

# LOUDOUN COUNTY PUBLIC SCHOOLS

A component unit of the  
County of Loudoun,  
Virginia

For the fiscal year ended,  
**June 30, 2025**



# ANNUAL COMPREHENSIVE FINANCIAL REPORT



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# Annual Comprehensive Financial Report

For the fiscal year ended, June 30, 2025

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## Loudoun County Public Schools

A component unit of the County of Loudoun, Virginia



Prepared by:  
Department of Business & Financial Services  
Division of Accounting

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Dr. Aaron Spence, Superintendent  
Sharon Willoughby, Chief Financial Officer



Loudoun County Public Schools  
A Climate for Success



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# Table of Contents

## INTRODUCTORY SECTION

Letter of Transmittal.....	XI
School Board Members and Administration.....	xxi
Organizational Chart .....	xxii
Awards for Excellence in Financial Reporting.....	xxiii

## FINANCIAL SECTION

<b>REPORT OF INDEPENDENT AUDITOR.....</b>	<b>5</b>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS.....</b>	<b>9</b>

### BASIC FINANCIAL STATEMENTS

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

Exhibit I	Statement of Net Position.....	25
Exhibit II	Statement of Activities.....	27

#### FUND FINANCIAL STATEMENTS

Exhibit III	Balance Sheet-Governmental Funds .....	28
Exhibit IV	Reconciliation of the Balance Sheet to the Statement of Net Position-Governmental Funds.....	29
Exhibit V	Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.....	30
Exhibit VI	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities-Governmental Funds .....	31
Exhibit VII	Statement of Net Position-Proprietary Funds .....	32
Exhibit VIII	Statement of Revenues, Expenses, and Changes in Fund Net Position-Proprietary Funds.....	33
Exhibit IX	Statement of Cash Flows-Proprietary Funds.....	34
Exhibit X	Statement of Fiduciary Net Position-Fiduciary Funds.....	35
Exhibit XI	Statement of Changes in Fiduciary Net Position-Fiduciary Funds .....	36

#### NOTES TO THE FINANCIAL STATEMENTS

Note I	Summary of Significant Accounting Policies .....	37
Note II	Detailed Notes to All Funds.....	43
Note III	Other Information .....	73

#### REQUIRED SUPPLEMENTARY INFORMATION

Exhibit XII	Budgetary Comparison Schedule–Budget and Actual-General Fund .....	78
Exhibit XIII	Schedule of Employer’s Proportionate Share of the Net Pension Liability and Related Ratios-Virginia Retirement System-Pension-Professional Plan.....	79
Exhibit XIV	Schedule of Changes in Employer’s Net Pension Liability and Related Ratios-Virginia Retirement System-Pension-Non-Professional Plan .....	80
Exhibit XV	Schedule of Employer Contributions-Virginia Retirement System-Pension .....	82
Exhibit XVI	Schedule of Changes in the Net OPEB Liability and Related Ratios with Investment Returns-LCPS OPEB Trust.....	84
Exhibit XVII	Schedule of Employer Contributions-LCPS OPEB Trust .....	86

# Table of Contents

Exhibit XVIII	Schedule of Employer’s Share of Net OPEB Liability-Virginia Retirement System-Group Life Insurance (GLI) .....	87
Exhibit XIX	Schedule of Employer Contributions-Virginia Retirement System-Group Life Insurance (GLI) .....	88
Exhibit XX	Schedule of Employer’s Share of Net OPEB Liability-Virginia Retirement System-Health Insurance Credit (HIC)-Teachers .....	89
Exhibit XXI	Schedule of Changes in the Net OPEB Liability and Related Ratios with Investment Returns-Virginia Retirement System-Health Insurance Credit (HIC)-Political Subdivision .....	90
Exhibit XXII	Schedule of Employer Contributions-Virginia Retirement System-Health Insurance Credit (HIC) .....	92
Exhibit XXIII	Schedule of Employer’s Share of Net OPEB Liability-Virginia Retirement System-Virginia Local Disability Program (VLDP) .....	93
Exhibit XXIV	Schedule of Employer Contributions-Virginia Retirement System-Virginia Local Disability Program (VLDP) .....	94

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

Note I	Budgetary Comparison Schedule .....	95
Note II	Other Postemployment Benefits (OPEB) .....	96

**OTHER SUPPLEMENTARY INFORMATION**

**CAPITAL IMPROVEMENTS FUND**

Schedule 1	Budgetary Comparison Schedule-Budget and Actual-Capital Improvements Fund .....	105
Schedule 2	Combining Balance Sheet-Nonmajor Governmental Funds .....	108
Schedule 3	Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Nonmajor Governmental Funds .....	110
	Budgetary Comparison Schedule-Budget and Actual:	
Schedule 4	Lease Fund .....	112
Schedule 5	School Nutrition Services Fund .....	113
Schedule 6	Grant Fund .....	114
Schedule 7	Capital Asset Preservation Fund .....	115
Schedule 8	Debt Service Fund .....	116

**COMPONENT UNITS-THE CHARTER SCHOOLS**

Schedule 9	Balance Sheet-Governmental Fund-Component Unit-Middleburg Community Charter School .....	118
Schedule 10	Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Fund-Component Unit- Middleburg Community Charter School .....	119
Schedule 11	Balance Sheet-Governmental Fund-Component Unit-Hillsboro Charter Academy .....	120
Schedule 12	Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Fund-Hillsboro Charter Academy .....	121

# Table of Contents

## STATISTICAL SECTION

### FINANCIAL TRENDS

Table A	Net Position by Component .....	124
Table B	Changes in Net Position .....	126
Table C	Fund Balances of Governmental Funds .....	128
Table D	Changes in Fund Balances of Governmental Funds .....	130

### REVENUE CAPACITY

Table E	Charges for Services Revenue by Source .....	132
Table F	School Nutrition Services Sales Price Breakdown .....	133
Table G	Food Sales-Annual Meals Served .....	134

### DEBT CAPACITY

Table H	Ratios of Outstanding Debt by Type.....	135
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### DEMOGRAPHIC AND ECONOMIC INFORMATION

Table I	Demographic Statistics .....	136
Table J	Principal Employers in the County of Loudoun, Virginia .....	137

### OPERATING INFORMATION

Table K	Enrollment Trend .....	138
Table L	Cost per Pupil .....	139
Table M	Scholastic Assessment Test (SAT) Scores-Comparison of County of Loudoun, VA, Commonwealth of Virginia, and National Averages .....	140
Table N	Average Class Size-Students per Classroom Teacher .....	141
Table O	Full-Time Equivalent Employees by Function-All Funds .....	142
Table P	Miscellaneous Statistics .....	144
Table Q	Capital Assets Statistics by Function.....	146



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# Introductory Section

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## LCPS Annual Comprehensive Financial Report 2025

The Introductory Section contains the letter of transmittal, which provides an overview of Loudoun County Public Schools' organizational structure, economic condition and outlook, strategic governance, major initiatives, management controls and accomplishments. Also included in the introductory section is a listing of School Board Members and administration, an organizational chart, and awards for excellence in financial reporting.



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## OFFICE OF THE SUPERINTENDENT

21000 Education Court  
Ashburn, VA 20148

December 08, 2025

Loudoun County School Board  
21000 Education Court  
Ashburn, Virginia 20148

Dear Members of the School Board, Board of Supervisors, and Residents of Loudoun County:

We are proud to present the Annual Comprehensive Financial Report (ACFR) for Loudoun County Public Schools (LCPS) for the fiscal year ended June 30, 2025. This report highlights LCPS's financial position and activities, as a component unit of the County of Loudoun, Virginia. The financial statements included in this report are prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States, as they apply to governmental units.

The ACFR reflects LCPS's continued commitment to responsible financial management, guided by sound policies that support stability and long-term sustainability for the school division. Prepared by the Division of Accounting within the Department of Business and Financial Services, this report consists of management's representations concerning the finances of LCPS. Consequently, management assumes full responsibility for both the completeness and accuracy of the information presented in this report.

The financial statements of LCPS have undergone an independent audit by Cherry Bekaert LLP, a reputable accounting firm. The audit included a comprehensive review of the supporting documentation, an evaluation of the accounting principles applied, and the significant estimates made by management. Cherry Bekaert LLP issued an unmodified opinion, commonly referred to as a "clean audit," on LCPS's financial statements for the fiscal year ended June 30, 2025. This opinion, the highest level of assurance, confirms that the financial statements are fairly presented, in all material respects, and conform to applicable financial reporting standards. The independent auditor's report is included as the first item in the financial section of this report.

In addition, the County of Loudoun, including LCPS, undergoes an annual single audit in accordance with the provisions of the revised Uniform Guidance. This audit covers the Schedule of Expenditures of Federal Awards, along with any findings, recommendations, and the auditor's report on internal controls over financial reporting and compliance. These details are presented in a separate report.

In accordance with GAAP, LCPS management provides a Management Discussion and Analysis (MD&A), which offers a narrative introduction, overview, and analysis of the financial statements. This letter of transmittal complements the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

## Organizational Structure

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Loudoun County Public Schools (LCPS) is approximately 25 miles west of Washington, D.C. It is located within Loudoun County, which encompasses 520 square miles. The County is part of the Washington, D.C. metropolitan area, which includes part of Northern Virginia, the District of Columbia, and Maryland.

The Virginia Department of Education is responsible for dividing the Commonwealth of Virginia into school divisions based on geographic area and school-age population. These school divisions are tasked with ensuring compliance with the standards of quality outlined in Article VIII, Section 2 of the Virginia Constitution. The Virginia General Assembly determines how funding is provided to support educational programs that meet these standards, apportioning costs between the Commonwealth and the local units of government within each school division. Each local government unit must contribute its share of the cost through local taxes or other available funds.

Loudoun County Public Schools (LCPS) is the third-largest school division in Virginia, the 41st largest in the nation, and the largest employer in Loudoun County. LCPS served over 80,751 students in fiscal year 2025, with approximately 13,281 full-time staff, 92.1 percent of whom are school-based. LCPS operates more than 13 million square feet of facilities, which include 100 schools and 15 support facilities within 3,120 acres of campus space across Loudoun County.

LCPS has two charter schools as component units: Hillsboro Charter Academy (HCA) and Middleburg Community Charter School (MCCS). The funding for these charter schools is governed by specific contract agreements approved by the Loudoun County School Board, with operational and maintenance costs covered through a per-pupil payment from LCPS.

The Loudoun County School Board is responsible for overseeing LCPS operations in accordance with the Code of Virginia and regulations from the State Department of Education. The board consists of nine members: one elected from each of the eight electoral districts and one at-large member, all serving four-year terms. Beginning with the November 2023 general election, the board implemented staggered terms. Each of the 18 LCPS high schools, as well as the Academies of Loudoun, The North Star School, and Thomas Jefferson High School for Science and Technology, has a student representative who serves on the School Board for one month, offering student input. The superintendent, along with nine Cabinet members, oversees the day-to-day operations and support services of the school system.

Schools and Centers – Fiscal Year 2025	
Elementary (K-5)	62
Middle (6-8)	18
High (9-12)	18
Educational Centers	2
<b>Total</b>	<b>100</b>

LCPS is a component unit of Loudoun County and is included as an integral part of the County's financial statements. The cost of LCPS governmental activities are funded primarily by the County. For fiscal year 2025, the County provided 69.5 percent of funding, and the state and federal governments provided 29.3 percent of LCPS operating funding. The fiscal year 2025 transfer from the County totaled \$1.268 billion, an increase of \$112.0 million (9.9 percent) from the previous year. These increases focus on compensation, continuation of innovative programs, and new supports for students. Over 78 percent of the school system's approved operating budget (\$1.825 billion for FY25) was allocated to instructional programs.

## **Economic Condition and Outlook**

---

Loudoun County continues to be one of the fastest-growing regions in the Washington metropolitan area. According to demographic estimates, the county's population is projected to reach 455,193 in 2025, reflecting an eight percent increase over the 2020 U.S. Census total of 420,959. This population surge is largely driven by an influx of families attracted by the county's growing economy, job opportunities, public school system, and quality of life.

Loudoun County led all large counties in Virginia in over-the-year employment growth for multiple quarters in 2024, including a 3.7 percent increase in September 2024 and a 3.6 percent increase by December 2024, according to data from the U.S. Bureau of Labor Statistics. The unemployment rate remained low throughout 2024, with an annual average of 2.5 percent, significantly lower than the national average.

Loudoun's highly educated workforce, its proximity to Washington, D.C., and its robust connectivity (facilitated by Washington Dulles International Airport and a local concentration of internet infrastructure) make it an increasingly attractive location for businesses. Key industries in the county include information and communications technology, federal government contracting, data centers, aerospace and defense, aviation and logistics, health innovation technology, agriculture, and rural business.

Loudoun County is particularly known as a major hub for technology, especially data centers. The county houses more than 70 percent of the world's internet traffic, making it a critical player in global data infrastructure. This sector significantly contributes to both local employment and tax revenue, and it is expected to continue its growth, driving innovation and attracting skilled professionals.

The healthcare sector is another key pillar of the local economy. Major hospitals and healthcare providers have expanded their services to meet the demands of a growing population. Twelve percent of Loudoun's workforce is employed in the healthcare industry, highlighting its significance in the regional economy.

Agriculture also plays an important role in Loudoun's economy. The county is home to over 1,300 farms, covering 110,133 acres of land. Loudoun's rich history and scenic beauty have further bolstered tourism, leading to increased local business spending and supporting job creation.

Additionally, over 900 federal government prime contractors are based in Loudoun, underscoring the county's strategic importance as a hub for federal contracting.

Loudoun County's robust economic health, strategic location, and proactive initiatives have established it as a model of growth within the Washington metropolitan area. With a steadily rising population and a low unemployment rate, the county continues to attract both families and businesses drawn by its high quality of life and diverse economy. Key industries—technology, healthcare, agriculture, and federal contracting—drive job creation and enhance community well-being.

