaluated by the LOSAP Committee of Loudoun County and investment services are provided by RBC Wealth Management. The County has a written policy establishing investment guidelines, and exercises prudent investing principals with a goal of achieving a long-term rate of return of 5.5%. General Fund plan contributions are currently held in an investment account with Comerica. Investments are held 100% in short-term money market investments. On June 30, 2020, the fair value of investments totaled $23,916,392.

NOTE III - BANK DEPOSITS AND INVESTMENTS (Continued)

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).

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

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

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

The County had the following recurring fair value measurements on June 30, 2020.

U.S Government Securities of $15,000,000 are valued using significant other observable inputs, a level 2 input.

Restricted cash and investments

Restricted cash and investments consist of the following amounts:

Fund	Description	Governmental Activities	Component Unit - Schools
General Fund	Volunteer Fire and Rescue LOSAP Pension Benefits	$ 23,916,392	$ -
	General Obligation Bond Proceeds - Component Unit - Schools	80,280,096	-
	Deposits Held by Fiscal Agent for Section 125 Benefits	337,611	
	Unspent Lease Proceeds	-	2,750,012
Total General Fund		**$ 104,534,099**	**$ 2,750,012**
Capital Projects Fund	General Obligation Bond Proceeds	185,457,164	-
Debt Service Fund	Bond Proceeds held for Debt Service	10,914,729	-
Non-Major	Transportation District Fund	-	-
	Affordable Housing Fund	316	-
Total Non-Major Governmental Funds		**$ 316**	**$ -**
Internal Service Funds	Self-insurance Fund	1,869,000	3,835,000
Total Restricted Cash and Investments		**$ 302,775,308**	**$ 6,585,012**

NOTE IV – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables for the Primary Government at June 30, 2020 are as follows:

	Taxes	Accounts	Due from Other Governments	Total Receivables
General Fund	$ 753,719,750	$ 7,255,589	$ 41,607,153	$ 802,582,492
Capital Projects Fund	-	48,538	9,295,427	9,343,965
Debt Service Fund	-	411,379	-	411,379
Non-Major Governmental Funds	943,156	3,098,129	1,712,873	5,754,158
Internal Service Funds	-	182,394	-	182,394
Gross Receivables	754,662,906	10,996,029	52,615,453	818,274,388
Less: allowance for uncollectible	(562,686)	(944)	-	(563,630)
Total Governmental Activities	**$ 754,100,220**	**$ 10,995,085**	**$ 52,615,453**	**$ 817,710,758**

Payables for the Primary Government at June 30, 2020 are as follows:

	Vendors	Accrued Interest	Salaries and Benefits	Total Payables
General Fund	$ 13,701,517	$ -	$ 22,377,510	$ 36,079,027
Capital Projects Fund	47,694,861	-	333,603	48,028,464
Debt Service Fund	855,671	5,315,798	-	6,171,469
Non-Major Governmental Funds	10,331,332	-	127,175	10,458,507
Internal Service Funds	2,841,912	-	960,872	3,802,784
Total Governmental Activities	**$ 75,425,293**	**$ 5,315,798**	**$ 23,799,160**	**$ 104,540,251**

Notes to the Financial Statements

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, 2020 is as follows:

Governmental Activities	Interfund Receivables	Interfund Payables
General Fund	$ -	$ 827,153,983
Capital Projects Fund	457,731,375	-
Debt Service Fund	83,053,810	-
Non-Major Governmental Funds	203,615,657	716,941
Internal Service Funds	83,517,291	-
Fiduciary Funds	-	47,209
Total	**$ 827,918,133**	**$ 827,918,133**

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, 2020 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	$ -	$ 101,397,862	$ 188,388,881	$ 36,378,127	$ 7,009,868	$ 333,174,738
Capital Projects Fund	44,000	-	3,486,103	7,699	5,958,992	9,496,794
Debt Service Fund	143,323	10,758,414	-	-	-	10,901,737
Non-Major Governmental Funds	1,050,630	138,467,160	7,012,327	12,432,245	63,036	159,025,398
Internal Service Funds	204,409	-	-	-	-	204,409
Total Primary Government	**$ 1,442,362**	**$ 250,623,436**	**$ 198,887,311**	**$ 48,818,071**	**$ 13,031,896**	**$ 512,803,076**

During the year ending June 30, 2020, the County made the following one-time transfers:

1) The Capital Projects Fund transferred $1,331,678 of unspent project funds to the Debt Service Fund.
2) One time transfers to the Capital Projects Fund to finance capital construction include $48,750,444 from the General Fund and $1,258,643 from the Public Facilities Fund.
3) One-time transfers related to the Transportation District Fund include $28,553,345 from the Public Facilities Fund and $1,743,902 in interest proceeds from the Debt Service Fund. Additionally, the Transportation District Fund transferred $33,200,813 to the Capital Projects Fund to finance capital construction.
4) A one-time transfer from the Public Facilities Fund for $128,050 was made to the Route 28 Fund for a buyout from the Route 28 Taxing District.

NOTE VII - NONCURRENT NOTES AND LOANS RECEIVABLE - PRIMARY GOVERNMENT

Noncurrent notes and loans receivable consisted of the following at June 30, 2020

Notes & Loans Receivable	$ 7,978,196
Allowance for Uncollectible Accounts	(1,062,999)
Net Notes & Loans Receivable	**$ 6,915,197**

Of the gross amount of notes and loans receivable represents loans to towns and Loudoun Water for the expansion of sewage services. Sewage connection fees are used to repay these loans. The remaining represents loans to individuals/families under the Affordable Housing and Public Employee Home Ownership Grant programs.

NOTE VIII – CAPITAL ASSETS

Capital assets activity for the Primary Government for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions/ Increases	Retirement/ Decreases	Transfer	Balance June 30, 2020
Capital Assets Not Being Depreciated					
Land	$ 174,328,515	29,746,961	$ (2,415,500)		$ 201,659,976
Infrastructure	108,953,631	10,352,978	-	-	119,306,609
Construction in Progress	130,013,684	112,141,256	-	(51,217,832)	190,937,108
Total Capital Assets not Being Depreciated	**413,295,830**	**152,241,195**	**(2,415,500)**	**(51,217,832)**	**511,903,693**
Depreciable Capital Assets:					
Buildings	561,188,109	1,807,580	(225,267)	9,283,450	572,053,872
Improvements	69,457,139	-	-	31,344,244	100,801,383
Equipment	271,897,683	22,553,173	(12,446,269)	10,590,138	292,594,725
Infrastructure	560,813,710	7,186,628	-	-	568,000,338
Total Depreciable Capital Assets	**1,463,356,641**	**31,547,381**	**(12,671,536)**	**51,217,832**	**1,533,450,318**
Less Accumulated Depreciation					
Acc Depr - Buildings	(133,813,644)	(13,905,202)	83,849	-	(147,634,997)
Acc Depr - Improvements	(33,122,638)	(5,153,311)	-	-	(38,275,949)
Acc Depr - Equipment	(135,614,035)	(27,245,971)	11,411,500	-	(151,448,506)
Acc Depr - Infrastructure	(145,604,356)	(10,702,235)	-	-	(156,306,591)
Total Accumulated Depreciation	**(448,154,673)**	**(57,006,719)**	**11,495,349**	**-**	**(493,666,043)**
Other Capital Assets, Net	**1,015,201,968**	**(25,459,338)**	**(1,176,187)**	**51,217,832**	**1,039,784,275**
Total Capital Assets, Net	**$ 1,428,497,798**	**$ 126,781,857**	**$ (3,591,687)**	**$ -**	**$ 1,551,687,968**

Primary Government capital assets, net of accumulated depreciation, at June 30, 2020 are comprised of the following:

General Capital Assets, Net	$ 1,489,482,888
Internal Service Fund Capital Assets, Net	62,205,080
Total Capital Assets, Net	**$ 1,551,687,968**

Depreciation was charged to governmental functions as follows:

General Government Administration	$ 15,118,081
Judicial Administration	1,772,529
Public Safety	12,214,921
Public Works	13,523,965
Health & Welfare	1,596,379
Parks Recreation & Culture	8,170,708
Community Development	4,610,136
Total Depreciation	**$ 57,006,719**

Capital asset activity for the Component Unit - Schools for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions/ Increases	Retirements/ Decreases	Balance June 30, 2020
Capital Assets Not Being Depreciated				
Land	$ 160,237,672			$ 160,237,672
Construction in Progress	186,962,077	119,956,104	(170,387,751)	136,530,430
Total Capital Assets not Being Depreciated	**347,199,749**	**119,956,104**	**(170,387,751)**	**296,768,102**
Depreciable Capital Assets				
Buildings	2,099,537,729	158,811,367		2,258,349,096
Improvements	8,954,492	3,676,294	-	12,630,786
Equipment	143,865,614	11,507,323	(5,042,443)	150,330,494
Infrastructure	1,121	-	-	1,121
Total Depreciable Capital Assets	**2,252,358,956**	**173,994,984**	**(5,042,443)**	**2,421,311,497**
Less Accumulated Depreciation				
Acc Depr - Buildings	(530,567,640)	(50,103,454)		(580,671,094)
Acc Depr - Improvements	(2,477,594)	(853,188)	-	(3,330,782)
Acc Depr - Equipment	(109,869,630)	(9,703,505)	4,971,810	(114,601,325)
Acc Depr - Infrastructure	(533)	(56)	-	(589)
Total Accum Depreciation	**(642,915,397)**	**(60,660,203)**	**4,971,810**	**(698,603,790)**
Depreciable Capital Assets Net	**1,609,443,559**	**113,334,781**	**(70,633)**	**1,722,707,707**
Total Capital Assets, Net	**$ 1,956,643,308**	**$ 233,290,885**	**$ (170,458,384)**	**$ 2,019,475,809**

Notes to the Financial Statements

NOTE VIII – CAPITAL ASSETS (Continued)

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

Program	Program Authorization	Transferred to Fixed Assets by June 30, 2020	Non-Capital Projects in Process at June 30, 2020	Non-Capital Projects Completed by June 30, 2020	Capital Construction in Progress at June 30, 2020	Capital Construction Commitments at June 30, 2020	Remaining to be Committed at June 30, 2020
General Government Administration	$ 856,153,599	$ 189,209,614	$ 75,251,665	$ 15,560,601	$ 68,909,412	$ 7,101,278	$ 500,121,029
Judicial Administration	339,850,368	52,102,460	-	-	11,872,857	56,329,812	219,545,239
Public Safety	967,478,894	226,343,355	11,101,322	10,953,226	54,666,096	21,371,230	643,043,665
Public Works	257,359,621	23,875,615	50,395,345	-	603,037	5,972,926	176,512,698
Health & Welfare	87,598,341	11,050,938	4,255,477	5,795	5,805,826	5,665,369	60,814,936
Parks, Recreation & Cultural	1,069,981,616	120,552,275	20,957,135	5,994,911	48,770,165	95,238,607	778,468,523
Community Development	3,639,068,020	101,633,378	815,605,112	374,770,911	309,715	77,129,967	2,269,618,937
Total	**$ 7,217,490,459**	**$ 724,767,635**	**$ 977,566,056**	**$ 407,285,444**	**$ 190,937,108**	**$ 268,809,189**	**$ 4,648,125,027**

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, 2020, the Schools had contractual commitments of $146,526,824 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	$ 14,512,588
Capital Projects Fund	268,809,189
Internal Service Funds	15,472,109
Non-Major Governmental Funds	2,752,517
Total	**$ 301,546,403**

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 Department, other County enforcement agencies, and all elected constitutional officers and their employees against certain types of claims. Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under the County's previous commercial insurance programs.