Major employers, thriving data centers, healthcare facilities, and a highly educated workforce contribute to the county's economic resilience and long-term promise. Recent accomplishments further demonstrate the county's dynamic environment: in August 2024, 41 Loudoun-based companies were featured on the Inc. 5000 list, showcasing the strength of the local business ecosystem. Furthermore, the county's "Launch Loudoun" program, which supports small businesses, earned a 2024 Achievement Award from the Virginia Association of Counties, underscoring its commitment to innovation and growth.

As Loudoun County continues to leverage its strengths, it is well-positioned to sustain its economic vitality and foster a vibrant, resilient community for future generations.

# Major Initiatives

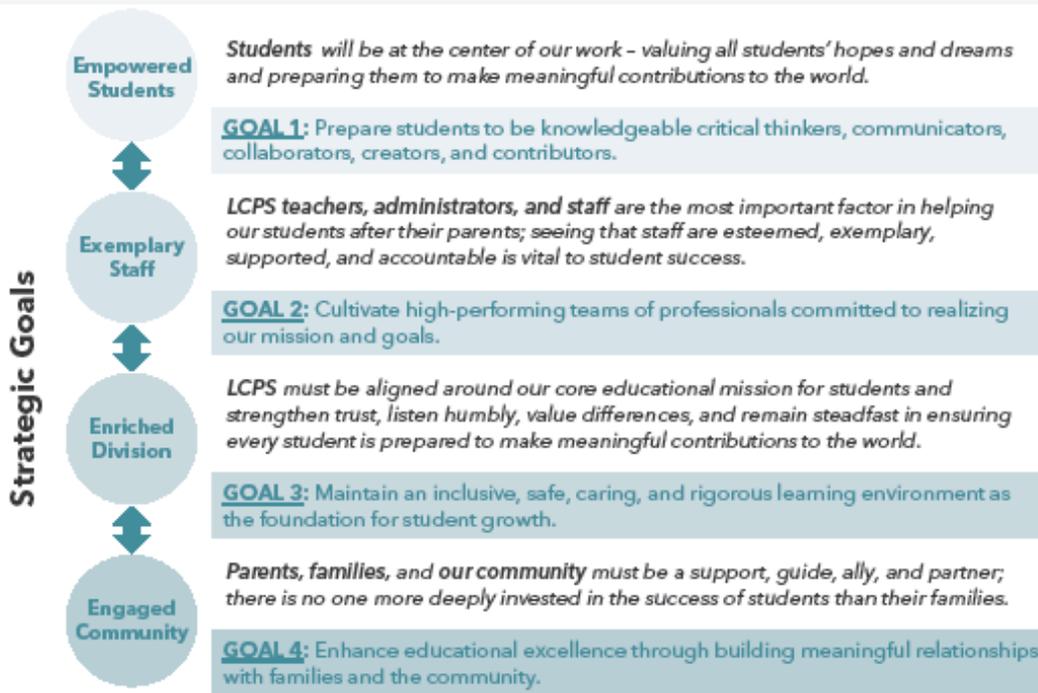
Loudoun County Public Schools (LCPS) is proud to have a One LCPS Strategic Plan for Excellence to provide direction for our school division through 2027. The School Board approved the new strategic plan on June 28, 2022, to include the vision, mission, core values, goals, aligned actions, and strategies.

## LCPS Strategic Plan 2022 - 2027 | At A Glance

ONE LCPS

**Our Vision:** Every student will reach their full potential and achieve their dreams.

**Our Mission:** Empowering all students to make meaningful contributions to the world.



## Core Values

<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div> <p><b>HOLISTIC SUPPORT</b></p> <p>Every student should have the support to feel safe, happy, and cared for in school.</p> </div> </div>	<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="width: 70%;"> <p><b>RIGOROUS TEACHING AND LEARNING</b></p> <p>All students should be challenged to reach their full potential in the classroom as part of a system that aspires to become the best performing division in the nation.</p> </div> </div>
<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div> <p><b>EQUITY AND OPPORTUNITY</b></p> <p>All students and staff should have access to resources, programs, and support that enable a successful future.</p> </div> </div>	<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="width: 70%;"> <p><b>INDIVIDUALIZED SUCCESS</b></p> <p>All unique strengths, skills, and passions should be celebrated, encouraging diverse pathways that support readiness after graduation.</p> </div> </div>
<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div> <p><b>TRUST THROUGH LISTENING</b></p> <p>All students, staff, and community members should have regular opportunities to be heard in two-way conversations across the division.</p> </div> </div>	<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="width: 70%;"> <p><b>CONTINUOUS IMPROVEMENT</b></p> <p>A culture of continuous improvement should drive the fulfillment of our mission.</p> </div> </div>

When Dr. Spence began his tenure, he prioritized gathering feedback from staff, students, parents, and the community, reviewing documents and data, and analyzing processes to develop a comprehensive entry plan. The plan was guided by six key objectives: establishing a culture of trust and transparency, ensuring unified governance, prioritizing school safety and student wellness, fostering innovation and academic excellence, focusing on equitable programming, and increasing organizational effectiveness and efficiency.

In September 2024, Dr. Spence launched the *One LCPS: Forward Together Entry Plan*, engaging with stakeholders across Loudoun County. Through direct interactions with students, families, staff, and community members, Dr. Spence gathered valuable feedback. These community listening sessions provided key insights and actionable ideas to leverage our strengths and address areas for improvement.

The entry plan was closely aligned with the division's strategic plan, *One LCPS | 2027 Strategic Plan for Excellence*, which centers on four goals: Empowered Students, Exemplary Staff, Enriched Division, and Engaged Community. By integrating these strategic goals, the plan provided a holistic understanding of LCPS and guided post-entry actions, highlighting findings, key themes, and next steps to advance the division's vision and collective success.

The work outlined in the post-entry plan is not entirely new but aligns with the superintendent's six entry plan objectives and the four strategic plan goals. Collectively, the findings and recommendations highlight key areas for focused attention, helping the division develop greater coherence and a clear understanding of the actions needed to advance its goals.

Moving forward, LCPS is framing top priorities to create next-level opportunities through purposeful action and continuous monitoring.

- Empowering Students – Students are at the center of our work - valuing all students' hopes and dreams and preparing them to make meaningful contributions to the world.
- Exemplary Staff - LCPS teachers, administrators, and staff are the most important factor in helping our students after their parents; seeing that staff are esteemed, exemplary, supported, and accountable is vital to student success.
- Enriched Division - LCPS must be aligned around our core educational mission for students and strengthen trust, listen humbly, value differences, and remain steadfast in ensuring every student is prepared to make meaningful contributions to the world.
- Engaged Community - Parents, families, and our community must be a support, guide, ally, and partner; there is no one more deeply invested in the success of students than their families.

## Accomplishments

- Loudoun County Public Schools (LCPS) students exceeded state averages in Standards of Learning (SOL) assessments, Advanced Placement (AP) testing, and maintained a 97.2 percent on-time graduation rate.
- The Class of 2025 graduated 6,282 seniors, with 90.6 percent planning to pursue further education. Together, they earned over \$104.1 million in scholarships.
- The average SAT score for the Class of 2025 was 1187, with LCPS students outperforming their peers by an average of 75 points over the state average and 158 points higher than the global average.
- A total of 57 LCPS students were named National Merit Scholarship Semifinalists.
- The district was recognized by Niche as the 4th best school division in Virginia, and the second best school district for athletes.
- LCPS celebrated the opening of Henrietta Lacks Elementary School and Watson Mountain Middle School.
- LCPS Launched the ACCESS Academy, a new dual-enrollment initiative in partnership with George Mason University and Northern Virginia Community College, offering students college credit and employability skills while still in high school.
- LCPS Launched the Loudoun Recovery Academy, "R.I.S.E.", a specialized program supporting students in early recovery from substance use disorders.
- Three middle schools - Gum Spring, J. Michael Lunsford, and Seneca Ridge Middle Schools earned the AMLE Schools of Distinction Honor, highlighting excellence in middle-level education. They join seven other LCPS middle schools previously honored with this recognition.
- LCPS hired 615 new licensed educators for the 2024-25 school year, with nearly 53 percent holding master's degrees and 3.6 percent holding doctoral degrees. LCPS had a 98 percent fill rate of school-based licensed positions before the school year began.
- LCPS was named one of America's Best-In-State Employers for 2025 by Forbes.

## Future Challenges

LCPS faces multiple long-term budgetary challenges in fulfilling our mission of empowering all students to make meaningful contributions to the world. Multiple examples illustrate these challenges.

- Providing competitive employee compensation is vital for attracting and retaining a high-performing team of professionals focused on our mission and goals. The recent introduction of collective bargaining for certified and non-certified bargaining units introduces an opportunity to partner with employee unions as we incorporate negotiated items into an already fast-paced budget development process.
- The “One LCPS: 2027 Strategic Plan for Excellence” has been a foundational planning tool for the LCPS budget process for several years. As the plan reaches its natural conclusion, there will be a period of time when the new strategic plan is being established, and the school division coalesces around a new set of priorities, actions, and metrics.
- LCPS is experiencing a slowing in enrollment this FY26 budget period; this decline is forecast to continue during the FY27 – FY32 planning period. This will affect state revenues where Average Daily Membership (ADM) sensitive support may level off and put greater pressure on local funding sources. Enrollment is expected to decline in most school divisions in Virginia, regardless of size during the coming years.
- As highlighted in a 2023 Joint Legislative Audit and Review Commission (JLARC) report on Virginia’s K-12 Funding Formula, Virginia’s per-student funding lags behind not only the national average but also behind the regional average and the funding levels of three of Virginia’s five neighboring states. While investments in education continue to improve, including important investments for FY26, there is still a wide gap between available state funding and the costs of delivering the high-quality public education that our community expects.
- A challenging revenue environment will likely necessitate prioritization and trade-offs as the district balances resources between employee recruitment and retention, expanding student support, and advancing student-centered initiatives.

## Management Controls

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LCPS utilizes many control systems to ensure the integrity and protection of its financial information and assets.

### Internal Controls

The Division of Financial Services is responsible for accounting for all financial transactions, payroll services, internal audits, financial reporting, school activity fund accounting, procurement, risk management services, financial applications systems training and support, and employee health and wellness. The Division develops and implements internal control procedures to protect and safeguard Loudoun County Public Schools' financial assets through the Internal Audit program. Additionally, the office provides guidance and support to all departments, divisions, and schools throughout Loudoun County Public Schools to serve students and staff in their financial and business efforts.

The scope of this office encompasses the accurate and timely recording of transactions, compliance with regulatory parameters, adherence to appropriate professional guidelines, implementation and oversight of local policies, and incorporation of a high level of personal and professional ethics in those responsible for handling the school division's finances. Examples of benchmark standards and ruling agencies include the Internal Revenue Service, the Social Security Administration, state and federal laws, Generally Accepted Accounting Principles (GAAP), governmental accounting standards established by the Governmental Accounting Standards Board (GASB), guidelines provided through the Commonwealth of Virginia's Auditor of Public Accounts, and the United States Office of Management and Budget. Financial Services oversees the receipt of revenues and the disbursement of expenditures over \$1 billion through an elaborate accounting structure. The office provides accurate and timely payments to vendors and all LCPS staff.

### Budgetary Controls

In addition to internal controls, LCPS maintains budgetary controls to ensure compliance with legal provisions established in the Appropriations Resolution and adopted in the Budget by the County's Board of Supervisors and the School Board.

The level of budgetary control (the level at which Appropriated Budget expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. However, each organizational unit maintains management control at the program level. The division maintains an encumbrance accounting system to accomplish budgetary control. Encumbered amounts at year-end lapse and are re-appropriated in the subsequent year.

## Awards

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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to LCPS for its ACFR beginning in the fiscal year ended June 30, 2009, and each ACFR through 2024. Specific requirements must be met to be awarded a GFOA Certificate of Achievement, including issuing an easily readable and efficiently organized ACFR. The report must also satisfy both GAAP and applicable legal requirements.

LCPS was also awarded the Association of School Business Officials International (ASBO) *Certificate of Excellence* beginning in the fiscal year 2009 and each ACFR through 2024. ASBO's Certificate program fosters excellence in preparing and issuing the school's annual financial reports.

We believe the current ACFR conforms to the GFOA and ASBO Certificate program requirements. Therefore, we submit it to them to confirm our compliance and achieve GFOA and ASBO certification.

## Acknowledgments

LCPS maintains a strong financial position through responsible management of financial operations and adherence to sound accounting and reporting practices. Modern accounting and financial reporting standards have significantly enhanced the efficiency and transparency of governmental financial practices' LCPS continues to support the achievements in these areas by GASB, GFOA, and the ASBO. In the staff's opinion, these practices provide a sound framework for a truly "comprehensive" annual financial report.

The preparation of the ACFR reflects the collective efforts of the Accounting Division within the Department of Business and Financial Services. Special recognition is extended to the Accounting Division for their technical expertise, review, and dedicated service in preparing this ACFR. Continued diligent efforts by all staff involved towards upgrading LCPS' financial management information systems and other ancillary financial systems have led to the improved quality of financial information reported to management, the Superintendent, the School Board, and the citizens of the County.

It is only appropriate to express appreciation to all other members of the Department of Business and Financial Services, LCPS' independent auditors, and all departments that assisted and contributed to the preparation of this report. Thanks are also due to the School Board members for their interest and continued support in planning and implementing efficient yet effective financial operations of LCPS.

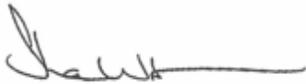
This support and cooperation represent responsible and progressive financial management for LCPS. All LCPS staff remain committed to aligning with the School Board's direction to ensure an equitable balance between available resources and the demand for high-quality education.

LCPS's financial health is demonstrated by the strength of its current financial condition, and its established management practices are expected to sustain the division's tradition of fiscal stability. The School Board's emphasis on sound fiscal planning, budget development, and transparent financial management contributes to LCPS's present economic condition and sets the parameters and tasks for the coming year.