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

NOTE X - RISK MANAGEMENT (Continued)

In 1989, the County received a Certificate as a Qualified Self-Insurer from the Virginia Workers' Compensation Commission. At that time, the County began to self-insure general government workers' compensation. The County has excess coverage limiting claims against the self-insurance fund to $900,000. A reserve for pending claims and incurred but not reported claims has been accrued as a liability within the self-insurance fund as an estimate based on information received from the County's outside actuary, 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 was Smart Casualty Claims through June 30, 2020, and the Schools' administrator is PMA Companies.

WORKERS' COMPENSATION

	Primary Government	Component Unit - Schools	Total
Fiscal Year 2019			
Unpaid Claims Beginning of Fiscal Year	$ 7,922,043	$ 6,475,031	$ 14,397,074
Incurred Claims (including IBNR)	2,423,165	2,620,959	5,044,124
Claim Payments	(2,246,720)	(2,204,898)	(4,451,618)
Unpaid Claims End of Fiscal Year	**$ 8,098,488**	**$ 6,891,092**	**$ 14,989,580**
Fiscal Year 2020			
Unpaid Claims Beginning of Fiscal Year	$ 8,098,488	$ 6,891,092	$ 14,989,580
Incurred Claims (including IBNR)	3,182,877	1,723,020	4,905,897
Claim Payments	(1,831,288)	(2,423,124)	(4,254,412)
Unpaid Claims End of Fiscal Year	**$ 9,450,077**	**$ 6,190,988**	**$ 15,641,065**

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 type of retirement, years of service, plan type, and coverage level.

Notes to the Financial Statements

NOTE X - RISK MANAGEMENT (Continued)

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 $575,000 per occurrence for individual claims for the County and $575,000 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.

HEALTH INSURANCE

	Primary Government	Component Unit - Schools	Total
Fiscal Year 2019			
Unpaid Claims Beginning of Fiscal Year	$ 3,863,556	$ 11,782,660	$ 15,646,216
Incurred Claims (Including IBNR)	54,025,642	164,758,605	218,784,247
Claim Payments	(53,610,755)	(166,358,759)	(219,969,514)
Unpaid Claims End of Fiscal Year	**$ 4,278,443**	**$ 10,182,506**	**$ 14,460,949**
Fiscal Year 2020			
Unpaid Claims Beginning of Fiscal Year	$ 4,278,443	$ 10,182,506	$ 14,460,949
Incurred Claims (Including IBNR)	55,249,882	183,378,973	238,628,855
Claim Payments	(55,593,348)	(182,472,079)	(238,065,427)
Unpaid Claims End of Fiscal Year	**$ 3,934,977**	**$ 11,089,400**	**$ 15,024,377**

The Board of Supervisors has the authority to modify the provisions of the County's benefits program. As of June 30, 2020, there are 3,303 active employees and 576 retirees, including individuals who qualify for disability retirement, enrolled in the health insurance program. During fiscal year 2020, total claims of $55,249,882 were recorded for health care benefits. These amounts are not accrued over the employees' time of service, but are expensed as incurred.

NOTE XI – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

A. OPEB TRUST

General Information about the OPEB Trust Plan

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

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

Employees covered by benefit terms: As of the July 1, 2019 valuation, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefit payments	792
Active Plan Members	2,931
Total Participants	**3,723**

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 $9,927,193 to the trust during fiscal year 2020.

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, 2020, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan expenses, was 4.2%. 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.

Net OPEB Liability

The components of the net OPEB liability are as follows:

Description	FY 2020	FY 2019
Total OPEB Liability	$113,936,297	$116,034,571
Plan Fiduciary Net Position	89,023,898	80,103,410
Net OPEB Liability	$ 24,912,399	$ 35,931,161
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	78.1%	69.0%

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

Actuarial assumptions:. The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using update procedures to roll forward the total OPEB liability to the measurement date of June 30, 2020. The following actuarial assumptions, applied to all periods included in the measurement, were utilized unless otherwise specified:

Investment Return:	6.50%, 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 SSA18 Scale (non-safety) and Pub2010S Headcount with Generational Mortality with SSA18 Scale (safety) (pre/post-retirement), Pub2010G DIS Headcount with Generational Mortality with SSA18 Scale (non-safety) and Pub2010S DIS Headcount with Generational Mortality with SSA18 Scale (safety) (post-disablement).

Changes in Actuarial assumptions.

Disability, termination and retirement assumptions have been updated since the prior valuation to maintain consistency with the Virginia Retirement System. The Mortality rates were also updated.

In addition there was a change in the GASB 74 discount rate based on an updated depletion analysis.

Actuarial Methods for Determining Employer Contributions

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

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

Expected Return

The long-term expected rate of return on OPEB plan investments is 6.50% 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, 2020 measurement date, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Real Return – Portfolio	Weight
Domestic Equity	5.80%	48.0%
Non-US Equity	6.15%	13.0%
Fixed Income	1.65%	33.0%
Global Funds	5.50%	6.0%
Cash Equivalents	0.40%	0.0%
Total Weighted Average Real Return	4.43%	100.0%
Plus Inflation	2.50%	
Total Return w/o Adjustment	6.93%	
Risk Adjustment	-0.43%	
Total Expected Return	**6.50%**	

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

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

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. 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.

The prior rate was 6.05%.

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

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

Changes in Net OPEB Liability - OPEB Trust

Changes in Net OPEB Liability	FY 2020	FY 2019
Service Cost	$ 1,058,566	$ 1,022,769
Interest	6,968,299	6,701,504
Difference between expected and actual experience	4,806,071	-
Changes in assumptions	(11,044,874)	-
Benefit payments	(3,886,336)	(4,024,587)
Net change in total OPEB liability	$ (2,098,274)	$ 3,699,686
Total OPEB liability - beginning	116,034,571	112,334,885
Total OPEB liability - ending (a)	113,936,297	116,034,571
Plan fiduciary net position		
Contributions - employer	$ 9,927,193	$ 9,515,597
Net investment income	3,420,488	4,098,897
Benefit payments	(3,886,336)	(4,024,587)
Administrative expense	(540,857)	(43,156)
Net change in plan fiduciary net position	$ 8,920,488	$ 9,546,751
Plan fiduciary net position - beginning	80,103,410	70,556,659
Plan fiduciary net position - ending (b)	89,023,898	80,103,410
Net OPEB Liability - Beginning of Year	35,931,161	41,778,226
Net OPEB Liability - End of Year (a-b)	$ 24,912,399	$ 35,931,161
Plan fiduciary net position as a percentage of the total OPEB Liability	78.1%	69.0%
Covered employee payroll *	$120,354,861	$120,211,758
Net OPEB liability as a percentage of covered – employee payroll	20.7%	29.9%

* 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 6.50%, 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 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Total OPEB Liability	$ 127,793,432	$ 113,936,297	$ 102,391,581
Plan Net Position	89,023,898	89,023,898	89,023,898
Net OPEB Liability	$ 38,769,534	$ 24,912,399	$ 13,367,683
Ratio of Plan Net Position to Total OPEB Liability	69.7%	78.1%	86.9%

Notes to the Financial Statements

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

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 4.50/4.25% 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%/3.00%	Current Ultimate Trend Rate 4.25%/4.00%	1% Increase 5.25%/5.00%
Total OPEB Liability	$ 104,991,345	$ 113,936,297	$ 124,501,252
Plan Net Position	89,023,898	89,023,898	89,023,898
Net OPEB Liability	$ 15,967,447	$ 24,912,399	$ 35,477,354
Ratio of Plan Net Position to Total OPEB Liability	84.8%	78.1%	71.5%

OPEB Expense

County's OPEB Expense	FY 2020	FY 2019
Service Cost	$ 1,058,566	$ 1,022,769
Interest on Total OPEB Liability	6,968,299	6,701,504
Difference between expected and actual experience*	16,042	(784,970)
Changes in actuarial assumptions*	(1,840,812)	-
Projected Earnings on Plan investments	(5,321,103)	(4,376,980)
Difference between projected and actual earnings*	536,428	147,406
Administrative expense	540,857	43,156
Total OPEB Expense	**$ 1,958,277**	**$ 2,752,885**

* Portions recognized for expense

Deferred Inflow/Outflow Summary

As of June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Inflows of Resources	Deferred Outflows of Resources
Net difference between projected and actual earnings on plan investments	$ -	$ 1,897,619.00
Differences between expected and actual experience	2,354,912	4,005,059
Changes in actuarial assumptions	9,204,062	-
Total	**$ 11,558,974**	**$ 5,902,678**

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

Year ended June 30	Amount of Inflows	Amount of Outflows
2021	$ 2,625,782	$ 1,337,440
2022	2,625,782	1,337,441
2023	2,625,784	1,245,651
2024	1,840,812	1,181,135
2025	1,840,814	801,011
After 2025	-	-
Total Amount to be Recognized	**$ 11,558,974**	**$ 5,902,678**

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

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, 2019 valuation, the following employees were covered by the benefit terms:

Active plan members	2,082
Inactive plan members currently receiving benefit payments	26
Total Participants	**2,108**

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using update procedures to roll forward the total OPEB liability to the measurement date of June 30, 2020. The following actuarial assumptions, applied to all periods included in the measurement, were utilized unless otherwise specified:

Investment Return:	6.50%, 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 Pub2010S Headcount with Generational Mortality with SSA18 Scale (pre/post-retirement), Pub2010S DIS Headcount with Generational Mortality with SSA18 Scale (post-disablement).

Changes in Actuarial assumptions.

Disability, termination and retirement assumptions have been updated since the prior valuation to maintain consistency with the Virginia Retirement System. The Mortality rates were also updated.

In addition there was a change in the discount rate based on an updated depletion analysis.

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 2020 was $358,946. Actual contributions to the plan in fiscal year 2020 were also $358,946.

Expected Return

The long-term expected rate of return on OPEB plan investments is 6.50% and was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a downward risk adjustment is applied to the baseline expected return.

The County's OPEB trust assets are held in the Virginia VML/VACO Trust, and invested in Portfolio II. Benefits from LODA are assumed to be paid from Trust assets, for the purpose of this valuation.

Notes to the Financial Statements

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

Asset Class	Long-Term Expected Real Return – Portfolio	Weight
Domestic Equity	5.80%	48.0%
Non-US Equity	6.15%	13.0%
Fixed Income	1.65%	33.0%
Global Funds	5.50%	6.0%
Cash Equivalents	0.40%	0.0%
Total Weighted Average Real Return	4.43%	100.0%
Plus Inflation	2.50%	
Total Return w/o Adjustment	6.93%	
Risk Adjustment	-0.43%	
Total Expected Return	**6.50%**	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumes that benefits from LODA are to be paid from the OPEB Trust assets, for purposes of the valuation.

The prior rate was 6.05%.

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

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

Changes in Net OPEB Liability - LODA

Changes in Net LODA OPEB Liability	FY 2020	FY 2019	FY 2018
Total OPEB Liability			
Service Cost	$ 517,916	$ 500,402	$ 378,873
Interest	960,534	932,513	642,121
Difference between expected and actual experience	(2,405,830)	-	-
Changes in assumptions	1,590,326	-	-
End of Year Adjustment*	-	4,240,000	-
Benefit payments	(358,946)	(302,486)	(270,048)
Net Change in Total OPEB Liability	$ 304,000	$ 5,370,429	$ 750,946
Total LODA OPEB Liability - Beginning of Year	$ 16,489,112	$ 11,118,683	$ 10,367,737
Total LODA OPEB Liability - End of Year	$ 16,793,112	$ 16,489,112	$ 11,118,683
Plan Fiduciary Net Position			
Contributions - employer	358,946	302,486	270,048
Benefit payments	(358,946)	(302,486)	(270,048)
Net Change in Plan Fiduciary Net Position	$ -	$ -	$ -
Plan Fiduciary Net Position - Beginning or Year	-	-	-
Plan Fiduciary Net Position - End of Year	-	-	-
Net LODA OPEB Liability - Beginning of Year	$ 16,489,112	$ 11,118,683	$ 10,367,737
Net LODA OPEB Liability - End of Year	$ 16,793,112	$ 16,489,112	$ 11,118,683
Plan fiduciary net position as a percentage of the total LODA OPEB Liability	0.0%	0.0%	0.0%
Covered - employee payroll	$ 102,000,284	$ 93,032,102	$ 87,260,644
Net OPEB liability as a percentage of covered – employee payroll	16.5%	17.7%	12.7%

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

The following presents the Net LODA OPEB liability of the plans, calculated using the discount rate of 6.50%, as well as what each plan's Net LODA OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

Discount Rate	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Total LODA OPEB Liability	$ 18,669,148	$ 16,793,112	$ 15,190,329
Plan Net Position	-	-	-
Net LODA OPEB Liability	$ 18,669,148	$ 16,793,112	$ 15,190,329
Ratio of Plan Net Position to Total LODA OPEB Liability	0%	0%	0%

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

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

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

Ultimate Trend Rate	1% Decrease 3.25%/3.00%	Current Ultimate Trend Rate 4.25%/4.00%	1% Increase 5.25%/5.00%
Total OPEB Liability	$ 14,931,945	$ 16,793,112	$ 19,022,969
Plan Net Position	-	-	-
Net OPEB Liability	$ 14,931,945	$ 16,793,112	$ 19,022,969
Ratio of Plan Net Position to Total OPEB Liability	0%	0%	0%

LODA OPEB Expense

County's OPEB - LODA Expense	FY 2020	FY 2019
Service Cost	$ 517,916	$ 500,402
Interest on Total OPEB Liability	960,534	932,513
Difference between expected and actual experience*	(200,486)	0
Changes in actuarial assumptions*	132,527	0
Total OPEB Expense	**$ 1,410,491**	**$ 1,432,915**

Deferred Inflow/Outflow Summary

As of June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between projected and actual earnings on plan investments	$ -	$ -
Differences between expected and actual experience	-	1,457,799
Changes in actuarial assumptions	2,205,344	-
Total	**$ 2,205,344**	**$ 1,457,799**

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

Year ended June 30	Amount of Inflows	Amount of Outflows
2021	$ 200,486	$ 132,527
2022	200,486	132,527
2023	200,486	132,527
2024	200,486	132,527
2025	200,486	132,527
After 2025	1,202,914	795,164
Total Amount to be Recognized	**$ 2,205,344**	**$ 1,457,799**

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

C. VIRGINIA RETIREMENT SYSTEM GROUP LIFE INSURANCE PROGRAM

General Information about the Group Life Insurance Program

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

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

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

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

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS

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 $8,463 effective July 1, 2020.

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

Contributions: The contribution requirements for the VRS GLI program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia***,** as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the VRS GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% X 40%). Employers may elect to pay all or a part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 $1,347,674 and $1,187,955 for the years ended June 30, 2020 and June 30, 2019, 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

As of June 30, 2020, the County reported a liability of $18,963,509 for its proportionate share of the Net VRS GLI OPEB Liability. The Net VRS GLI OPEB Liability was measured as of June 30, 2019 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, 2018. The covered employer's proportion of the Net VRS GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 1.16536% as compared to 1.10524% at June 30, 2019.

For the year ended June 30, 2020, the participating employer recognized VRS GLI OPEB expenses of $657,120. 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, 2020, 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	$ 1,261,187	$ 245,974
Changes in actuarial assumptions	1,197,245	571,833
Net difference between projected and actual earnings on plan investments	-	389,525
Changes in proportionate share	1,090,494	-
Employer contributions subsequent to the measurement date	1,347,674	
Total	**$ 4,896,600**	**$ 1,207,332**

$1,347,674 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, 2020. 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
2021	$ 285,987
2022	286,002
2023	450,981
2024	597,098
2025	563,271
Thereafter	158,255
Total Amount to be Recognized	**$ 2,341,594**

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

Actuarial Assumptions

The total VRS GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, 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, 2019.

Inflation	2.5 percent
Salary increases, including inflation –	
General state employees	3.5 percent – 5.35 percent
Teachers	3.5 percent – 5.95 percent
SPORS employees	3.5 percent – 4.75 percent
VaLORS employees	3.5 percent – 4.75 percent
JRS employees	4.5 percent
Locality – General employees	3.5 percent – 5.35 percent
Locality – Hazardous Duty employees	3.5 percent – 4.75 percent
Investment rate of return	6.75 Percent, net of investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

Mortality rates – Largest Ten Locality Employers - General Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%
Discount Rate	Decrease rate from 7.00% to 6.75%

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, 2019, 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	$ 3,390,238
Plan Fiduciary Net Position	1,762,972
Employers' Net VRS GLI OPEB Liability (Asset)	$ 1,627,266
Plan Fiduciary Net Position as a Percentage of the Total VRS GLI OPEB Liability	52.00%

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%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi - Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
Inflation			2.50%
* Expected arithmetic nominal return			7.63%

• The above allocation provides a one-year return of 7.63%. 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 7.11%, including expected inflation of 2.50%. 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.

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

Discount Rate

The discount rate used to measure the total VRS GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made in accordance with the VRS funding policy and at rates equal to the determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the VRS GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined rates. From July 1, 2019 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VRS GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of 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 VRS GLI OPEB liability.

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	$ 24,912,802	$ 18,963,509	$ 14,138,799

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

C. 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	$ 24,912,399	$ 16,793,112	$ 18,963,509	$ 60,669,020
OPEB Expense	1,958,277	1,410,491	657,120	4,025,888
Deferred Outflows of Resources				
Net Difference Between Projected and Actual Earnings on Plan Investments	1,897,619	-	-	1,897,619
Differences Between Expected and Actual Experience	4,005,059	1,457,799	1,261,187	6,724,045
Employer Contributions After the Measurement Date	-	-	1,347,674	1,347,674
Changes in Proportion	-	-	1,090,494	1,090,494
Changes in Actuarial Assumptions	-	-	1,197,245	1,197,245
Total Deferred Outflows of Resources	5,902,678	1,457,799	4,896,600	12,257,077
Deferred Inflows of Resources				
Net Difference Between Projected and Actual Earnings on Plan Investments	-	-	389,525	389,525
Differences Between Expected and Actual Experience	2,354,912	-	245,974	2,600,886
Changes in Actuarial Assumptions	9,204,062	2,205,344	571,833	11,981,239
Total Deferred Inflows of Resources	$ 11,558,974	$ 2,205,344	$ 1,207,332	$ 14,971,650

NOTE XII - OPERATING LEASES

The County has various long-term non-cancelable operating lease agreements for property and equipment, which expire through fiscal year 2040. Total costs for such leases were $9,345,555 for fiscal year 2020. Property leases generally provide renewal options and increases based on the Consumer Price Index. The Component Unit-Schools has no operating lease agreements as of June 30, 2020. Non-cancelable operating leases include the following minimum annual rental payments as of June 30, 2020:

Fiscal Year		Primary Government
2021	$	7,826,485
2022		6,418,003
2023		5,823,688
2024		4,137,831
2025		3,493,106
2026-2030		9,371,402
2031-2035		3,822,771
2036-2040		1,453,220
Total	**$**	**42,346,506**

NOTE XIII - CAPITAL LEASES

Capital leases for property and equipment include the following minimum annual lease payments as of June 30, 2020.