Respectfully submitted,



Dr. Aaron Spence  
Superintendent



Sharon Willoughby  
Chief Financial Officer



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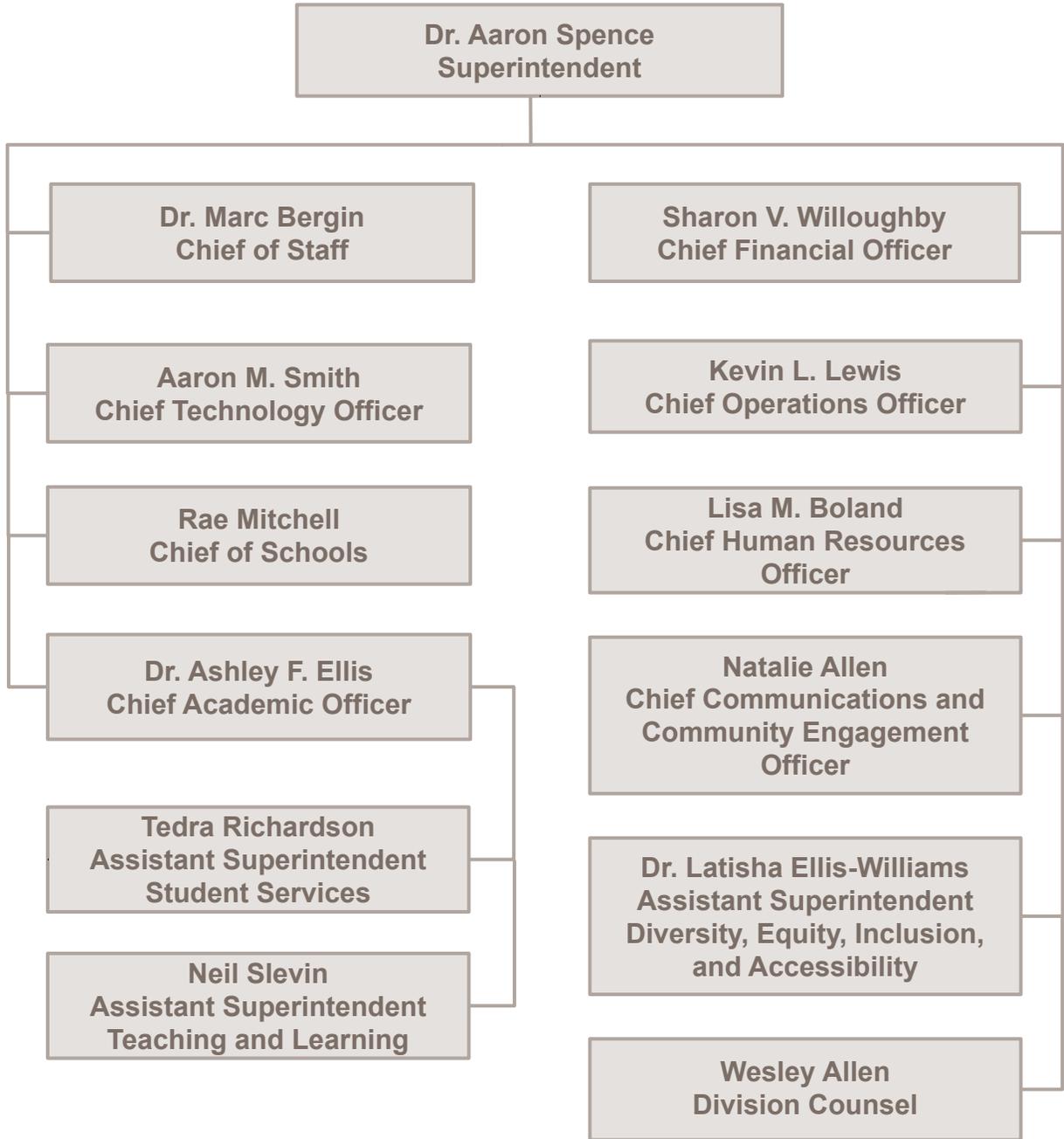
# School Board Members

## Loudoun County Public Schools - as of June 30, 2025

The Loudoun County School Board serves as the governing body of the school division and consists of nine elected members. Eight members are elected from individual election districts, while one At-Large member represents the entire county. Each January, the School Board holds its first meeting of the year to elect a chair and vice chair, who serve one-year terms.

<b>Melinda Mansfield, Chair</b>	<i>Dulles District</i>
<b>Arben Istrefi</b>	<i>Sterling District</i>
<b>April Chandler</b>	<i>Algonkian District</i>
<b>Deana Griffiths</b>	<i>Ashburn District</i>
<b>Dr. Linda Deans</b>	<i>Broad Run District</i>
<b>Kari LaBell</b>	<i>Catoctin District</i>
<b>Dr. Sumera Rashid</b>	<i>Little River District</i>
<b>Lauren Shernoff</b>	<i>Leesburg District</i>
<b>Anne Donohue, Vice Chair</b>	<i>At Large</i>

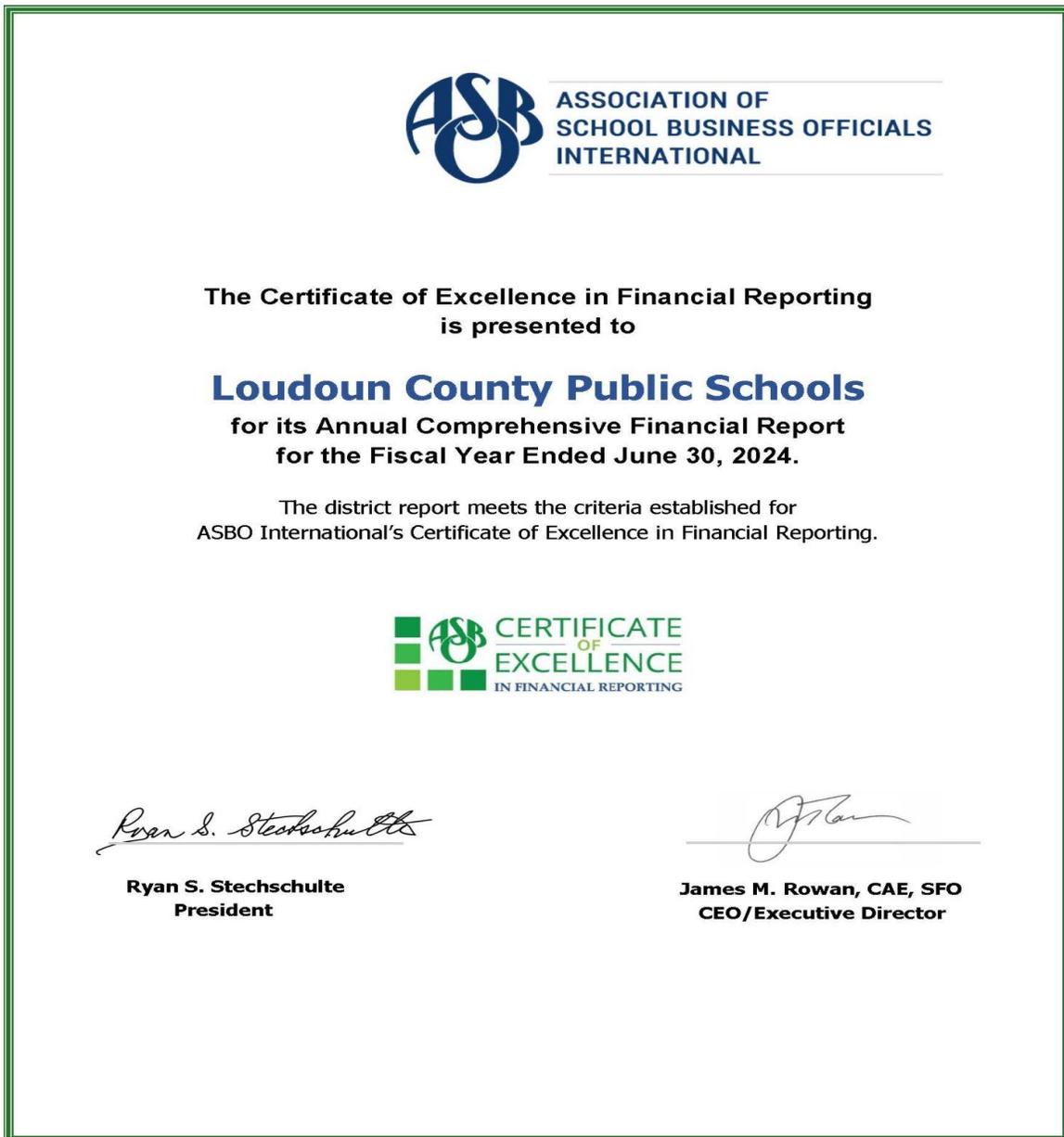
# Superintendent's Cabinet



# Awards for Excellence in Financial Reporting

## Association Of School Business Officials Award

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to LCPS, for its Annual Comprehensive Financial Report (ACFR), for the sixteenth year ended June 30, 2024. This nationally recognized program was established by ASBO to encourage school business officials to achieve a high standard of financial reporting. The award is the highest recognition for school division financial operations offered by ASBO, and it is only conferred upon school systems that have met or exceeded the standards of the program. Participation in the Certificate of Excellence in Financial Reporting program validates LCPS' commitment to fiscal and financial integrity and enhances the credibility of LCPS' operations with the School Board and the community. The program reviews the accounting practices and reporting procedures used by LCPS in its ACFR based upon specific standards established by the Governmental Accounting Standard Board.



## Government Finance Officers Association Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Loudoun County Public Schools (LCPS) for its Annual Comprehensive Financial Report (ACFR) for the sixteenth year ended June 30, 2024. The Certificate of Achievement for Excellence in Financial Reporting is a prestigious national award which recognizes conformance with the highest standards for preparation of state and local government ACFRs.

In order to receive a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an ACFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. In addition, this report must satisfy both accounting principles generally accepted in the United States of America (GAAP) and applicable legal requirements.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Loudoun County Public Schools  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Merrill*

Executive Director/CEO



# Financial Section

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## LCPS Annual Comprehensive Financial Report 2025

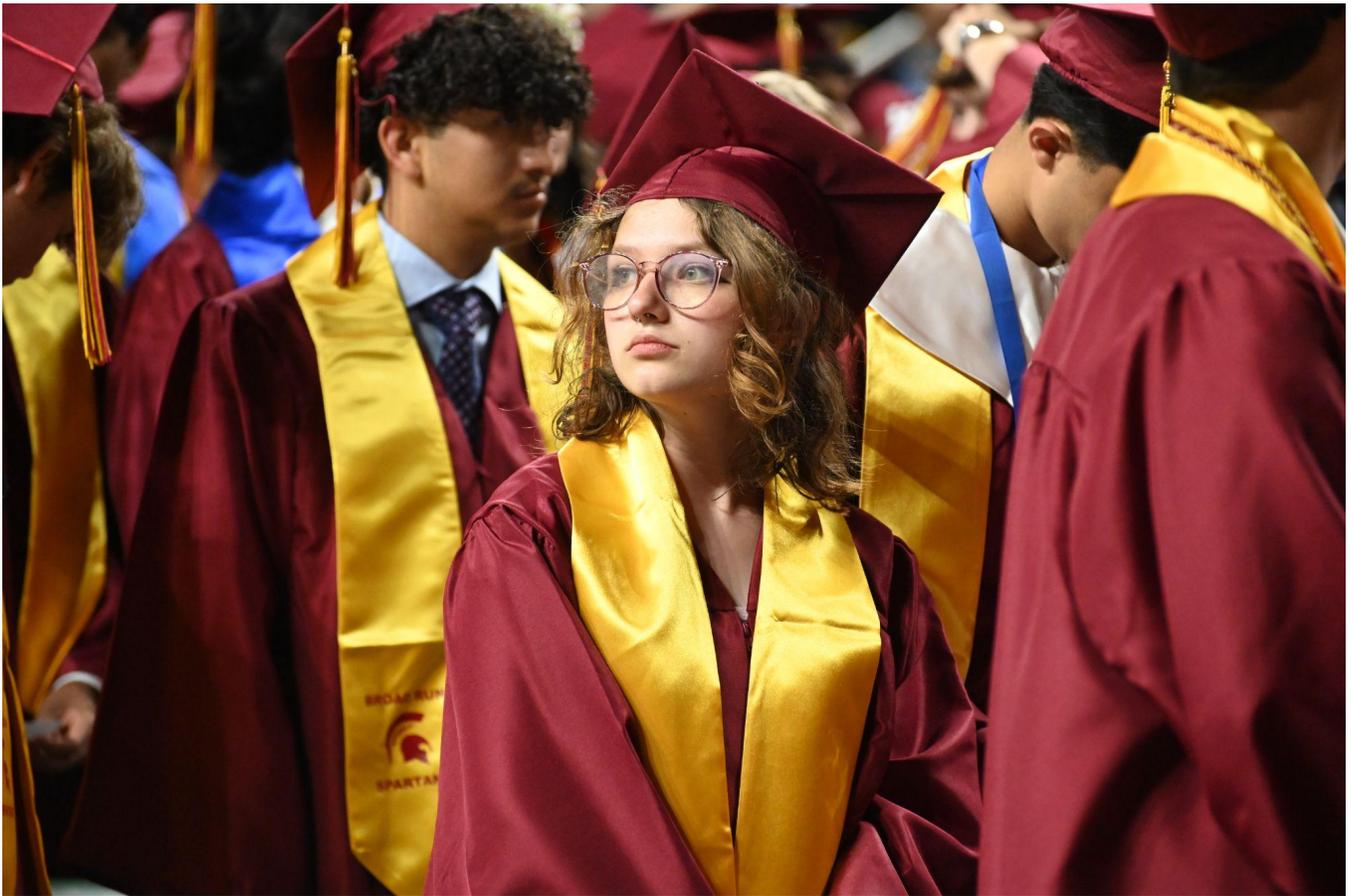
The Financial Section includes the report of the independent auditor with management's discussion and analysis (MD&A), basic financial statements including the accompanying notes, required supplementary information, and other supplementary information.