	Primary Government				Component Unit-Schools			
Fiscal Year		Principal		Interest		Principal		Interest
2021	$	25,755,000	$	22,515,763	$	9,959,753	$	496,972
2022		31,950,000		21,756,608		7,566,399		317,471
2023		31,970,000		20,294,882		5,124,578		164,209
2024		31,610,000		18,837,074		2,568,153		46,820
2025		30,540,000		17,405,867		-		-
2026-2030		155,905,000		65,329,318		-		-
2031-2035		149,280,000		32,393,316		-		-
2036-2040		117,100,000		8,080,292		-		-
2041-2045		2,065,000		589,960		-		-
2046-2048		1,470,000		128,140		-		-
Capital Lease Obligations	**$**	**577,645,000**	**$**	**207,331,220**	**$**	**25,218,883**	**$**	**1,025,472**

Capital leases payable as of June 30, 2020 are composed of the following individual items:

Date Issued	Final Maturity	Interest Rate		Issued Amount		Balance at June 30,2020	Type of Project Financed
				Primary Government			
03/15/10	Feb 2030	3.43%		985,000		560,000	Public Safety Facilities
06/16/10	Oct 2030	3.84%		7,140,000		3,905,000	Landfill Facilities
06/28/11	May 2031	3.89%		36,240,000		23,425,000	Government Office Facilities
11/01/12	Dec 2023	1.68%		14,935,000		6,585,000	Public Safety Facilities
02/25/15	Dec 2034	2.79%		30,985,000		20,965,000	Government Facilities / Transportation Project
11/12/15	Dec 2035	2.76%		75,390,000		59,230,000	Government Facilities / Computer Systems / Transportation Projects
06/08/16	Dec 2035	2.02%		35,795,000		29,080,000	Government Facilities / Transportation Project
11/17/16	Dec 2036	2.62%		60,900,000		51,675,000	Government Facilities / Transportation Projects
08/09/18	Jun 2048	4.02%		97,350,000		91,660,000	Government Facilities / Soccer Facilities
06/20/19	Dec 2038	2.53%		24,765,000		23,265,000	Government Facilities / Soccer Facilities
06/18/20	Dec 2039	1.82%		267,295,000		267,295,000	Government Facilities / Vehicles / Computer Systems / Transportation Projects
Total Primary Government			**$**	**651,780,000**	**$**	**577,645,000**	
				Component Unit - Schools			
08/05/16	Aug 2020	1.16%	$	10,000,000	$	2,543,377	Capital Vehicles / Computers / Equipment
08/02/17	Aug 2021	1.51%		10,000,000		5,074,930	Capital Vehicles / Computers / Equipment
08/02/18	Aug 2022	2.71%		10,000,000		7,600,576	Capital Vehicles / Computers / Equipment
08/06/19	Aug 2023	1.82%		10,000,000		10,000,000	Capital Vehicles / Computers / Equipment
Total Component Unit-Schools			**$**	**40,000,000**	**$**	**25,218,883**	

Notes to the Financial Statements

NOTE XIII - CAPITAL LEASES (Continued)

Assets acquired under capital leases by major asset class for the Primary Government at June 30, 2020, are as follows:

Major Asset Class	Primary Government Issued Amount	Balance at June 30, 2020
Buildings	$ 321,681,828	$ 266,467,024
Transportation	306,211,360	289,056,460
Computer Equipment	17,646,812	15,881,516
Vehicles	6,240,000	6,240,000
Total Primary Government	**$ 651,780,000**	**$ 577,645,000**

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, 2020:

	Balance at June 30, 2019	Additions	Reductions	Balance at June 30, 2020	Amounts Due Within One Year
	Primary Government				
Compensated Absences	$ 31,932,598	$ 2,512,684	$ 1,350,906	$ 33,094,376	$ 1,404,856
Claims Payable	12,376,931	58,706,224	57,698,101	13,385,054	9,646,678
Landfill Closure and Postclosure Care	24,081,987	984,704	-	25,066,691	-
Net OPEB Liability	69,206,273	22,865,360	31,402,613	60,669,020	-
Net Pension Liability	59,868,574	112,310,027	80,790,442	91,388,159	-
LOSAP Total Pension Liability	40,156,132	3,381,405	1,064,155	42,473,382	-
General Obligation Bonds	1,083,260,000	199,995,000	160,510,000	1,122,745,000	111,870,000
Unamortized Bond Premium	78,851,509	29,845,921	11,656,289	97,041,141	14,217,301
Pledge-Bond Anticipation Notes	56,645,000	-	56,645,000	-	-
Unamortized Pledge-BANS Discount	(163,287)	-	(163,287)	-	-
Federal Loans	203,699,245	-	203,699,245	-	-
Capital Leases	334,110,000	267,295,000	23,760,000	577,645,000	25,755,000
Unamortized Lease Premium	22,851,680	45,952,941	3,086,417	65,718,204	7,277,930
Total Primary Government	**$ 2,016,876,642**	**$ 743,849,266**	**$ 631,499,881**	**$ 2,129,226,027**	**$ 170,171,765**
	Component Unit - Schools				
Compensated Absences	$ 37,932,185	$ 11,961,831	$ 5,655,443	$ 44,238,573	$ 2,717,630
Claims Payable	17,073,598	185,101,993	184,895,203	17,280,388	16,866,808
Net OPEB Liability	261,133,876	219,888,980	77,285,640	403,737,216	-
Net Pension Liability	846,464,000	427,571,886	280,455,846	993,580,040	-
Capital Leases	25,162,921	10,000,000	9,944,038	25,218,883	9,959,753
Loans	-	119,935	-	119,935	-
Total Component Unit-Schools	**$ 1,187,766,580**	**$ 854,644,625**	**$ 558,236,170**	**$ 1,484,175,035**	**$ 29,544,191**

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.

The County's outstanding lease revenue bonds 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.

NOTE XIV – LONG TERM OBLIGATIONS (Continued)

Bonds and loans payable as of June 30, 2020 are as follows:

General Obligation Bonds:	Balance at June 30, 2020
$3,020,000 School Construction Bonds, Series 2000A, due in annual installments of $150,000 to $155,000 through 2021, interest from 5.10% to 6.35%. The proceeds of these bonds were used to finance the design, construction, and equipping of a gymnasium and addition to an existing elementary school in the County.	$ 150,000
$12,060,000 School Construction Bonds, Series 2001A, due in annual installments of $600,000 to $605,000 through 2021, interest from 4.10% to 5.60%. The proceeds of these bonds were used to finance the design, construction, and equipping of an elementary school in the County.	1,200,000
$66,525,000 School Construction Bonds, Series 2004B, due in annual installments of $3,325,000 to $3,330,000 through 2024, interest from 4.10% to 5.60%. The proceeds of these bonds were used to finance the design, construction, and equipping of public schools and a school administration building in the County.	16,625,000
$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.	5,320,000
$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.	1,920,000
$12,290,000 School Construction Bonds, Series 2008A, due in annual installments of $615,000 through 2028, interest from 4.10% to 5.10%. The proceeds of these bonds will be used to finance the design, construction, and equipping of an elementary school and a middle school in the County.	5,525,000
$89,120,000 Refunding Bonds, Series 2010A, due in annual installments of $95,000 to $20,075,000 through 2026, interest from 3.00% to 5.00%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 1998, 2001, 2004, 2005, 2006, and 2007.	70,675,000
$70,630,000 Public Improvement Bonds, Series 2010B, due in annual installments of $3,310,000 to $3,945,000 through 2029, interest from 3.00% to 5.25%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools and fire/sheriff stations in the County.	3,310,000
$53,510,000 Public Improvement Bonds, Series 2011A, due in annual installments of $2,395,000 to $3,195,000 through 2030, interest from 2.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools, fire/rescue stations, and park and recreation facilities in the County.	20,155,000
$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.	2,915,000
$64,500,000 Public Improvement Bonds, Series 2012A, due in annual installments of $2,760,000 to $4,085,000 through 2031, interest from 2.625% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools and the construction and equipping of fire/rescue stations in the County.	33,160,000
$99,725,000 Public Improvement and Refunding Bonds, Series 2013A, due in annual installments of $2,540,000 to $13,135,000 through 2032, interest from 4.0% to 5.0%. The proceeds of these bonds will be used to finance the acquisition, construction, renovating and equipping of public schools, fire/rescue apparatus, and improvements to public facilities and for advance refunding of outstanding bonds originally issued in 2005 and 2006.	77,255,000
$67,985,000 Refunding Bonds, Series 2013B, due in annual installments of $1,790,000 to $21,580,000 through 2021, interest from 0.18% to 2.51%. The proceeds of these bonds were used for the advance refunding of outstanding bonds originally issued in 2005.	8,280,000
$45,200,000 Public Improvement Bonds, Series 2013C, due in annual installments of $2,260,000 through 2033, interest from 3.00% to 5.00%. The proceeds of these bonds will be used to finance the acquisition, construction, renovation and equipping of public schools.	31,640,000
$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.	47,600,000
$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.	28,770,000
$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.	8,170,000
$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.	48,685,000
$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.	127,325,000
$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.	92,410,000
$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.	131,535,000
$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	160,125,000

Notes to the Financial Statements

NOTE XIV – LONG TERM OBLIGATIONS (Continued)

General Obligation Bonds:	Balance at June 30, 2020
$199,995,000 Public Improvement and Refunding Bonds, Series 2020A, due in annual installments of $7,475,000 to $28,600,000 through 2039, interest from 2.00% to 5.00%. The proceeds of these bonds will be used to finance the design, construction, renovation and equipping of public schools and public school facilities; fire station and other public safety facilities and apparatus; animal shelter facility; transportation projects in the County and to refund a portion of the County's General Obligation Public Improvement Bonds, Series 2009B and 2010B BABs.	199,995,000
Total General Obligation Bonds	**$ 1,122,745,000**

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	
Year Ending June 30	Principal	Interest
2021	$ 111,870,000	$ 44,042,840
2022	102,380,000	39,323,097
2023	90,200,000	34,594,757
2024	92,420,000	30,102,176
2025	87,570,000	25,811,090
2026-2030	315,085,000	81,467,508
2031-2035	220,275,000	31,038,758
2036-2040	102,945,000	5,194,622
Total General Obligation Bonds	**$ 1,122,745,000**	**$ 291,574,848**

Refunding:

The County defeases certain general obligations and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2020, $ 390,765,000 of bonds outstanding are considered defeased.