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# Report of Independent Auditor

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## Report of Independent Auditor

To the School Board  
Loudoun County Public Schools

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Loudoun County Public Schools ("LCPS"), a component unit of the County of Loudoun, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the LCPS' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of LCPS, as of June 30, 2025, 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.

We did not audit the financial statements of the School Activity Fund, a Special Revenue Fund of LCPS, which represents 2.3%, 4.3%, and 2.5% of the total assets, revenues, and fund balance, respectively, of the aggregate remaining fund information as of June 30, 2025. We also did not audit the financial statements of the Middleburg Community Charter School ("MCCS") and Hillsboro Charter Academy ("HCA"), LCPS' discretely presented component units, which represent 100% of the total assets, revenues, and net position as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the School Activity Fund and the discretely presented component units, is based solely on the reports of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the "Specifications"), issued by the Auditor of Public Accounts of the Commonwealth of Virginia. The financial statements of the School Activity Fund, MCCS, and HCA were not audited in accordance with the Specifications. Our responsibilities under those standards and Specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of LCPS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

As discussed in Note I.P to the financial statements, LCPS adopted Governmental Accounting Standards Board Statement 101, *Compensated Absences*, effective July 1, 2024. As a result, the beginning net position has been restated. Our opinions are not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

**Required Supplementary Information**

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

**Other Supplementary Information**

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

**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025, on our consideration of LCPS' 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 LCPS' 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 LCPS' internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Tysons Corner, Virginia  
December 8, 2025



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# Management's Discussion and Analysis

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**The Management's Discussion and Analysis subsection provides a narrative introduction, overview, and analysis of the basic financial statements. It includes a description of the government-wide and fund financial statements as well as analysis of Loudoun County Public Schools'.**



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# Management’s Discussion and Analysis

The Management’s Discussion and Analysis subsection provides a narrative introduction, overview and financial analysis of the financial activities of Loudoun County Public Schools (LCPS), as of and for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal in the introduction section of this ACFR.

## FINANCIAL HIGHLIGHTS

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about LCPS as a whole using the economic resources measurement focus and accrual basis of accounting.

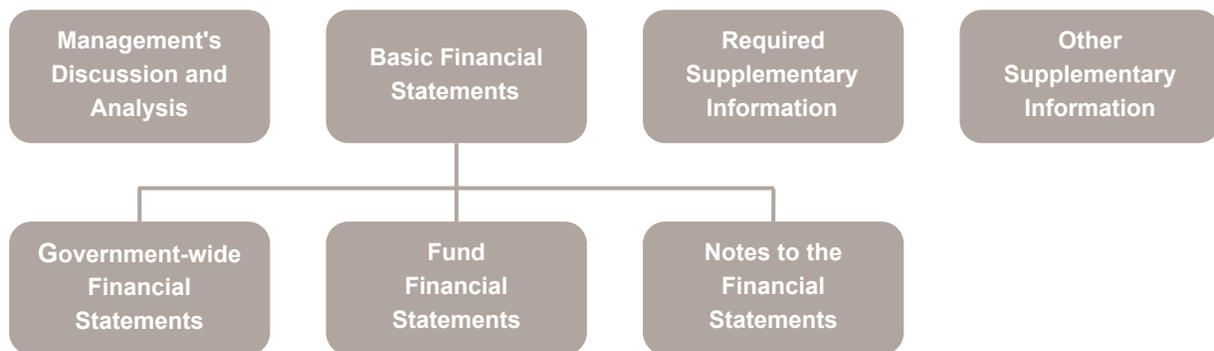
- Net position is \$1,734.8 million at June 30, 2025 is a result of the assets and deferred outflows of resources exceeding the liabilities and deferred inflows of resources.
- Net investment in capital assets is \$2,395.8 million as of June 30, 2025.
- Total revenues of \$2,169.1 million were generated in fiscal year 2025, while expenses incurred were \$2,077.5 million, which resulted in an increase in net position of \$91.6 million.
- General revenues, which are funds available for all educational purposes, including contributions from the County of Loudoun, Virginia (County), totaled \$1,800.7 million. Program specific revenues amounted to \$368.4 million.

### FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about LCPS’ major funds using the current financial resources measurement focus and modified accrual basis of accounting.

- LCPS’ governmental funds reported a combined fund balance of \$346.3 million, representing an increase of \$41.4 million over the prior year.
- On June 30, 2025, the General Fund reported an ending fund balance of \$52.1 million, a decrease of \$10.8 million from June 30, 2024. The unassigned portion of the General Fund’s fund balance was \$ 0.0 million due to the Loudoun County School Board authorization to fund the Workers Compensation Self Insurance Fund and the Health Self Insurance Fund with excess revenues and the use of the available fund balance.
- The Capital Improvements Fund reported an ending fund balance of \$223.6 million, an increase of \$60.9 million from June 30, 2024. This is restricted for construction projects in progress or starting in the near future.

## Components of the Financial Section



## OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this ACFR comprises five sections: 1) report of independent auditor, 2) management's discussion and analysis, 3) basic financial statements, 4) required supplementary information, and 5) other supplementary information.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the activities of LCPS and its component units, as a whole, using accounting methods similar to those used by private-sector businesses. In addition, they report LCPS' and its component units' net position and how net position has changed during the fiscal year.

The first government-wide statement, the Statement of Net Position, presents information on LCPS' assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the ability of LCPS to cover costs and continue to provide services in the future.

The second government-wide statement, the Statement of Activities, presents information on the net change of LCPS' costs of providing services (i.e. expenses) and resources used to finance those services (i.e. revenues). This statement highlights the extent to which specific programs are able to cover their costs with user fees, contributions and grants, as opposed to being financed with general revenues. All the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid. The change in net position from year to year may serve as a gauge of whether LCPS' financial position, as a whole, is improving or diminishing.

All of LCPS' basic services are reported as governmental activities. These activities are financed primarily by charges for services and Federal, State, and County grants and contributions. Included in the governmental activities, in the government-wide financial statements, are the governmental funds and internal service funds.

### FUND FINANCIAL STATEMENTS

Fund financial statements provide an additional level of detail about LCPS' most significant funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. LCPS uses fund accounting to track transactions in individual funds, as well as to ensure and demonstrate compliance with finance-related legal requirements. All of LCPS' funds are divided into the following three classifications:

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on: 1) how cash and other financial assets that can be readily converted to cash flow in and out, and 2) the balances remaining at year-end that are available for spending.

The governmental funds 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 LCPS' programs. Because this information does not encompass the additional long-term focus of the governmental activities in the government-wide financial statements, reconciliations are provided to explain the relationship (or differences).

The General Fund accounts for the main operating activities of LCPS. The General Fund is always reported as a major fund.

The Capital Improvements Fund is also reported as a major fund.

All other governmental funds, which include the Lease Fund, School Nutrition Services Fund, the Grant Fund, School Activity Fund, the Capital Asset Preservation Fund, the Debt Service Fund and the Peabody Trust Fund, are collectively referred to as nonmajor governmental funds.

Information on the General Fund and the Capital Improvements Fund is presented separately in the governmental funds' Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Data for the seven nonmajor governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in combining statements elsewhere within the ACFR.

**Proprietary Funds** – Proprietary funds, which consist of LCPS' Internal Service Funds, are used to account for operations that are financed and operated in a manner similar to private-sector businesses in which costs are recovered primarily through user charges.

Proprietary fund financial statements, like the government-wide financial statements, provide both long-term and short-term financial information. The Internal Service Funds are used to account for LCPS' Central Service and Self-Insurance Funds' activities on a cost reimbursement basis. Because these services only benefit LCPS' governmental activities, they have been included with governmental activities in the government-wide financial statements. Both Internal Service Funds are combined

into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of these Internal Service Funds is provided in combining statements elsewhere within the ACFR.

**Fiduciary Fund** – Fiduciary funds are used to account for resources that are held by LCPS for the benefit of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support LCPS’ programs. LCPS’ fiduciary fund has an OPEB Trust Fund. The OPEB Trust Fund is used to account for assets held in trust by LCPS for postemployment health benefits.

**FINANCIAL ANALYSIS OF GOVERNMENTAL ACTIVITIES**

The Statement of Net Position and the Statement of Activities provide the financial status and operating results of LCPS and its component units as a whole..

**STATEMENT OF NET POSITION**

As noted earlier, net position may serve over time as a useful indicator of LCPS’ financial position. LCPS’ assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1.7 billion at the close of fiscal year 2025, representing an increase of \$91.6 million from the net position on June 30, 2024.

By far, the largest portion of LCPS’ net position (138.3 percent) reflects its net investment in capital assets (e.g., land, construction in progress, equipment, and buildings) less any related debt used to acquire those assets that are still outstanding. LCPS uses these capital assets to provide services; consequently, they are not available for future spending.

Although LCPS’ investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The *Code of Virginia* precludes school districts from issuing general obligation debt. As a result, the County issues general obligation debt for LCPS and reports in its financial statements the general obligation debt related to LCPS’ capital assets.

LCPS is responsible for the outstanding debt obligations of installment purchases and leases amounting to \$53.0 million at June 30, 2025.

*The following table provides a summary of net position as of June 30, 2025 and 2024:  
(in thousands)*

**SUMMARY OF NET POSITION**

As of June 30

(Dollars in Thousands-may not foot due to rounding)

	Primary Government		
	2025	2024	Variance
<b>ASSETS</b>			
Current and other assets	\$ 638,850.3	\$ 613,537.2	\$ 25,313.1
Capital assets, net	2,469,728.4	2,418,249.7	51,478.7
<b>Total assets</b>	<u>3,108,578.7</u>	<u>3,031,786.9</u>	<u>76,791.8</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>485,720.8</u>	<u>530,160.5</u>	<u>(44,439.7)</u>
<b>LIABILITIES</b>			
Current liabilities	245,541.0	262,597.4	(17,056.4)
Long-term liabilities	1,421,902.2	1,408,050.5	13,851.7
<b>Total liabilities</b>	<u>1,667,443.2</u>	<u>1,670,647.9</u>	<u>(3,204.7)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>194,943.6</u>	<u>146,827.2</u>	<u>48,116.4</u>
<b>NET POSITION</b>			
Net Investment in capital assets	2,395,840.9	2,330,571.8	65,269.1
Restricted	10.1	19.6	(9.5)
Restricted by Legal Agreement	4,237.4	3,495.9	741.5
Unrestricted	(668,175.6)	(589,614.8)	(78,560.8)
<b>Total net position</b>	<u>\$ 1,731,912.8</u>	<u>\$ 1,744,472.5</u>	<u>\$ (12,559.7)</u>

**STATEMENT OF ACTIVITIES**

The following table provides a summary of the changes in LCPS’ net position for the fiscal years ended June 30, 2025 and 2024:

**SUMMARY OF CHANGES IN NET POSITION**

For the Fiscal Years Ended June 30

(Dollars in Thousands-may not foot due to rounding)

	Primary Government		
	2025	2024	Variance
<b>REVENUES</b>			
Program revenues:			
Charges for services	\$ 25,170.2	\$ 24,112.0	\$ 1,058.2
Operating grants and contributions	111,628.8	99,140.8	12,488.0
Capital grants and contributions	231,635.9	268,802.9	(37,167.0)
General revenues:			
Grants and contributions	1,764,416.2	1,621,292.3	143,123.9
Revenue from the use of money	1,531.0	1,709.3	(178.3)
Other	34,723.1	33,352.7	1,370.4
Total revenues	2,169,105.2	2,048,410.0	120,695.2
<b>EXPENSES</b>			
Instruction	1,487,341.2	1,365,384.0	121,829.4
Support Services	460,641.3	389,373.5	71,267.8
School nutrition services	47,307.7	45,319.0	1,988.7
Technology	80,823.3	81,081.4	(258.1)
Interest on long-term debt	1,403.5	1,643.7	(240.2)
Total expenses	2,077,517.0	1,882,801.6	194,715.4
Change in net position	91,588.2	165,869.8	(74,281.6)
Net position, beginning of year, as previously reported	1,744,472.4	1,578,602.6	165,869.8
Restatement - Change in accounting principle (GASB 101)	(104,147.8)	-	(104,147.8)
Net position, beginning of year, as Restated	\$ 1,640,324.6	\$ 1,578,602.6	\$ 61,722.0
<b>Net position, end of year</b>	<b>\$ 1,731,912.8</b>	<b>\$ 1,744,472.4</b>	<b>\$ (12,559.6)</b>

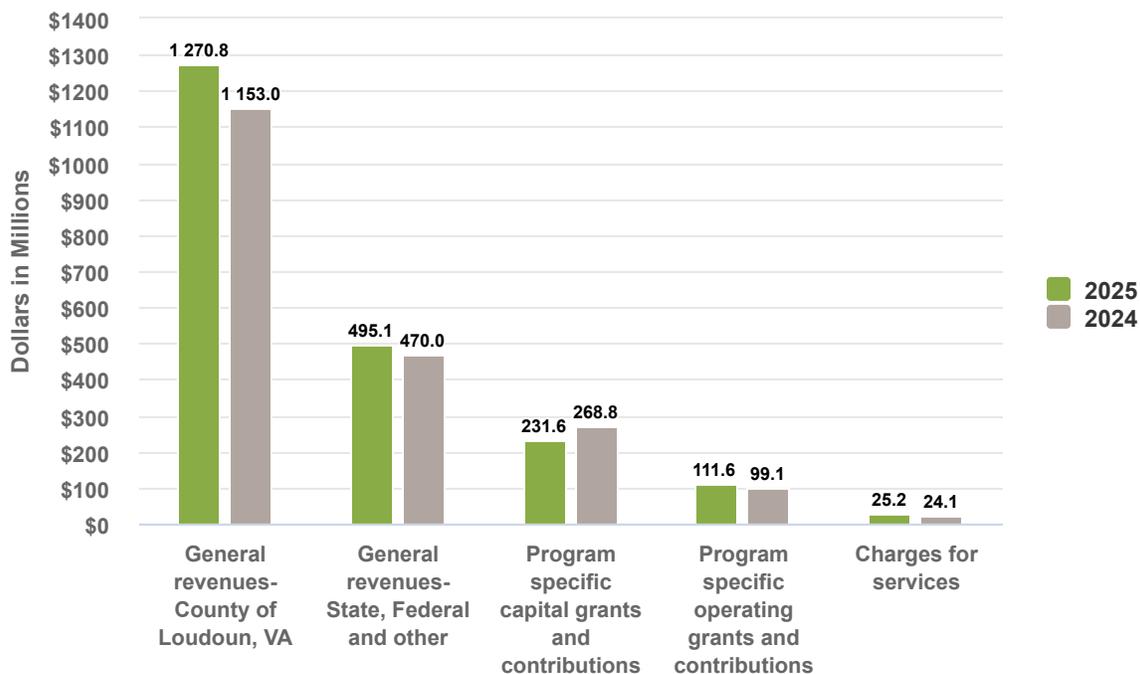
**Revenues**

Revenues for LCPS’ governmental activities totaled \$2,169.1 million during the fiscal year 2025, representing an increase of \$120.7 million over fiscal year 2024.