This amount includes $50,415,000 of General Obligation Bonds advance refunded on June 17, 2020 and $56,645,000 of Bond Anticipation Notes advance refunded on June 18, 2020.

In 2020, the County issued $269,875,000 in general obligation public improvement and lease revenue refunding bonds with interest rates ranging from 2.0% to 5.0%. The proceeds were used to refund $203,699,245 of outstanding federal loans and to advance refund $107,060,000 of outstanding General Obligation Refunding Bonds Series 2009B; General Obligation Public Improvement Series 2010B-2 Build America Bonds; and Series 2018 Bond Anticipation Notes which had interest rates ranging from 2.00% to 5.25%. Net proceeds for the advance refundings of $108,175,428 (including $14,439,369 premium and after payment of $388,942 in underwriting and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for future debt service payment on the advance refunded bonds. As a result, the outstanding Series 2009B, Series 2010B-2 Build America Bonds and 2018 Bond Anticipation Note are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price of the advance refunded bonds exceeded the net carrying amount of the old debt by $777,784. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The County refunded the federal loan, Series 2009B, Series 2010B-2 Build America Bonds and 2018 Bond Anticipation Note to reduce its total debt service payments by $43,486,644 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $32,772,892.

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 $25,066,691 liability for landfill closure and post-closure care cost at June 30, 2020 represents the estimated liability based on the usage of 85.8% 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 $3,963,017 as the remaining estimated constructed capacity is used. The estimated remaining life of the constructed Loudoun County Landfill Disposal Unit is 3.2 years. The liability accrued as of June 30, 2020 is based on what it would cost to perform all closure and post-closure care in 2020. 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 available to all employees and permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

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

NOTE XVIII - RETIREMENT PLANS

A. DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Description of the Entity

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

Administration and Management

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

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

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

Pensions

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

NOTE XVIII - RETIREMENT PLANS (Continued)

General Information about the Pension Plan

Plan Description

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

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

RETIREMENT PLAN PROVISIONS		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
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. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See "Eligible Members") • The defined benefit is based on a member's age, creditable service 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. **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 pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	**Retirement Contributions** Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016.	**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.
Creditable Service 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.	**Creditable Service** Same as VRS Plan 1.	**Creditable Service** **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 VRS 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 calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	**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 1.7%. **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 1.7% 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.	**Earliest Reduced Retirement Eligibility** VRS: Age 60 with at least five years (60 months) of creditable service.	**Earliest Unreduced Retirement Eligibility** Defined Benefit Component: VRS: Age Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.
Political subdivisions hazardous duty employees: 50 with at least five years of creditable service.	**Political subdivisions hazardous duty employees:** Same as Plan 1.	**Political subdivisions hazardous duty employees:** Not applicable. **<u>Defined Contribution Component:</u>** 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** **<u>Defined Benefit Component:</u>** Same as Plan 2. **<u>Defined Contribution Component:</u>** Not applicable.
<u>Eligibility:</u> 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.	**<u>Eligibility:</u>** Same as Plan 1.	**<u>Eligibility:</u>** Same as Plan 1 and Plan 2.
<u>Exceptions to COLA Effective Dates:</u> 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.	**<u>Exceptions to COLA Effective Dates:</u>** Same as Plan 1.	**<u>Exceptions to COLA Effective Dates:</u>** 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, 2018 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	1,187
Inactive Members:	
Vested	531
Non-Vested	973
Active Elsewhere in VRS	507
Total Inactive Members	2,011
Active Members	3,259
Total	**6,457**

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, 2020 was 10.24% of covered employee compensation. This rate was based on a rate determined from an actuarial valuation as of June 30, 2018.

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 $24,983,649 and $23,340,603 for the years ended June 30, 2020 and June 30, 2019, respectively.

Net Pension Liability

The County's net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018 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, 2019.

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, 2018, 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, 2019.

NOTE XVIII - RETIREMENT PLANS (Continued)

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level percent closed
Remaining Amortization Period	26, 20, 19, 18, and 17 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%

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement, healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

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:

Notes to the Financial Statements

NOTE XVIII - RETIREMENT PLANS (Continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
Inflation			2.50%
* Expected arithmetic nominal return			7.63%

* The above allocation provides a one-year return of 7.63%. 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 7.11%, including expected inflation of 2.50%. 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.

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, 2019, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2019 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, 2018	**$ 761,240,058**	**$ 701,371,484**	**$ 59,868,574**
Changes for the year:			
Service Cost	26,173,780	-	26,173,780
Interest	52,327,222	-	52,327,222
Changes of assumptions	26,646,550		26,646,550
Difference between expected and actual experience	6,683,672	-	6,683,672
Contributions – employer	-	22,340,603	(22,340,603)
Contributions – employee	-	11,019,669	(11,019,669)
Net investment income	-	47,430,170	(47,430,170)
Benefit payments, including refunds of employee contributions	(27,416,623)	(27,416,623)	-
Administrative expense	-	(448,703)	448,703
Other changes	-	(30,100)	30,100
Net changes	84,414,601	52,895,016	31,519,585
Balances at June 30, 2019	**$ 845,654,659**	**$ 754,266,500**	**$ 91,388,159**

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)	**$ 211,165,662**	**$ 91,388,159**	**$ (3,753,215)**

NOTE XVIII - RETIREMENT PLANS (Continued)

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

For the year ended June 30, 2020, the County recognized pension expense of $26,327,540. At June 30, 2020, 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	$ 5,726,612	$ 2,540,962
Changes of assumptions	21,152,416	290,085
Net difference between projected and actual earnings on plan investments	-	6,366,770
Employer contributions subsequent to the Measurement Date	24,617,636	-
Total	**$ 51,496,664**	**$ 9,197,817**

$24,983,649 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, 2021. 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
2021	$ 5,465,018
2022	(411,957)
2023	6,415,352
2024	6,212,798
2025	-
Thereafter	-
Total	**$ 17,681,211**

B. VOLUNTEER FIRE AND RESCUE RETIREMENT SYSTEM

Plan Description

The Primary Government is the administrator of a revocable, noncontributory, single employer, defined benefit Length of Service Retirement Plan (the Plan). The Plan covers voluntary fire and rescue service members, who are not Primary Government employees, but who serve voluntarily with one of the Primary Government's volunteer fire and rescue companies.

The Plan provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of credited service. Members who retire at or after age 55 with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to $12 per month for each year of credited service earned after November 1, 2003 with a maximum benefit of $300 per month, $10 per month for each year of credited service earned prior to November 1, 2003, with a maximum benefit of $250 per month.

At June 30, 2020, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	385
Inactive participants entitled to but not yet receiving benefit payments	796
Active participants	1,061
Total	**2,242**

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, 2020 measurement date was determined using an actuarial valuation as of that date.

NOTE XVIII - RETIREMENT PLANS (Continued)

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

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

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

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2020 was 2.66%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2020. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Liability

Balance as of 06/30/2019	$	40,156,132
Service Cost		1,252,649
Interest		1,144,440
Changes of assumptions or other inputs		984,316
Differences between expected and actual experience		(285,320)
Benefit Payments		(778,835)
Net Changes		2,317,250
Balance as of 06/30/2020	**$**	**42,473,382**

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, 2020, calculated using the discount rate of 2.66 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.66 percent) or 1-percentage point higher (3.66 percent) than the current rate:

	1% Decrease 1.66%	Current Discount Rate 2.66%	1% Increase 3.66%
Total Pension liability	**$ 51,318,453**	**$ 42,473,382**	**$ 35,691,861**

Pension Expense and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the County recognized pension expense of $3,044,940.

Components of Pension Expense		Amount
Service Cost	$	1,252,649
Interest on total pension liability		1,144,440
Changes of assumptions or other inputs		797,572
Differences between expected and actual experience		(197,822)
Pension plan administrative expenses		48,101
Total pension expense	**$**	**3,044,940**

NOTE XVIII - RETIREMENT PLANS (Continued)

At June 30, 2020, 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	$ -	$ 317,461
Changes of assumptions or other inputs	1,281,401	-
Total	**$ 1,281,401**	**$ 317,461**

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

Year ended June 30:	Amount
2021	$ 509,484
2022	354,599
2023	99,857
2024	-
2025	-
Thereafter	-
Total	**$ 963,940**

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)	$ 91,388,159	$ 42,473,382	$ 133,861,541
Pension Expense	26,327,540	3,044,940	29,372,480
Deferred Outflows of Resources			
Differences Between Expected and Actual Experience	5,726,612	-	5,726,612
Employer Contributions After the Measurement Date	24,617,636	-	24,617,636
Changes in Actuarial Assumptions	21,152,416	1,281,401	22,433,817
Total Deferred Outflows of Resources	51,496,664	1,281,401	52,778,065
Deferred Inflows of Resources			
Net Difference Between Projected and Actual Earnings on Plan Investments	6,366,770	-	6,366,770
Differences Between Expected and Actual Experience	2,540,962	317,461	2,858,423
Changes in Actuarial Assumptions	290,085	-	290,085
Total Deferred Inflows of Resources	$ 9,197,817	$ 317,461	$ 9,515,278

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 $28,940,307 and unspent donations in the amount of $62,996. Unearned revenues of the component unit consist of advanced meal payments in the amount of $1,849,336, and grant funding received before eligibility requirements were met in the amount of $1,271,342.

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, 2020 consist of:

Governmental Funds	Amount
Unavailable Taxes – taxes not paid within sixty days of June 30, 2020	$ 28,743,728
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	706,147,078
Prepaid Taxes – taxes due subsequent to June 30, 2020, but paid in advance by taxpayers	37,677,824
Rent Payments - rent payments for which the County has a legal claim, but were deferred by Board action until 2021	310,616
Total	**$ 772,879,246**

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 $25.5 million at June 30, 2020.

Notes to the Financial Statements

NOTE XX - FUND BALANCE CLASSIFICATION

Specific purpose details for fund balance classifications displayed in the aggregate for governmental funds as of June 30, 2020 are as follows:

	General	Capital Projects	Debt Service	Non-Major	Total Governmental Funds
Nonspendable:					
Notes and Loans	$ 619,514	$ -	$ -	$ -	$ 619,514
Prepaid Items	332,461	-	-	-	332,461
Subtotal Nonspendable	$ 951,975	$ -	$ -	$ -	$ 951,975
Restricted for:					
Animal Shelter	$ -	$ -	$ -	$ 1,663,587	$ 1,663,587
Audio Visual Equipment	-	5,511,449	-	-	5,511,449
Computer Systems Replacements and Upgrades	-	2,777,743	-	-	2,777,743
County and School Land Acquisition	-	11,872,562	-	-	11,872,562
Courts Complex Improvements	-	19,989,559	-	-	19,989,559
General Government Facilities	-	4,129,875	-	-	4,129,875
Group Home Improvements	-	1,989,719	-	-	1,989,719
Health & Welfare Programs	-	-	-	5,858,536	5,858,536
Housing Assistance Programs	-	-	-	26,288,775	26,288,775
Juvenile Detention Center Addition	-	11,491,571	-	-	11,491,571
Landfill and Wastewater Infrastructure	-	7,120,948	-	14,462	7,135,410
Law Library	-	-	-	23,550	23,550
Library Improvements, Materials, and Equipment	-	11,342,763	-	4,655,690	15,998,453
Mass Transit & Parking Garages	-	13,342,744	-	34,873,118	48,215,862
Parks, Community Centers & Recreation Centers	-	114,481,115	-	3,862,640	118,343,755
Public Safety CAD & E911 Systems	-	2,350,100	-	-	2,350,100
Public Safety Facilities	-	35,427,012	-	34,073	35,461,085
Road & Sidewalk Improvements & Construction	-	121,183,514	-	75,820,532	197,004,046
Tourism	-	-	-	674,490	674,490
Youth Shelter Renovation	-	120,877	-	-	120,877
Subtotal Restricted	$ -	$ 363,131,551	$ -	$ 153,769,453	$ 516,901,004
Committed to:					
Fiscal Reserve	$ 220,710,185	$ -	$ -	$ 286,506	$ 220,996,691
Adult Detention Center	-	260,000	-	-	260,000
Audio Visual Equipment	-	199,446	-	-	199,446
Commercial & Rural Economic Development	1,252,630	1,520,268	-	-	2,772,898
Computer Systems Replacements and Upgrades	3,187,547	4,812,488	-	980,411	8,980,446
County and School Land Acquisition	-	13,666,535	-	-	13,666,535
Courts Complex Improvements	105,145	1,392,520	-	101,110	1,598,775
CSA At Risk Youth and Families	-	-	-	4,576,571	4,576,571
Emergency Medical Transport Program	-	-	-	7,314,701	7,314,701
Fire & Rescue Revolving Loans	4,251,479	-	-	-	4,251,479
General Government Facilities	3,443,242	8,030,352	-	1,737,630	13,211,224
Group Home Improvements	1,517,294	741,887	-	-	2,259,181
Landfill and Wastewater Infrastructure	-	26,644,051	-	346,916	26,990,967
Major Equipment Replacement	-	-	-	6,855,719	6,855,719
Mass Transit & Parking Garages	-	9,793,711	-	824,962	10,618,673
Parks, Community Centers & Recreation Centers	1,484,298	27,596,953	-	469,745	29,550,996
Public Safety Equipment	-	6,762,213	-	-	6,762,213
Public Safety Facilities	1,670,321	8,792,823	-	-	10,463,144
Public Safety Firing Range	-	608,680	-	-	608,680
Road & Sidewalk Improvements & Construction	-	86,265,906	-	813,713	87,079,619
Volunteer Fire & Rescue LOSAP Pension Benefits	23,916,392	-	-	-	23,916,392
Youth Shelter Renovation	-	13,561	-	-	13,561
Subtotal Committed	$ 261,538,533	$ 197,101,394	$ -	$ 24,307,984	$ 482,947,911
Assigned to:					
Budgeted Use of Fund Balance	$ 44,531,534	$ -	$ 10,200,000	$ 768,424	$ 55,499,958
Community Development and Transit Projects	240,029	-	-	-	240,029
Computer Systems Replacements and Upgrades	437,927	799,619	-	-	1,237,546
Construction of Courthouse Memorials	112,895	-	-	1,270,399	1,383,294
County Facilities Repairs and Improvements	50,000	-	-	-	50,000
Courts Complex Improvements	5,430	-	-	-	5,430
Debt Service	-	-	21,094,060	-	21,094,060
Future Capital Projects	-	33,191,835	-	-	33,191,835
Health and Welfare Programs	363,075	-	-	-	363,075
Housing Assistance Programs	-	-	-	16,085,000	16,085,000
Parks, Recreation and Cultural	402,600	-	-	-	402,600
Public Safety Facilities/Firing Range/CAD System	290,155	-	-	-	290,155
Road & Sidewalk Improvements & Construction	-	3,020,242	-	-	3,020,242
Subtotal Assigned	$ 46,433,645	$ 37,011,696	$ 31,294,060	$ 18,123,823	$ 132,863,224
Unassigned:					
Unassigned	$ 56,835,726	$ -	$ -	$ -	$ 56,835,726
Subtotal Unassigned	$ 56,835,726	$ -	$ -	$ -	$ 56,835,726
Total Fund Balance	$ 365,759,879	$ 597,244,641	$ 31,294,060	$ 196,201,260	$ 1,190,499,840

NOTE XX - FUND BALANCE CLASSIFICATION (Continued)

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

NOTE XXI – JOINTLY GOVERNED ORGANIZATION

The County, in conjunction with the Commonwealth of Virginia Transportation Board (the "Transportation Board") and the County of Fairfax, Virginia (Fairfax County), has created the State Route 28 Highway Transportation Improvement District (the "District"). The District was created by resolutions of the Boards of Supervisors of Loudoun and Fairfax Counties. The District is governed by a commission of nine members 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 $175,070,000 transportation contract revenue bonds for the purpose of financing a portion of the costs of certain grade-separated interchanges on State Route 28 in Loudoun and Fairfax Counties. As of June 30, 2020, the outstanding principal balance on the bonds is $154,825,000. 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 – COVID AND SUBSEQUENT EVENTS

The County has assumed that several revenue categories will be negatively impacted by the pandemic and is taking reasonable measures to reduce expenditures such as establishing an expenditure reserve. The County has received significant stimulus funding and grants to manage the impact of the pandemic and staff is working to maximize the usage of these resources. Revenues and expenditures are currently trending in line with budget expectations. As there is still a significant level of uncertainty associated with the pandemic, the County continues to actively monitor developments and will take steps to respond according to the situation.

On August 17, 2020, the Primary Government received a second allocation of Coronavirus Relief Funds under the CARES Act in the amount of $36,079,596 from the Commonwealth of Virginia.

On September 15, 2020, the Board of Supervisors authorized the issuance and sale of General Obligation Refunding Bonds in an amount not to exceed $88,700,000 to refund the County's outstanding General Obligation Refunding Bonds, Series 2010A and General Obligation Public Improvement Bonds, Series 2011A. The bond sale occurred on October 14, 2020 for $75,170,000 and closed on October 28, 2020.

On September 15, 2020, the Board of Supervisors authorized the issuance of Solid Waste System Refunding Bonds and the sale thereof to the Virginia Resources Authority in an amount not to exceed $3,750,000 to refund the County's outstanding Solid Waste System Revenue Bonds, Series 2010. The bond sale occurred on October 27, 2020 for $2,985,000 and closed on November 18, 2020.

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Required Supplementary Information

Log Home in Rural Western Loudoun County

Exhibit XIII

COUNTY OF LOUDOUN, VIRGINIA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amount	(Negative)
Resources (Inflows)				
General Property Taxes	$ 1,381,142,800	$ 1,381,142,800	$ 1,414,605,678	$ 33,462,878
Other Local Taxes	165,135,250	165,135,250	173,145,186	8,009,936
Permits and Licenses	23,794,484	23,886,334	21,733,966	(2,152,368)
Fines and Forfeitures	1,982,701	1,982,701	1,541,034	(441,667)
Use of Money and Property	13,176,167	13,237,444	21,480,879	8,243,435
Charges for Services	44,409,268	48,664,173	34,131,804	(14,532,369)
Gifts and Donations	38,600	211,616	62,211	(149,405)
Miscellaneous	1,542,148	2,953,575	206,995	(2,746,580)
Sales of Capital Assets	-	119,095	115,087	(4,008)
Recovered Costs	9,892,184	10,508,275	10,137,940	(370,335)
Payment from Component Unit	-	11,537,377	11,537,377	-
Intergovernmental - Commonwealth	88,033,189	94,964,143	90,631,702	(4,332,441)
Intergovernmental - Federal	9,139,790	31,732,592	28,720,249	(3,012,343)
Transfers from Other Funds	974,487	1,495,544	1,442,362	(53,182)
Amounts Available for Appropriation	1,739,261,068	1,787,570,919	1,809,492,470	21,921,551
Charges to Appropriations (Outflows)				
General Government Administration	108,788,394	117,605,830	113,693,723	3,912,107
Judicial Administration	17,720,834	18,462,377	17,069,046	1,393,331
Public Safety	214,801,627	229,525,240	211,748,919	17,776,321
Public Works	21,725,442	25,538,789	21,306,191	4,232,598
Health and Welfare	94,965,230	104,869,305	89,477,617	15,391,688
Parks, Recreation and Culture	72,263,366	75,819,754	67,839,313	7,980,441
Community Development	66,153,410	71,449,699	62,565,985	8,883,714
Education	903,341,751	903,341,751	903,341,751	-
Transfers to Other Funds	279,094,241	334,871,071	333,174,738	1,696,333
Total Charges to Appropriations	1,778,854,295	1,881,483,816	1,820,217,283	61,266,533
Excess (Deficiency) of Resources Over (Under) Charges to Appropriations	(39,593,227)	(93,912,897)	(10,724,813)	83,188,084
Fund Balance at Beginning of Year	376,484,692	376,484,692	376,484,692	-
Fund Balance at End of Year	$ 336,891,465	$ 282,571,795	$ 365,759,879	$ 83,188,084

Exhibit XIV

COUNTY OF LOUDOUN, VIRGINIA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2020

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.