The following chart represents revenues by source for the fiscal years ended June 30, 2025 and 2024:

**GOVERNMENTAL ACTIVITIES – REVENUES BY SOURCE**

For the Fiscal Years Ended June 30



The events contributing to the increase in revenues during the fiscal year 2025 were:

- General revenue, grants and contributions for LCPS increased \$143.1 million from the previous fiscal year. This growth was primarily driven by a 9.7 percent, or \$112.0 million increase in the County contribution, which continues to be LCPS' largest revenue source. The higher County contribution reflects increased funding for employee compensation and benefits, the continuation of innovative initiatives and additional support for student needs. In addition, the Commonwealth of Virginia's contribution increased by \$46.9 million, a 9.5 percent rise from the prior year, due to enhancements to Standards of Quality (SOQ) funding and related categorical payments.
- Program specific revenues for LCPS decreased \$23.6 million compared to the previous fiscal year. Capital grants and contributions decreased \$37.2 million due to reduced County funding for construction projects. While LCPS opened two new schools in fall 2024, major capital activities during fiscal year 2025 focused primarily on HVAC system upgrades, boiler and chiller replacements, and roof replacement projects, which required less County support than in the prior year. In contrast, operating grants and contributions increased \$12.5 million, or 12.6 percent from fiscal year 2024 reflecting higher federal and state support for various instructional and support programs.
- Charges for services for LCPS increased \$1.1 million from the previous fiscal year.

### **Expenses**

The total costs of LCPS' programs for fiscal year 2025 were \$2,077.5 million, an increase of \$194.7 compared to fiscal year 2024. These costs were partially funded by program revenues, including \$25.2 million from charges to those who directly benefited from programs and \$343.3 million from grants and contributions provided by other governments and organizations.

Regular instruction continues to be LCPS' largest function. This category includes activities and programs provided during the regular instructional day for students in kindergarten through grade 12, excluding programs designed to address disabilities and those offered for gifted and talented students.

LCPS' second largest program, special instruction, includes services for students with disabilities, as well as programs for other specialized student populations such as alternative education, Head Start, gifted and talented, and preschool students.

Regular instruction expenses increased \$49.5 million and special instruction expenses increased \$44.8 million compared to the prior fiscal year, even as LCPS' enrollment totals declined slightly. In addition, LCPS made a one-time payment of \$29.0 million to Virginia Department of Education (VDOE) related to fiscal year 2023 and 2024 awards.

Most LCPS functional areas required support from general revenues to cover operational costs. In fiscal year 2025, facilities services was self-supporting with program revenues exceeding program costs by \$193.5 million. The primary revenue source for facilities activities was general obligation bond proceeds from the County used for the construction, acquisition or renovation of capital assets.

Adult education services were primarily supported by operating grants from the Commonwealth of Virginia, while School Nutrition Services relied mainly on charges for services.

## **FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

As noted earlier, LCPS uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of LCPS' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing LCPS' financing requirements.

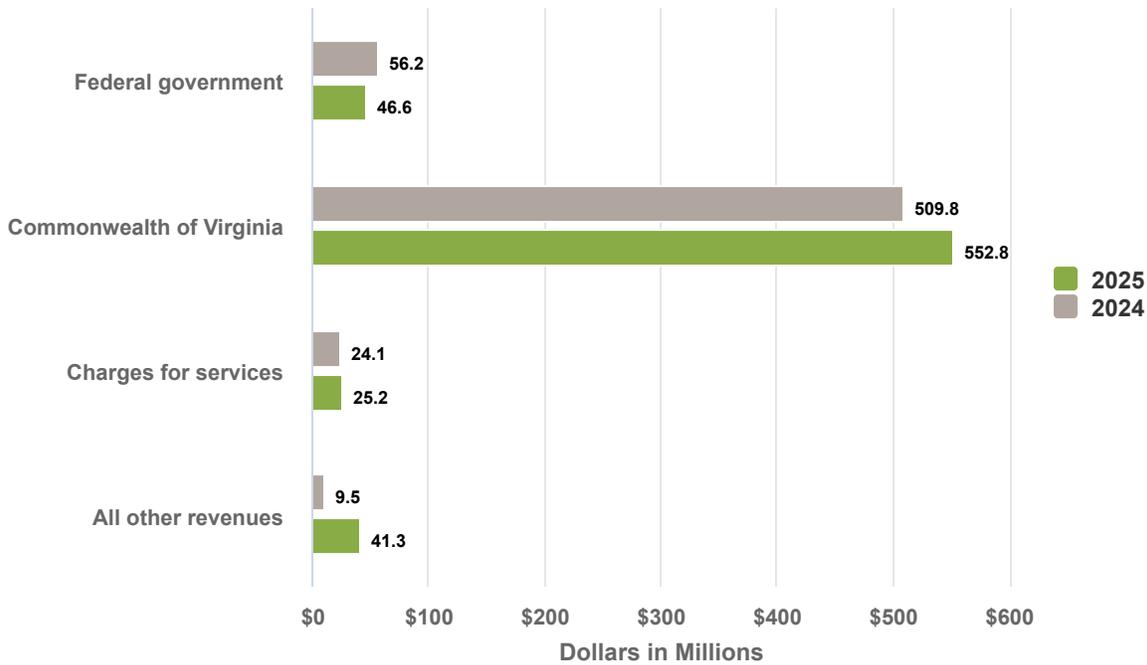
As of June 30, 2025, LCPS' governmental funds reported a combined fund balance of \$346.3 million, an increase of \$41.4 million, compared to an increase of \$41.1 million at June 30, 2024.

Of the combined fund balance, \$2.3 million was nonspendable and not available for future funding, \$3.7 million was restricted by fiscal agents, \$261.6 million was committed by various board actions, and \$81.1 million was assigned to specific contractual and financial planning purposes.

The total revenues for governmental funds in fiscal year 2025 totaled \$2,170.1 million, an 5.9 percent increase over fiscal year 2024. LCPS' primary source of revenue was intergovernmental (from the Federal government, State, and the County) and amounted to \$2,101.8 million in fiscal year 2025, a 5.7 percent increase over fiscal year 2024. All other revenue sources (e.g., charges for services, and recovered costs) totaled \$68.3 million, representing an increase of 10.5 percent.

The following chart compares the total revenues by source for governmental funds (excluding revenue from the County and transfers in) for the fiscal years ended June 30, 2025 and 2024:

**REVENUES BY SOURCE (EXCLUDING COUNTY REVENUE AND TRANSFERS IN)**  
 For the Fiscal Years Ended June 30

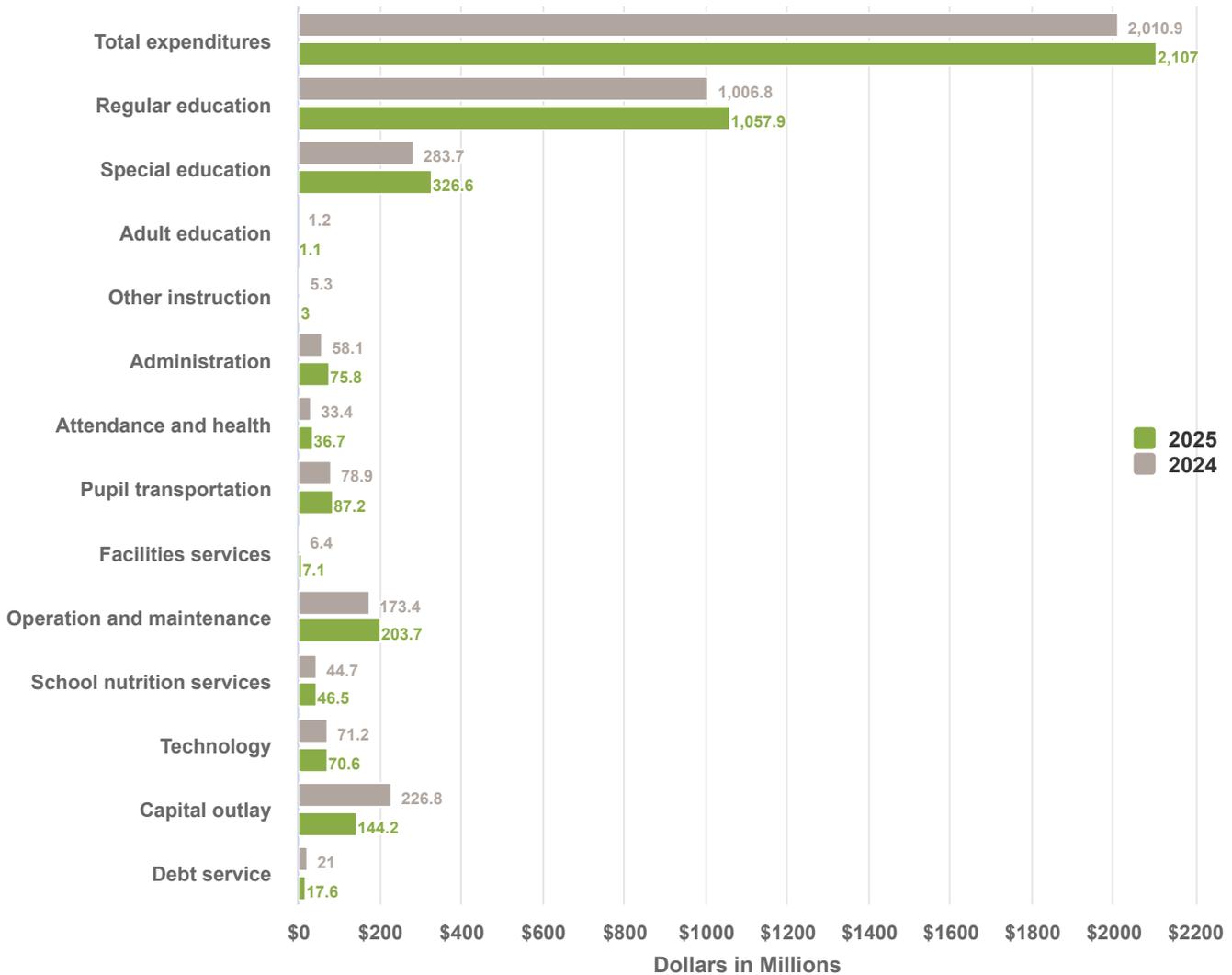


Several factors contributing to the net increase in total revenues during fiscal year 2025 include:

- Commonwealth of Virginia revenues increased \$42.9 million from fiscal year 2024. The increase in state revenues for fiscal year 2025 was primarily driven by legislative changes adopted in the Commonwealth’s FY 2024-2026 biennial budget that affected Standards of Quality (SOQ) and related categorical funding. The General Assembly approved additional K-12 appropriations, including the state share of compensation supplements for SOQ-funded instructional and support positions, as well as increased allocations for Basic Aid, At-Risk, Special Education, English Learners and Lottery-funded Infrastructure and Operations per pupil payments. These enhancements collectively contributed to the year-over-year increase in state revenue.
- Federal government revenues decreased by \$9.6 million from fiscal year 2024. Federal revenues are restricted for specific purposes in accordance with applicable statutes and regulations and are used to supplement the cost of providing instructional services in vocational, adult and special education programs, as well as programs serving educationally and economically disadvantaged students. School Nutrition Services’ revenues remained flat as the reimbursable meal rates for breakfast and lunch from the federal government experienced only slight adjustments in fiscal year 2025. In addition, LCPS actively expended the remaining COVID-19 relief funds during fiscal year 2025 in order to close out the related grants. As these one-time federal sources continued to phase down, LCPS recognized a \$7.2 million decrease in federal revenue compared to fiscal year 2024.
- Capital grants and contributions decreased by \$37.2 million from fiscal year 2024 due to a reduction in County funding for construction projects. In fall 2024, LCPS completed construction of a new elementary school and middle school, both of which opened for the 2024-2025 school year. In addition, LCPS continued to incur major capital costs related to HVAC system upgrades, boiler and chiller replacements, and roof replacement projects; however these activities required less County grant support compared to the prior fiscal year.
- Charges for services increased by \$1.1 million. Cafeteria sales are the primary revenue source for School Nutrition Services.
- Operating grants and contributions increased \$12.5 million, or 12.6 percent, from fiscal year 2024.

The following chart compares the expenditures (excluding transfers out) for each LCPS' functional area for the fiscal years ended June 30, 2025 and 2024:

**EXPENDITURES BY FUNCTION (EXCLUDING TRANSFERS OUT)**  
For the Fiscal Years Ended June 30



Excluding other financing uses, the total expenditures for governmental funds for the fiscal year ended June 30, 2025 were \$2,107.1 million, an increase of 6.38 percent over fiscal year 2024. Regular and special instruction continue to represent LCPS' largest program areas.

For fiscal year 2025, regular instruction expenditures were \$1,057.9 million, an increase of \$51.1 million, or 5.08 percent. Special instruction expenditures were \$326.6 million, an increase of \$42.9 million, or 15.12 percent.

Combined, regular and special instruction expenditures increased by \$94.0 million compared to fiscal year 2024. This increase was primarily driven by higher salary and benefit costs reflecting annual step increases, rising benefit rates, the continuation of innovative instructional programs and enhanced support for students. In addition, LCPS made a one-time repayment of \$29.0 million to the VDOE for prior years FY23 and FY24 IDEA grant funding following a Maintenance of Effort fiscal monitoring review.

LCPS' third largest program, operations and maintenance, includes all activities necessary to keep LCPS' buildings, grounds, and equipment in effective working condition. Expenditures for this function totaled \$203.7 million at the close of fiscal year 2025, an increase of \$30.3 million from the prior year. The increase was mainly attributable to higher salaries and benefits and increases in repairs, maintenance and minor equipment costs of \$9.2 million.

Capital outlays for the governmental funds decreased by \$82.6 million. Capital outlay expenditures were \$144.2 million compared to \$226.8 million during fiscal year 2024, a 57.28 percent decrease. This reduction is primarily due to fewer projects under construction as the construction of a new elementary school and middle school was completed in fiscal year 2024.

Other factors accounting for expenditures during fiscal year 2025 include:

- Expenditures for pupil transportation increased \$8.3 million, or 10.50 percent. This increase is due to additional routes and higher maintenance and replacement costs.
- Administration, Attendance and Health, and Facilities services expenditures increased \$21.7 million or 22.1 percent from fiscal year 2024 due to higher salaries and benefit costs, consulting services and legal fees of \$1.9 million and educational staff development of \$4.4 million.
- Technology expenditures decreased by \$.6 million or 0.84 percent.

**The General Fund** is the main operating fund of LCPS. At the end of the current fiscal year, the General Fund reported a fund balance of \$52.1 million. The General Fund's revenues increased primarily due to a \$112.0 million, or 9.7 percent, increase in the County contribution, LCPS' largest revenue source. This increase supports rising employee salaries, escalating benefit costs, innovative instructional programs and expanded services for students. In addition, state funding from the Commonwealth of Virginia increased by \$46.9 million or 9.5 percent, as a result of legislative changes adopted in the Commonwealth's FY2024-2026 biennial budget.

Expenditures increased \$1,416.3 million, or 10.0 percent, largely due to investments in employee recruitment and retention, expanded student support services and the continued advancement of student-centered initiatives. LCPS also incurred a one-time repayment of FY23 and FY24 awards to the VDOE. Capital outlay expenditures decreased by \$12.3 million or 52 percent primarily to the fewer capital needs requiring General Fund resources in the current year. Interfund transfers to the Self-Insurance funds increased 143.0 percent, driven by price escalations, higher utilization of specialty pharmaceuticals, and an increase in catastrophic claims.

Overall, the increase in revenues and expenditures, combined with changes in other financing sources and uses resulted in a net decrease in fund balance of \$10.8 million from the prior fiscal year. The General Fund's ending fund balance at June 30, 2025 represents 15.1 percent of the total combined fund balance of all governmental funds.

**The Capital Improvements Fund**, which accounts for LCPS' major capital projects, ended the fiscal year with a fund balance of \$223.6 million, all of which is committed to fund next year's capital needs. Revenues for the Capital Improvements Fund totaled \$181.3 million, a decrease of \$44.2 million, or 19.6 percent, from the previous year. This decline is primarily attributable to a 61% reduction in County funding for construction activities and the wind-down of COVID-19 relief funds.

Expenditures for fiscal year 2025 were \$120.4 million, a decrease of \$86.9 million or 41.9 percent. The reduction in expenditures reflects the completion of several major construction projects, most notably Henrietta Lacks Elementary School and Watson Mountain Middle School, both completed in fiscal year 2024, as well as the substantial completion of large HVAC upgrades, boiler and chiller replacements and roof replacement projects during fiscal year 2025.

The combination of reduced revenues and an even greater reduction in expenditures resulted in a net increase in fund balance of \$60.9 million.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The *Code of Virginia* requires the appointed Superintendent of LCPS to submit a budget to the County Board of Supervisors (BOS), with the approval of the School Board.

The Superintendent presents LCPS' Superintendent Estimate of Needs (SEON) to the School Board in January every year. The School Board conducts a series of public hearings and workshop sessions before adopting their fiscal year budget. The School Board's Adopted Budget is then forwarded to the County for inclusion in the County Executive's advertised budget. By early April, the BOS holds public hearings regarding the proposed budget and determines the amount of funding to be appropriated to LCPS. If the School Board's Adopted Budget is fully funded, then no additional action is necessary. If the appropriated amount is less than the School Board's Adopted Budget, then the School Board enters into reconciliation to bring their final budget in line with the appropriation.

The approved budget governs the financial operations of LCPS beginning on July 1 and is modified on an as needed basis as revenue sources and expenditure priorities change. LCPS' School Board policies and regulations guide all budget modifications, including supplemental appropriations.

The following table presents a summary comparison of the General Fund's original and final budgets with actual performance, net of other financing sources and uses, for the fiscal year ended June 30, 2025

**GENERAL FUND BUDGET AND ACTUAL COMPARISON**

For the Fiscal Year Ended June 30, 2025

(Dollars in Thousands-may not foot due to rounding)

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Final Budget</b>
Total revenues	\$ 1,812,777.9	\$ 1,829,463.4	\$ 1,823,835.7	\$ (5,627.7)
Total expenditures	(1,824,777.9)	(1,852,780.5)	(1,803,055.7)	49,724.8
Total other financing uses	-	-	(31,622.0)	(31,622.0)
Net change in fund balances	<u>\$ (12,000.0)</u>	<u>\$ (23,317.1)</u>	<u>\$ (10,842.0)</u>	<u>\$ 12,475.1</u>

**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

**CAPITAL ASSETS**

As of June 30, 2025, LCPS' investment in capital assets for governmental activities totaled \$3.6 billion. Accumulated depreciation and amortization totaled \$1.1 billion resulting in capital assets, net of accumulated depreciation and amortization of \$2.5 billion. This represents a net increase in capital assets of \$51.5 million, or 2.1 percent, over the prior year, due to lease assets being reported this year.

Major capital asset events during fiscal year 2025 included the following:

- LCPS acquired \$39.2 million in equipment and machinery.
- Total asset disposals amounted to \$10.4 million.
- LCPS opened Henrietta Lacks Elementary School and Watson Mountain Middle School in Fall 2024. Total building costs incurred during fiscal year 2025 amounted to \$325.1 million.
- Costs associated with ongoing projects remained in construction in progress at the fiscal year end. These projects include cumulative construction expenditures of \$69.8 million.
- Additional detailed information regarding LCPS' capital assets, including the current year's activity, can be found in notes I.F and II.E in the notes to the financial statements.

The following table summarizes capital assets as of June 30, 2025 and 2024:

**NET CAPITAL ASSETS**

As of June 30, 2025

(Dollars in Thousands-may not foot due to rounding)

<b>Capital Asset Category</b>	<b>Book Value (net of depreciation/amortization)*</b>	
	<b>2025</b>	<b>2024</b>
Land	\$ 173,956.7	\$ 173,433.7
Construction in progress	137,073.5	359,469.4
Buildings	2,045,965.5	1,789,689.1
Right-to-use lease Buildings	3,923.6	2,428.2
Right-to-use lease Equipment	21,443.1	19,796.9
Right-to-use lease SBITA	4,682.9	10,134.2
Machinery and equipment	75,554.2	55,830.5
Improvements other than buildings	7,053.2	7,390.7
Infrastructure	75.7	77.0
Total	<u>\$ 2,469,728.4</u>	<u>\$ 2,418,249.7</u>

\* Except for land and construction in progress.

**LONG-TERM LIABILITIES**

As of June 30, 2025, LCPS reported total outstanding debt of \$1,421.9 million, compared to \$1,512.1 million at June 30, 2024. Of this amount, \$795.9 million related to pension liability. OPEB liabilities total \$354.2 million in 2025 as compared to \$401.7 million for 2024. \$53.0 million is related to leases and installment purchases. Compensated absences are \$188.0 million in 2025 as compared to \$166.6 million in 2024. The restated fiscal year 2024 balance includes the implementation of GASB Statement No. 101, *Compensated Absences*. LCPS' additions to installment purchases related to \$10.0 million for computers, vehicles and other equipment. The following is a summary of LCPS' gross outstanding long-term liabilities for governmental activities.

**OUTSTANDING LONG-TERM LIABILITIES**

As of June 30

(Dollars in Thousands-may not foot due to rounding)

	<u>2025</u>	<u>2024</u>
Compensated absences (1)	\$ 188,033.6	\$ 166,578.3
Claims liabilities	30,703.2	25,961.5
Lease liability	26,199.1	22,914.1
Installment purchase liability	22,743.3	22,647.5
SBITA liability	4,098.3	8,941.5
OPEB liability	354,230.7	401,688.2
Net pension liability	795,894.0	863,351.1
Total	<u>\$ 1,421,902.2</u>	<u>\$ 1,512,082.2</u>

(1) Implementation of GASB Statement No. 101, *Compensated Absences*, is reported as a change in accounting principle and requires a restatement of FY24 balance.

Further detail is provided below for the OPEB liabilities:

**OUTSTANDING OPEB LIABILITIES/(ASSETS)**

As of June 30

(Dollars in Thousands-may not foot due to rounding)

	<u>2025</u>	<u>2024</u>
Group Life Insurance	43,321.0	47,177.7
Health Insurance Credit	97,379.1	101,726.0
OPEB liability	213,530.6	252,784.5
Total	<u>\$ 354,230.7</u>	<u>\$ 401,688.2</u>

Additional detailed information regarding LCPS' long-term obligations, including the current year's activity, can be found in notes I.M, I.N, II.F, and II.G in the Notes to the Financial Statements and in notes II.A and II.B in the Notes to the Required Supplementary Information.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

LCPS' enrollment totals declined slightly for fiscal year 2025. Student enrollment K-12 is projected to remain relatively stable, under 82,000 students, over the next several fiscal years.

The primary source of revenue for LCPS comes from the County of Loudoun. Budgeted revenue from the County in FY26 is \$113.9 million higher than FY25 or a 9.7 percent increase.

In FY26, it will cost an average of \$23,825 for personnel, employee benefits, and materials to provide school-level instructional and support services for each student. Included in the FY26 Adopted Budget are step and cost of living adjustments for all eligible employees, a 12 percent health insurance premium increase, and final payment of the state-supported recruitment bonus. Other investments in support of students include additional flexible staffing, the expansion of the Welcome Center, Athletic Trainers, Regional School Security Officers, Title I Supports and the opening of the Recovery School. The other major source of LCPS' revenues is driven by student enrollment, particularly in the area of State and Federal aid.

The fiscal year 2026 approved operating budget is focused on making investment for now and in the future across three main categories - our Empowered Students, our Exemplary Staff and our Enriched School System. These investments are aligned with the LCPS vision and mission and supportive of the One LCPS: 2027 Strategic Plan. There are significant investments in each of three categories with an emphasis on the continuation of innovative programs, new support for students and compensation for exemplary staff. The approved operating budget includes an increase of \$137.4 million, or 7.5 percent from fiscal year 2025.

**CONTACTING LCPS MANAGEMENT**

This summary is designed to provide a general overview of the financial condition of LCPS. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Executive Director of Financial Services, Department of Business and Financial Services, 21000 Education Court, Ashburn, Virginia, 20148, or by calling 571- 252-1190.

This ACFR can also be found on the LCPS website at [www.lcps.org](http://www.lcps.org).



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# Basic Financial Statements



**The Basic Financial Statements subsection includes the government-wide statements, which incorporates the governmental activities of Loudoun County Public Schools and its component units, in order to provide an overview of the financial position and results of operation for the reporting entity. This subsection also includes the fund financial statements and the accompanying notes to the financial statements.**



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**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Statement of Net Position**  
**June 30, 2025**

Exhibit I

	<b>Primary Government</b>		<b>Total Reporting Entity</b>
	<b>Governmental Activities</b>	<b>Component Units</b>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,141,634	\$ 2,769,110	\$ 12,910,744
Accounts receivable, net	19,121,357	36,349	19,157,706
Due from County	571,343,361	-	571,343,361
Due from Primary Government	-	19,659	19,659
Due from component units	6,789	-	6,789
Due from other governmental units	11,959,222	-	11,959,222
Inventories	1,765,882	-	1,765,882
Prepaid items	17,817,533	8,302	17,825,835
Deposits	4,960,000	-	4,960,000
Restricted cash on deposit with others	1,217,575	130,000	1,347,575
Nondepreciable capital assets	311,030,159	-	311,030,159
Depreciable capital assets, net of depreciation/amortization	2,158,698,217	-	2,158,698,217
OPEB Asset	517,053	-	517,053
<b>Total assets</b>	<b>3,108,578,782</b>	<b>2,963,420</b>	<b>3,111,542,202</b>
Deferred outflows related to other postemployment benefits	151,616,464	-	151,616,464
Deferred outflows related to pensions	334,104,384	-	334,104,384
<b>Total deferred outflows of resources</b>	<b>485,720,848</b>	<b>-</b>	<b>485,720,848</b>
<b>LIABILITIES</b>			
Accounts payable	62,982,662	64,585	63,047,247
Accrued interest payable	1,304,842	-	1,304,842
Accrued liabilities	164,216,830	4,075	164,220,905
Due to Primary Government	-	13,835	13,835
Contract retainages	3,483,183	-	3,483,183
Other liabilities	3,351,102	-	3,351,102
Unearned revenues	10,202,373	-	10,202,373
Long-term liabilities:			
Due within one year	49,658,388	-	49,658,388
Due in more than one year	1,372,243,850	-	1,372,243,850
<b>Total liabilities</b>	<b>1,667,443,230</b>	<b>82,495</b>	<b>1,667,525,725</b>
Deferred inflows related to other postemployment benefits	50,223,282	-	50,223,282
Deferred inflows related to pensions	144,720,302	-	144,720,302
<b>Total deferred inflows of resources</b>	<b>194,943,584</b>	<b>-</b>	<b>194,943,584</b>
Net investment in capital assets	2,395,840,893	-	2,395,840,893
Permanent fund-nonexpendable	10,120	-	10,120
Legal agreement	3,720,367	130,000	3,850,367
OPEB asset	517,053	-	517,053
Unrestricted	(668,175,617)	2,750,925	(665,424,692)
<b>Total net position</b>	<b>\$ 1,731,912,816</b>	<b>\$ 2,880,925</b>	<b>\$ 1,734,793,741</b>

See accompanying notes to the financial statements.