Exhibit XV

COUNTY OF LOUDOUN, VIRGINIA
VIRGINIA RETIREMENT SYSTEM
POLITICAL SUBDIVISION RETIREMENT PLANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

PRIMARY GOVERNMENT	Measurement Date					
	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	$ 26,173,780	$ 25,390,358	$ 24,259,267	$ 23,039,213	$ 22,353,385	$ 21,840,726
Interest	52,327,222	49,049,879	45,282,666	42,083,862	39,237,646	36,294,239
Changes of benefit terms	-	-	12,538,091	-	-	-
Differences between expected and actual experience	6,683,672	(1,396,269)	(716,682)	1,706,561	(2,390,226)	-
Changes in assumptions	26,646,550	-	(3,887,588)	-	-	-
Benefit Payments, including refunds of employee contributions	(27,416,623)	(25,032,947)	(22,283,878)	(19,980,996)	(17,100,175)	(15,072,398)
Net change in total pension liability	84,414,601	48,011,021	55,191,876	46,848,640	42,100,630	43,062,567
Total pension liability - beginning	761,240,058	713,229,037	658,037,161	611,188,521	569,087,891	526,025,324
Total pension liability - ending (a)	$845,654,659	$761,240,058	$713,229,037	$658,037,161	$611,188,521	$569,087,891
Plan fiduciary net position						
Contributions - employer	$ 22,340,603	$ 19,862,827	$ 19,049,642	$ 19,384,057	$ 18,748,497	$ 19,154,774
Contributions - employee	11,019,669	10,343,693	9,976,492	9,723,295	9,261,311	9,032,627
Net investment income	47,430,170	48,177,012	70,422,242	10,058,783	24,118,127	69,969,273
Benefit Payments, including refunds of employee contributions	(27,416,623)	(25,032,947)	(22,283,878)	(19,980,996)	(17,100,175)	(15,072,398)
Administrative expense	(448,703)	(402,848)	(391,704)	(334,384)	(314,292)	(361,756)
Other	(30,100)	(43,529)	(63,372)	(4,173)	(5,153)	3,687
Net change in total pension liability	52,895,016	52,904,208	76,709,422	18,846,582	34,708,315	82,726,207
Plan fiduciary net position - beginning	701,371,484	648,467,276	571,757,854	552,911,272	518,202,957	435,476,750
Plan fiduciary net position - ending (b)	754,266,500	701,371,484	648,467,276	571,757,854	552,911,272	518,202,957
Net pension liability - ending (a) - (b)	$ 91,388,159	$ 59,868,574	$ 64,761,761	$ 86,279,307	$ 58,277,249	$ 50,884,934
Plan fiduciary net position as a percentage of the total Pension liability	89.19%	92.14%	90.92%	86.89%	90.46%	91.06%
Covered payroll	$228,040,805	$209,447,996	$195,740,717	$187,826,635	$180,313,939	$178,707,569
Net pension liability as a percentage of covered payroll	40.08%	28.58%	33.09%	45.94%	32.32%	28.47%

COMPONENT UNIT - NON-PROFESSIONAL PLAN	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	$ 5,330,056	$ 5,032,000	$ 5,209,000	$ 5,258,000	$ 5,228,000	$ 5,409,000
Interest	10,573,312	9,946,000	9,459,000	8,778,000	8,227,000	7,606,000
Differences between expected and actual experience	5,812,334	29,000	(37,000)	905,000	(902,000)	-
Changes in assumptions	5,348,446	-	(2,080,000)	-	-	-
Benefit Payments, including refunds of employee contributions	(6,392,665)	(5,692,000)	(5,490,000)	(4,947,000)	(4,410,000)	(3,882,000)
Net change in total pension liability	20,671,483	9,315,000	7,061,000	9,994,000	8,143,000	9,133,000
Total pension liability - beginning	154,243,642	144,929,000	137,868,000	127,874,000	119,731,000	110,598,000
Total pension liability - ending (a)	$174,915,125	$154,244,000	$144,929,000	$137,868,000	$127,874,000	$119,731,000
Plan fiduciary net position						
Contributions - employer	$ 3,387,225	$ 3,287,000	$ 3,079,000	$ 3,731,000	$ 3,637,000	$ 3,657,000
Contributions - employee	3,010,797	2,796,000	2,624,000	2,587,000	2,527,000	2,521,000
Net investment income	10,117,648	10,355,000	15,251,000	2,186,000	5,276,000	15,392,000
Benefit Payments, including refunds of employee contributions	(6,392,665)	(5,692,000)	(5,490,000)	(4,947,000)	(4,410,000)	(3,882,000)
Administrative expense	(96,958)	(87,000)	(86,000)	(73,000)	(69,000)	(80,000)
Other	(6,411)	(9,000)	(13,000)	(1,000)	(2,000)	-
Net change in total pension liability	10,019,636	10,650,000	15,365,000	3,483,000	6,959,000	17,608,000
Plan fiduciary net position - beginning	150,620,971	139,971,000	124,606,000	121,123,000	114,164,000	96,556,000
Plan fiduciary net position - ending (b)	160,640,607	150,621,000	139,971,000	124,606,000	121,123,000	114,164,000
Net pension liability - ending (a) - (b)	$ 14,274,518	$ 3,623,000	$ 4,958,000	$ 13,262,000	$ 6,751,000	$ 5,567,000
Plan fiduciary net position as a percentage of the total Pension liability	91.84%	97.65%	96.58%	90.38%	94.72%	95.35%
Covered payroll	$ 63,808,087	$ 57,768,804	$ 53,665,362	$ 53,004,200	$ 50,973,799	$ 50,095,243
Net pension liability as a percentage of covered payroll	22.37%	6.27%	9.24%	25.02%	13.24%	11.11%

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

Loudoun County Public Schools issues a publicly available Comprehensive Annual Financial Report. A copy of that report may be obtained from the Schools website, http://www.lcps.org.

Required Supplementary Information

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
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 Comprehensive Annual 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
2020	$ 26,467,700	$ 26,467,700	$ -	$ 258,473,630	10.24%
2019	23,351,378	23,351,378	-	228,040,805	9.85%
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
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
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.

Loudoun County Public Schools issues a publicly available Comprehensive Annual Financial Report. A copy of that report may be obtained from the Schools website, http://www.lcps.org.

Required Supplementary Information

Notes to Required Supplementary Information
For the Year Ended June 30, 2020

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this is a fairly new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2018 are not material.

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

Largest 10 - Non-Hazardous Duty:

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

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

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

Exhibit XVIII

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

	Measurement Date			
	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total Pension Liability				
Service cost	$ 1,252,649	$ 1,084,813	$ 1,051,821	$ 1,208,588
Interest	1,144,440	1,140,496	1,127,572	1,015,308
Changes of assumptions or other inputs	984,316	1,349,408	1,002,748	(2,871,043)
Differences between expected and actual experience	(285,320)	(265,208)	(310,716)	(59,844)
Benefit Payments	(778,835)	(680,498)	(634,310)	(519,334)
Net change in total pension liability	2,317,250	2,629,011	2,237,115	(1,226,325)
Total pension liability - beginning	40,156,132	37,527,121	35,290,006	36,516,331
Total pension liability - ending	$ 42,473,382	$ 40,156,132	$ 37,527,121	$ 35,290,006
Covered Payroll	NA	NA	NA	NA
Total pension liability as a percentage of covered employee payroll	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 paragraph 4 of GASB Statement No. 73 to pay related benefits.

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

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

June 30, 2020: 2.66%
June 30, 2019: 2.79%

Required Supplementary Information

Exhibit XIX

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

Primary Government OPEB Trust

	Measurement Date			
	6/30/2020	**6/30/2019**	**6/30/2018**	**6/30/2017**
Total OPEB Liability				
Service Cost	$ 1,058,566	$ 1,022,769	$ 988,183	$ 1,369,218
Interest	6,968,299	6,701,504	6,820,752	6,644,009
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	4,806,071	-	(4,709,822)	-
Changes in assumptions	(11,044,874)	-	-	-
Benefit payments	(3,886,336)	(4,024,587)	(5,073,709)	(4,243,376)
Net Change in Total OPEB Liability	(2,098,274)	3,699,686	(1,974,596)	3,769,851
Total OPEB Liability - Beginning of Year	116,034,571	112,334,885	114,309,481	110,539,630
Total OPEB Liability - End of Year (a)	$ 113,936,297	$ 116,034,571	$ 112,334,885	$ 114,309,481
Plan Fiduciary Net Position				
Contributions - employer	$ 9,927,193	$ 9,515,597	$ 10,556,355	$ 9,743,376
Contributions - member	-	-	-	-
Net investment income	3,420,488	4,098,897	3,378,887	4,377,540
Benefit payments	(3,886,336)	(4,024,587)	(5,073,709)	(4,243,376)
Administrative expense	(540,857)	(43,156)	(38,548)	(36,045)
Other	-	-	-	-
Net Change in Plan Fiduciary Net Position	8,920,488	9,546,751	8,822,985	9,841,495
Plan Fiduciary Net Position - Beginning of Year	80,103,410	70,556,659	61,733,674	51,892,179
Plan Fiduciary Net Position - End of Year (b)	89,023,898	80,103,410	70,556,659	61,733,674
Net OPEB Liability - End of Year (a-b)	$ 24,912,399	$ 35,931,161	$ 41,778,226	$ 52,575,807
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	78.1%	69.0%	62.8%	54.0%
Covered-Employee Payroll*	$ 120,354,861	$ 120,211,758	$ 122,947,516	$ 167,365,462
Net OPEB Liability as a percentage of Covered Payroll	20.7%	29.9%	34.0%	31.4%