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Statement of Activities**  
 For the Fiscal Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Instruction:				
Regular	\$ 1,115,894,491	\$ 2,605,372	\$ 37,639,727	\$ -
Special	331,891,497	-	52,316,958	-
Adult education	1,130,993	238,911	168,972	-
Return of local/matching funds	28,997,133	-	-	-
Other	3,143,046	-	-	-
Charter Schools	6,284,062	-	-	-
Total instruction	<u>1,487,341,221</u>	<u>2,844,283</u>	<u>90,125,657</u>	<u>-</u>
Support Services:				
Administration	77,974,250	-	-	-
Attendance and health	37,443,064	-	-	-
Pupil transportation	99,082,162	-	-	-
Facilities services	38,163,440	-	-	231,635,922
Operation and maintenance	207,978,429	-	-	-
School nutrition services	47,307,696	22,325,911	18,956,785	-
Total support services	<u>507,949,040</u>	<u>22,325,911</u>	<u>18,956,785</u>	<u>231,635,922</u>
Technology	80,823,328	-	2,546,322	-
Interest on long-term debt	1,403,408	-	-	-
Total Primary Government	<u>\$ 2,077,516,998</u>	<u>\$ 25,170,194</u>	<u>\$ 111,628,764</u>	<u>\$ 231,635,922</u>
<b>Component Units:</b>				
Middleburg Community Charter School	<u>\$ 3,427,182</u>	<u>\$ 9,895</u>	<u>\$ 3,600,436</u>	<u>\$ -</u>
Hillsboro Charter Academy	<u>\$ 3,597,101</u>	<u>\$ -</u>	<u>\$ 3,604,368</u>	<u>\$ -</u>

**General revenues:**

Grants and contributions not restricted to specific purposes:

- Federal government
- Commonwealth of Virginia
- County of Loudoun, Virginia

Revenue from the use of money and property

Lease fund interest

Other

Total general revenues

Change in net position

Net Position, beginning of year, as previously reported

Restatement - Change in accounting principle (GASB 101)

Net Position, beginning of year, as restated

Net position, end of year

See accompanying notes to the financial statements.

Net (Expenses) Revenues and Changes in Net Position				
Primary Government	Component Units		Total Reporting Entity	Functions/Programs
Governmental Activities	Middleburg Community Charter School	Hillsboro Charter Academy		
				<b>Primary Government:</b>
				Instruction:
\$ (1,075,649,392)	\$ -	\$ -	\$ (1,075,649,392)	Regular
(279,574,539)	-	-	(279,574,539)	Special
(723,110)	-	-	(723,110)	Adult education
(28,997,133)	-	-	(28,997,133)	Return of local/matching funds
(3,143,046)	-	-	(3,143,046)	Other
(6,284,062)	-	-	(6,284,062)	Charter Schools
<u>(1,394,371,281)</u>	<u>-</u>	<u>-</u>	<u>(1,394,371,281)</u>	Total instruction
				Support Services:
(77,974,250)	-	-	(77,974,250)	Administration
(37,443,064)	-	-	(37,443,064)	Attendance and health
(99,082,162)	-	-	(99,082,162)	Pupil transportation
193,472,482	-	-	193,472,482	Facilities services
(207,978,429)	-	-	(207,978,429)	Operation and maintenance
(6,025,000)	-	-	(6,025,000)	School nutrition services
<u>(235,030,422)</u>	<u>-</u>	<u>-</u>	<u>(235,030,422)</u>	Total support services
(78,277,006)	-	-	(78,277,006)	Technology
(1,403,408)	-	-	(1,403,408)	Interest on long-term debt
<u>\$ (1,709,082,118)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,709,082,118)</u>	Total Primary Government
				<b>Component Units:</b>
	\$ 183,149	\$ -	\$ 183,149	Middleburg Community Charter School
	\$ -	\$ 7,267	\$ 7,267	Hillsboro Charter Academy
				<b>General revenues:</b>
				Grants and contributions not restricted to specific purposes:
\$ 4,486,440	\$ -	\$ -	\$ 4,486,440	Federal government
489,145,582	-	-	489,145,582	Commonwealth of Virginia
1,270,784,175	-	-	1,270,784,175	County of Loudoun, Virginia
1,530,960	29,962	66,131	1,627,053	Revenue from the use of money and property
302,400	-	-	302,400	Lease fund interest
34,420,686	-	47,576	34,468,262	Other
<u>1,800,670,243</u>	<u>29,962</u>	<u>113,707</u>	<u>1,800,813,912</u>	Total general revenues
91,588,125	213,111	120,974	91,922,210	Change in net position
1,744,472,461	1,008,319	1,538,521	1,747,019,301	Net Position, beginning of year, as previously reported
(104,147,770)	-	-	(104,147,770)	Restatement - Change is accounting principle (GASB 101)
<u>\$ 1,640,324,691</u>	<u>\$ 1,008,319</u>	<u>\$ 1,538,521</u>	<u>\$ 1,642,871,531</u>	Net Position, beginning of year, as restated
<u>\$ 1,731,912,816</u>	<u>\$ 1,221,430</u>	<u>\$ 1,659,495</u>	<u>\$ 1,734,793,741</u>	Net position, end of year

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

Exhibit III

	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,766	\$-	\$ 10,139,868	\$ 10,141,634
Accounts receivable, net	5,197,053	1,081,688	12,487,756	18,766,497
Due from County	571,343,361	-	-	571,343,361
Due from component unit	6,789	-	-	6,789
Due from other governmental units	10,416,521	-	1,542,701	11,959,222
Interfund receivables	223,333	243,407,732	74,758,974	318,390,039
Inventories	917,976	-	847,906	1,765,882
Prepaid items	422,774	-	136,381	559,155
Restricted cash on deposit with others	-	-	1,217,575	1,217,575
<b>Total assets</b>	<b>\$ 588,529,573</b>	<b>\$ 244,489,420</b>	<b>\$ 101,131,161</b>	<b>\$ 934,150,154</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 35,444,655	\$ 14,927,625	\$ 11,086,838	\$ 61,459,118
Accrued liabilities	154,967,307	2,435,939	6,813,585	164,216,831
Interfund payables	342,617,437	-	2,523,670	345,141,107
Contract retainages	-	3,483,183	-	3,483,183
Other liabilities	3,351,102	-	-	3,351,102
Unearned revenues	-	-	10,202,373	10,202,373
<b>Total liabilities</b>	<b>536,380,501</b>	<b>20,846,747</b>	<b>30,626,466</b>	<b>587,853,714</b>
<b>FUND BALANCES:</b>				
Nonspendable:				
Inventories	917,976	-	847,906	1,765,882
Prepaid items and deposits	422,774	-	136,381	559,155
Permanent fund-nonexpendable	-	-	10,120	10,120
Restricted for:				
Restricted by legal agreement	-	-	3,720,367	3,720,367
Committed to:				
Capital improvements	-	223,642,673	-	223,642,673
Capital asset preservation	-	-	37,988,682	37,988,682
Assigned to:				
General Fund contractual obligations	38,808,322	-	-	38,808,322
General Fund subsequent years' appropriations	12,000,000	-	-	12,000,000
Special revenue fund	-	-	30,324,909	30,324,909
Unassigned	-	-	(2,523,670)	(2,523,670)
<b>Total fund balances</b>	<b>52,149,072</b>	<b>223,642,673</b>	<b>70,504,695</b>	<b>346,296,440</b>
<b>Total liabilities and fund balances</b>	<b>\$ 588,529,573</b>	<b>\$ 244,489,420</b>	<b>\$ 101,131,161</b>	<b>\$ 934,150,154</b>

See accompanying notes to the financial statements.

**Governmental Funds**  
**Reconciliation of the Balance Sheet to the Statement of Net Position**

**Exhibit IV**

June 30, 2025

Fund balances - total governmental funds \$ 346,296,440

Amounts reported for governmental activities in the Statement of Net Position are different due to:  
 Capital assets used in governmental funds' activities are not financial resources and, therefore, are not reported in the funds.

Nondepreciable capital assets	311,030,159	
Depreciable/amortizable capital assets	3,251,122,343	
Accumulated depreciation and amortization	<u>(1,092,424,126)</u>	
Total		2,469,728,376

Internal service funds are used by management to provide certain goods and services to governmental funds. The assets, deferred outflows, liabilities, and deferred inflows of the internal service funds are included in governmental activities in the Statement of Net Position.

Assets	49,324,306	
Liabilities	<u>(32,226,753)</u>	
Total		17,097,553

Non-current liabilities related to governmental funds' activities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences	(188,033,570)	
Installment purchase liabilities	(22,743,328)	
Lease liabilities	(26,199,114)	
SBITA liability	(4,098,294)	
Accrued interest on long-term debt	<u>(1,304,842)</u>	
Total		(242,379,148)

Net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions in the Statement of Net Position; are not financial resources and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	334,104,384	
Net pension liability	(795,893,980)	
Deferred inflows of resources related to pensions	<u>(144,720,302)</u>	
Total		(606,509,898)

Net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB in the Statement of Net Position; are not financial resources and, therefore, are not reported in the funds.

Deferred outflows of resources related to OPEB	151,616,464	
Net OPEB liability	(354,230,743)	
Net OPEB (asset) VLDP	517,053	
Deferred inflows of resources related to OPEB	<u>(50,223,282)</u>	
Total		(252,320,508)

Net position of governmental activities \$ 1,731,912,816

See accompanying notes to the financial statements.

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

Exhibit V

	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Intergovernmental:				
Federal government	\$ 226,562	\$ 4,259,878	\$ 42,080,594	\$ 46,567,034
Commonwealth of Virginia	540,888,996	-	11,888,476	552,777,472
County of Loudoun, Virginia	1,264,595,065	177,086,044	60,738,988	1,502,420,097
Charges for services:				
Tuition and fees	2,844,283	-	10,837	2,855,120
Food sales	-	-	22,325,911	22,325,911
Revenue from the use of money and property	1,846,970	-	-	1,846,970
Lease fund interest	-	-	302,400	302,400
Recovered costs	9,239,447	-	-	9,239,447
Other	4,194,401	-	27,578,506	31,772,907
<b>Total revenues</b>	<b>1,823,835,724</b>	<b>181,345,922</b>	<b>164,925,712</b>	<b>2,170,107,358</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular	1,021,745,900	-	36,104,798	1,057,850,698
Special	308,398,058	-	18,194,130	326,592,188
Adult education	868,756	-	232,202	1,100,958
Return of local/matching funds	28,997,133	-	-	28,997,133
Other	3,032,923	-	-	3,032,923
Support services:				
Administration	75,844,114	-	-	75,844,114
Attendance and health	36,675,581	-	40,418	36,715,999
Pupil transportation	86,615,462	-	627,313	87,242,775
Facilities services	7,094,544	-	-	7,094,544
Operation and maintenance	160,594,868	-	43,101,803	203,696,671
School nutrition services	1,318,067	-	45,131,949	46,450,016
Technology	60,822,173	-	9,746,245	70,568,418
Capital outlay	3,984,019	120,297,268	19,955,322	144,236,609
Debt service:				
Principal	6,542,948	109,026	9,904,206	16,556,180
Interest	521,196	9,694	544,784	1,075,674
<b>Total expenditures</b>	<b>1,803,055,742</b>	<b>120,415,988</b>	<b>183,583,170</b>	<b>2,107,054,900</b>
Excess (deficiency) of revenues over (under) expenditures	20,779,982	60,929,934	(18,657,458)	63,052,458
<b>OTHER FINANCING SOURCES</b>				
Installment purchases	-	-	10,000,000	10,000,000
Subscription based IT	307,111	-	-	307,111
Transfers Out	(31,929,097)	-	-	(31,929,097)
<b>Total other financing sources, net</b>	<b>(31,621,986)</b>	<b>-</b>	<b>10,000,000</b>	<b>(21,621,986)</b>
Net change in fund balances	(10,842,004)	60,929,934	(8,657,458)	41,430,472
Fund balances at beginning of year	62,991,076	162,712,739	79,162,153	304,865,968
<b>Fund balances at end of year</b>	<b>\$ 52,149,072</b>	<b>\$ 223,642,673</b>	<b>\$ 70,504,695</b>	<b>\$ 346,296,440</b>

See accompanying notes to the financial statements.

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances to the Statement of Activities**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

Exhibit VI

Net changes in fund balances - total governmental funds \$ 41,430,472

Amounts reported for governmental activities in the Statement of Activities are different due to:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is expensed over their estimated useful lives and reported as depreciation and amortization expense.

Capital outlay	144,236,609	
Depreciation and amortization expense	<u>(96,685,687)</u>	
Total		47,550,922

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. 5,201

Gains and losses on the disposal of capital assets are reported in the Statement of Activities. However, in governmental funds, the proceeds from sales are reported. The difference is the net depreciated value of the disposed capital assets. 3,922,561

Principal payments on leases, SBITA and installment purchase liability are reported as expenditures in governmental funds. However, the principal payments reduce the liabilities in the Statement of Net Position and do not result in expenses in the Statement of Activities. 11,462,408

Proceeds from the issuance of long-term debt are reported as other financing sources in the governmental funds, increasing fund balance. In the government-wide statements, new debt increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. This represents principal amounts of new leases. (10,000,000)

In the Statement of Activities, certain operating expenses (OPEB, pensions, and compensated absences) are measured by the amounts incurred during the current year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

OPEB:		
OPEB contributions	55,749,149	
Cost of benefits earned net of employee contributions	<u>(71,623,155)</u>	(15,874,006)
Compensated absences		(21,455,224)

Pensions:		
Pension contributions	155,650,496	
Cost of benefits earned net of employee contributions	<u>(116,785,049)</u>	38,865,447

Internal service funds are used by management to charge the costs of certain services to individual funds. Activities of the internal service funds are reported with governmental activities. (3,352,903)

Interest on leases is reported as expenditures in the governmental funds when it is due. However, in the Statement of Activities, interest is expensed as it accrues. This amount represents the net change in accrued interest on long-term debt. (966,753)

Change in net position of governmental activities \$ 91,588,125

See accompanying notes to the financial statements.