Primary Government Line of Duty

	Measurement Date			
	6/30/2020	**6/30/2019**	**6/30/2018**	**6/30/2017**
Total OPEB Liability				
Service Cost	$ 517,916	$ 500,402	$ 378,873	$ -
Interest	960,534	932,513	642,121	-
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	(2,405,830)	-	-	-
Changes in assumptions*	1,590,326	4,240,000	-	-
Benefit payments	(358,946)	(302,486)	(270,048)	-
Net Change in Total OPEB Liability	304,000	5,370,429	750,946	-
Total OPEB Liability - Beginning of Year	16,489,112	11,118,683	10,367,737	10,367,737
Total OPEB Liability - End of Year (a)	$ 16,793,112	$ 16,489,112	$ 11,118,683	$ 10,367,737
Plan Fiduciary Net Position				
Contributions - employer	$ 358,946	$ 302,486	$ 270,048	$ -
Contributions - member	-	-	-	-
Net investment income	-	-	-	-
Benefit payments	(358,946)	(302,486)	(270,048)	-
Administrative expense	-	-	-	-
Other	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position - Beginning of Year	-	-	-	-
Plan Fiduciary Net Position - End of Year (b)	-	-	-	-
Net OPEB Liability - End of Year (a-b)	$ 16,793,112	$ 16,489,112	$ 11,118,683	$ 10,367,737
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	0.0%	0.0%	0.0%	0.0%
Covered-Employee Payroll*	$ 102,000,284	$ 93,032,102	$ 87,260,644	$ -
Net OPEB Liability as a percentage of Covered Payroll	16.5%	17.7%	28.8%	0.0%

Covered-employee payroll, the payroll of employees that are provdied with OPEB through the OPEB Plan, is used in this presentation as contributions are not based on a measure of pay.

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.

OPEB Trust Actuarial Assumptions Investment Return : 6.50%, net of investment expense and including inflation

Healthcard 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 SSA18 Scale (non-safety) and Pub2010S Headcount with Generational Mortality with SSA18 Scale (safety) (pre/post-retirement), Pub2010G DIS Headcount with Generational Mortality with SSA18 Scale (non-safety) and Pub2010S DIS Headcount with Generational Mortality with SSA18 Scale (safety) (post-disablement).

Exhibit XX

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

Primary Government OPEB Trust

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
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	-	
2016	6,467,000	10,185,553	3,718,553	157,758,000	6.46%
2015	7,232,354	12,431,000	5,198,646	-	
2014	6,934,044	11,761,000	4,826,956	165,086,216	7.12%
2013	11,473,875	11,406,000	(67,875)	-	
2012	11,469,000	9,602,000	(1,867,000)	163,737,000	5.86%
2011	10,146,000	8,180,000	(1,966,000)	-	

Primary Government Line of Duty**

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
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%

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

Notes to Required Supplementary Information

Valuation date: July 1, 2019

Covered-employee payroll, the payroll of employees that are provdied with OPEB through the OPEB Plan, is used in this presentation as contributions are not based on a measure of pay.

Line of Duty Actuarial Assumptions

Actuarial cost method	Entry Age
Amortization method	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%
Investment rate of return	6.50%
Mortality	Mortality rates are based on Pub2010S Headcount with Generational Mortality with SSA18 Scale (pre/post-retirement), Pub 2010S DIS Headcount with Generational Mortality with SSA18 Scale (post-disblement).

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			
	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability				
Service Cost	$ 5,580,255	$ 5,783,010	$ 7,710,000	N/A
Interest	17,614,339	17,077,102	18,800,379	N/A
Changes in benefit terms	-	-	(2,102,019)	N/A
Difference between expected and actual experience	48,770,039	4,481,330	13,574,790	N/A
Changes in assumptions	94,538,038	-	(3,470,322)	N/A
Benefit payments	(19,271,094)	(17,098,396)	(15,724,264)	N/A
Net Change in Total OPEB Liability	147,231,574	10,243,046	18,788,564	N/A
Total OPEB Liability - Beginning of Year	297,627,610	287,384,564	268,596,000	N/A
Total OPEB Liability - End of Year (a)	$ 444,859,184	$ 297,627,610	$ 287,384,564	$ 268,596
Plan Fiduciary Net Position				
Contributions - employer	$ 29,271,094	$ 27,098,396	$ 27,724,264	$ 26,321,831
Net investment income	7,584,631	9,119,738	7,611,010	10,053,902
Benefit payments	(19,271,094)	(17,098,396)	(15,724,264)	(14,321,831)
Administrative expense	-	-	-	(500)
Other	-	-	-	(81,795)
Net Change in Plan Fiduciary Net Position	17,584,631	19,119,738	19,611,010	21,971,607
Plan Fiduciary Net Position - Beginning of Year	179,545,754	160,426,016	140,815,006	118,843,399
Plan Fiduciary Net Position - End of Year (b)	197,130,385	179,545,754	160,426,016	140,815,006
Net OPEB Liability - End of Year (a-b)	$ 247,728,799	$ 118,081,856	$ 126,958,548	$ 127,780,994
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	44.31%	60.33%	55.82%	52.43%
Covered-Employee Payroll [2]	$ 453,623,652	$ 468,583,742	$ 460,995,350	$ 522,745,000
Net OPEB Liability as a percentage of Covered Payroll	54.61%	25.20%	27.54%	24.44%

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
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%
2017	N/A	26,321,831	N/A	522,745,000	5.04%

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of July 1, 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	Market 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-2019 from 2006 Approximate 2006 table based on Headcount-Weighted RP-2014 Disabled Retiree, proojected generationally with Scale MP-2019 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 Comprehensive Annual 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.

Required Supplementary Information

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 (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Primary Government	2020	1.17%	$ 18,963,509	$ 228,453,555	8.30%	51.22%
	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	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	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 Comprehensive Annual 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	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%
	2013	825,615	825,615	-	172,003,105	0.48%
	2012	454,472	454,472	-	162,311,594	0.28%
	2011	441,997	441,997	-	157,855,946	0.28%
Component Unit - Teachers	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%
	2013	2,066,435	2,066,435	-	430,507,380	0.48%
	2012	1,145,266	1,145,266	-	409,023,724	0.28%
	2011	1,081,839	1,081,839	-	386,371,122	0.28%
Component Unit - Political Subdivision	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%
	2013	240,335	240,335	-	50,069,822	0.48%
	2012	137,881	137,881	-	49,243,259	0.28%
	2011	135,325	135,325	-	48,330,337	0.28%

Required Supplementary Information

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, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
	Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
	Withdrawal Rates	Adjusted termination rates to better fit experience at each year age and service through 9 years of service
	Disability Rates	Lowered disability rates
	Salary Scale	No change
	Line of Duty Disability	Increased rate from 14% to 20%
	Discount Rate	Decrease rate from 7.00% to 6.75%
Largest Ten Locality Employers - Hazardous Duty Employees	Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
	Retirement Rates	Lowered retirement rates at older ages
	Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
	Disability Rates	Increased disability rates
	Salary Scale	No change
	Line of Duty Disability	Increased rate from 60% to 70%
	Discount Rate	Decrease rate from 7.00% to 6.75%

Loudoun County Public Schools issues a publicly available Comprehensive Annual Financial Report. A copy of that report may be obtained from the Schools website, http://www.lcps.org.

APPENDIX B

FORM OF BOND COUNSEL OPINION

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APPENDIX B

FORM OF BOND COUNSEL OPINION

Date of Delivery

Board of Supervisors
Loudoun County, Virginia

Loudoun County, Virginia
General Obligation Refunding Bonds, Series 2021B

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Loudoun County, Virginia (the "County") of its General Obligation Refunding Bonds, Series 2021B (the "Bonds"), dated the date of their delivery. Reference is made to the form of the Bonds for information concerning their details, including payment and redemption provisions, their purpose and the proceedings pursuant to which they are issued.

We have examined the law and such certified proceedings and other papers as we deem 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 photo static 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 County or any other offering materials relating to the Bonds, and we express no opinion as to any such matters.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been authorized and issued in accordance with the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, as amended, and constitute valid and binding obligations of the County for the payment of which the County's full faith and credit are pledged.

2. The Board of Supervisors is authorized and required by law to levy and collect annually, at the same time and in the same manner as other taxes of the County are assessed, levied and collected, a tax upon all taxable property within the County, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and premium, if any, and interest on the Bonds, to the extent other funds of the County are not lawfully available and appropriated for such purpose.

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 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 Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Bonds. The County has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103 of the Code. In addition, the County has made certain representations and certifications in the "Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986." We have not independently verified the accuracy of those representations and certifications.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the 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.

4. Under existing law, interest on the Bonds is exempt from income taxation by the Commonwealth of Virginia.

Except as stated in paragraphs 3 and 4 above, we express no opinion as to any other Federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the 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 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 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 Bonds and the tax-exempt status of interest thereon.

Very truly yours,

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

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APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT, dated as of September 21, 2021 (the "Disclosure Agreement"), is executed and delivered by Loudoun County, Virginia (the "County"), in connection with the issuance by the County of its General Obligation Refunding Bonds, Series 2021B (the "Bonds"). 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 the holders and beneficial owners of the Bonds, in order to assist the underwriter, Morgan Stanley & Co. LLC (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 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 subsection of the County's Official Statement entitled "Operating Data."

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 (6) months after the end of the County's fiscal year, commencing with the County's fiscal year ending June 30, 2021, to the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Market Access system for municipal securities disclosure or any other single dissemination agent or conduit required, designated or permitted by the SEC ("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 through 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 through 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, (iv) public notice of the redemption is given pursuant to the Release Number 34-23856 of the SEC under the 1934 Act, 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 through 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 the Bondholders. The County shall within a reasonable time thereafter send to the MSRB through 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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Chief Financial Officer/Director of Finance and Budget

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