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

**Exhibit VII**

	<u>Self- Insurance Fund</u>
<b>ASSETS</b>	
Current assets:	
Accounts receivable, net	\$ 354,860
Interfund receivables	26,751,068
Prepaid items	17,258,378
Deposits	<u>4,960,000</u>
Total current assets	<u>49,324,306</u>
 Total assets	 <u>49,324,306</u>
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	1,523,544
Claims liabilities	<u>30,703,209</u>
Total current liabilities	<u>32,226,753</u>
 Total liabilities	 <u>32,226,753</u>
 <b>NET POSITION</b>	
Unrestricted	<u>17,097,553</u>
Total net position	<u>\$ 17,097,553</u>

See accompanying notes to the financial statements.

**LOUDOUN COUNTY PUBLIC SCHOOLS**

**Exhibit VIII**

**Statement of Revenues, Expenses, and Changes in Fund Net Position**

**Proprietary Funds**

For the Fiscal Year Ended June 30, 2025

	<b>Self Insurance Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 280,959,112
Total operating revenues	<u>280,959,112</u>
<b>OPERATING EXPENSES</b>	
Claims	292,371,495
Personnel services	5,009,500
Other services and charges	18,216,297
Materials and supplies	643,820
Total operating expenses	<u>316,241,112</u>
Net operating loss before transfers	(35,282,000)
Transfers In	<u>31,929,097</u>
Net operating loss	(3,352,903)
Change in net position	(3,352,903)
Net position at beginning of year	20,450,456
Net position at end of year	<u>\$ 17,097,553</u>

See accompanying notes to the financial statements.

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2025**

**Exhibit IX**

	<u>Self Insurance Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 280,836,118
Payments to suppliers for goods and services	(25,232,077)
Claims paid	(287,629,766)
Payments to employees	(5,009,500)
Prepaid items	(8,204,750)
Payments from interfund services	13,310,878
	<u>(31,929,097)</u>
Net cash used in operating activities	<u>(31,929,097)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	<u>31,929,097</u>
Net cash provided by noncapital financing activities	<u>31,929,097</u>
Cash at beginning of year	-
Cash at end of year	<u>\$ -</u>
<b>Reconciliation of Net Operating Loss to Net Cash Provided by Operating Activities:</b>	
<b>NET OPERATING LOSS</b>	<u>\$ (35,282,000)</u>
<b>(INCREASE) DECREASE IN ASSETS AND INCREASE (DECREASE) IN LIABILITIES</b>	
Accounts receivable, net	(122,994)
Interfund receivables	13,310,878
Deposits	(57,000)
Prepaid items	(8,204,750)
Accounts payable	(6,314,960)
Claims liabilities	4,741,729
Total adjustments	<u>3,352,903</u>
Net cash used in operating activities	<u>\$ (31,929,097)</u>

See accompanying notes to the financial statements.

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2025

Exhibit X

	<b>Other Postemployment Benefits Fund</b>
<b>ASSETS</b>	
Investments at fair value-investments in pooled funds	\$ 324,147,888
Total assets	<u>324,147,888</u>
<b>NET POSITION</b>	
Net position restricted for other postemployment benefits	<u>\$ 324,147,888</u>

See accompanying notes to the financial statements.

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2025**

Exhibit XI

	<b>Other Postemployment Benefits Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 36,784,003
Plan Member	3,990,622
Total contributions	<u>40,774,625</u>
Investment income:	
Interest	\$ 79,119
Net change in investments	24,571,877
Investment management fees	(129,937)
Total investment loss	<u>24,521,059</u>
Total additions	<u>65,295,684</u>
<b>DEDUCTIONS</b>	
Benefit payments	\$ 28,136,370
Administrative payments	638,255
Total deductions	<u>28,774,625</u>
Change in net position	36,521,059
Net position, beginning of year	287,626,829
Net position, end of year	<u>\$ 324,147,888</u>

See accompanying notes to the financial statements.

# Notes to the Financial Statements

## Loudoun County Public Schools

June 30, 2025

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Loudoun County Public Schools (LCPS) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. LCPS' significant accounting policies are described below.

#### A. REPORTING ENTITY

LCPS is a corporate body governed by nine-voting members of the School Board, elected by the citizens of the County of Loudoun, Virginia (County). The accompanying financial statements represent LCPS and its component units, entities for which the government is considered to be financially accountable. Middleburg Community Charter School (MCCS) and Hillsboro Charter Academy (HCA) are included as discretely presented component units for fiscal year ended June 30, 2025.

MCCS is a public school which provides the children of Loudoun County a SOL based, academically rigorous, art and music enhanced, integrated curriculum. A separately issued financial report can be obtained by writing to:

Middleburg Community Charter School  
101 N. Madison Street  
Middleburg, VA 20177

HCA is a public school providing individualized learning plans. Students are encouraged to use higher-order thinking skills and are immersed in hands-on, engineering, and creative-arts based projects that support the rigorous academic program.

A separately issued financial report can be obtained by writing to:

Hillsboro Charter Academy  
37110 Charles Town Pike  
Purcellville, VA 20132

LCPS is a component unit of the County because it approves the budget for, issues debt on behalf of, and is the primary funding source for LCPS.

Fiduciary-type component units are entities that are legally separate from LCPS, but are included within the fiduciary fund financial statements, where no distinction is made between component units and fiduciary funds. The OPEB Trust Fund is a fiduciary-type component unit established for the purpose of accumulating and investing assets to fund other postemployment benefits obligations.

#### B. BASIS OF FINANCIAL STATEMENT PRESENTATION AND FUND ACCOUNTING

The basic financial statements consist of the government-wide statements, including the Statement of Net Position and the Statement of Activities; fund financial statements, which provide more detailed financial information; and notes to the financial statements, which provide detailed narrative information.

##### 1. GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements, the Statement of Net Position and the Statement of Activities, present financial information, about LCPS as a whole. Neither MCCS and HCA are considered to be major component units and they are shown together as a total column in the government-wide financial statements, except for the fiduciary activities because LCPS cannot use those assets to finance its operations. The activities of the internal service fund are eliminated to avoid duplicate reporting of revenues and expenses. The Statement of Net Position presents the overall financial condition of LCPS and its component units at year end. The net position balance is an indication of LCPS' ability to cover its costs and continue to provide services in the future. The Statement of Activities reports the expenses and revenues of LCPS and its component units in a format that focuses on the cost of each program/function.

The net of revenues and expenses indicate whether the function is self-supporting or relies on general revenue funding sources. The direct expenses are those that are clearly identifiable to particular functions.

LCPS includes centralized expenses, which includes an administrative overhead component as program expenses within the functional activities. The allocation of these costs is based on a ratio of a function's expenses to the total expenses.

Program revenues include: (1) charges for services (e.g., tuition and fees), (2) operating grants and contributions, and (3) capital grants and contributions. Revenues that are not directly related to a program are reported as general revenues. These include LCPS' portion of property tax revenues, which are received as payments from the County, as well as certain other unrestricted amounts received from the State and the Federal government.

**2. FUND FINANCIAL STATEMENTS**

The fund financial statements provide information about the LCPS's major funds. LCPS utilizes fund accounting to track transactions within individual funds and to ensure and demonstrate compliance with finance-related legal requirements.

LCPS reports the following major governmental fund types:

- **General Fund**—The General Fund is LCPS' primary operating fund, which accounts for all financial resources, and includes the core instructional and support activities.
- **Capital Improvements Fund**—The Capital Improvements Fund tracks LCPS' financial transactions used for the acquisition, construction or renovation of school sites, buildings, and other major capital improvements.
- **Nonmajor Governmental Funds** - All other governmental funds that do not meet the criteria for classification as major are aggregated in a single column titled "Nonmajor Governmental Funds".

LCPS reports the following additional fund types:

- **Internal Service Fund**—The Internal Service Fund is a proprietary fund, which accounts for the financing of goods and services provided by one department to other departments within LCPS on a cost reimbursement basis. The Self-Insurance Fund accounts for the transactions associated with the comprehensive health benefits self-insurance program, the disability self-insurance program, and the workers' compensation insurance program.
- **LCPS OPEB Trust Fund**—The LCPS OPEB Trust Fund is a fiduciary fund, which accounts for monies collected and disbursed in connection with other postemployment benefits provided to LCPS' retirees for health care.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Intergovernmental revenue from the County, the State, and the Federal Government, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The proprietary fund operating revenues are charges for services provided to other departments on a cost reimbursement basis; the costs to provide these services are reported as operating expenses. For services which extend over more than one fiscal period, such as insurance, the change in actuarially determined insurance liability from one year to the next is reported as an operating expense.

The governmental fund financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are recognized when earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, LCPS considers revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Expenditures generally are reported when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures, including lease, subscription, and installment purchase liabilities, as well as expenditures related to compensated absences and post-employment benefits are recognized later based on specific accounting rules applicable

to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term financings are reported as other financing sources.

**D. CASH AND INVESTMENTS**

**1. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities or three months or less from the date of acquisition.

In the General Fund, petty cash is held for small purchases. In the School Nutrition Service Fund, a change fund is held to be used for making change in various cafeterias. In the School Activity Fund, cash and cash equivalents represent available cash in the local school accounts and include deposits in checking and savings accounts, and certificates of deposit.

**2. RESTRICTED CASH AND INVESTMENTS AT FAIR VALUE**

Investments are presented at Net Asset Value in the Statement of Fiduciary Net Position and represents cash and investments held by the Virginia Pooled OPEB Trust Fund sponsored by the Virginia Municipal League and the Virginia Association of Counties (VML/VACo).

Restricted cash on deposit with others are liquid assets that have third-party limitations on their use. LCPS reports restricted cash on deposit with others in the Lease Fund. These amounts are maintained to fund planned purchase agreements financed expenditures on purchase agreements financed expenditures that have not yet been submitted for reimbursement from an existing financed purchase agreement.

**E. INVENTORIES, PREPAID ITEMS AND DEPOSITS**

Inventories are valued at cost, using the average cost method. The consumption method of accounting for inventory is used in the government-wide statements as well as in the governmental funds and proprietary funds' statements. Under this method, inventory items are comprised of expendable supplies and are expensed as they are consumed.

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 consumption method of accounting for prepaid items is used in the government-wide statements as well as in the proprietary fund statements. Prepaid items in the governmental funds are recorded as nonspendable fund balance.

Deposits represent funds paid out to demonstrate intent to complete future transactions.

**F. CAPITAL ASSETS**

Capital assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment, right-to-use assets, and infrastructure with an initial individual cost of more than \$5,000 (\$100,000 for right-to-use software) and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Right-to-use assets are measured at the present value of payments expected to be made during the term of the arrangement and amortized on a straight-line basis over the life of each respective arrangement.

Land and construction in progress are not depreciated. The other tangible and intangible capital assets are depreciated or amortized using straight-line method over the following estimated useful lives:

<u>Capital Assets</u>	<u>Useful lives (Years)</u>
Buildings	45
Building Improvements	15-25
Infrastructure	20-60
Vehicles	5
Machinery and Other Equipment	5-10
Computer Equipment	5

**G. COMPENSATED ABSENCES AND ACCRUED SALARIES AND BENEFITS**

LCPS employees, other than teachers, earn annual leave pay based on a prescribed formula tied to years of service. Eligible employees are allowed to accumulate a maximum of 480 hours of annual leave as of the end of each fiscal year. Any leave hours in excess of this limit are converted to sick leave. LCPS applies a first-in, first-out (FIFO) method when employees use leave, whereby the oldest accrued leave balances are used before more recently earned leave. Upon termination, annual leave is prorated based on the amount earned during the year, and payment for unused annual leave is calculated using the employee’s regular rate of pay at the time of separation. Teachers do not accumulate annual leave.

LCPS provides payment for unused sick leave for eligible retirees. Any LCPS retiree with ten (10) or more years of service will receive 25% of their final daily wage for each day of unused sick leave, not to exceed 25% of the previous year’s average teacher salary as reported in the Commonwealth of Virginia’s Annual School Report. For fiscal year 2025, the maximum allowed payout per retiree is \$25,486.83 . Retirees with ten (10) or more years of service are also eligible for a salary supplement equal to 0.5% of the final annual salary multiplied by the number of years of service to LCPS, subject to a minimum of \$500 and a maximum of \$2,500.

LCPS’ reports a liability for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*, which requires recognition of a liability for leave that is more likely than not to be used or otherwise settled with cash payments or other benefits. Compensated absences include annual leave, sick leave that meets the recognition criteria under GASB 101, and accrued liabilities for employees who retired or resigned during the fiscal year but have not yet received payment for their earned annual leave. In addition, salary and related fringe benefits that were incurred but not paid as of year-end are recorded as accrued liabilities in the appropriate funds.

The compensated absences liability is measured at year-end using current pay rates and includes applicable salary-related benefits. The liability is reported in the government-wide financial statements; in the governmental funds, only amounts that have matured are recognized as expenditures.

**H. UNEARNED REVENUES, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

Unearned revenues are liabilities of resources obtained prior to revenue recognition. This includes resources received in advance of an exchange transaction, resources received in advance in relation to a government-mandated nonexchange transaction or a voluntary nonexchange transaction when eligibility requirements other than time requirements have not been met, and resources received in advance in relation to derived tax revenue nonexchange transaction.

The Statement of Net Position reports a separate section for deferred outflows of resources in addition to assets. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. LCPS reports deferred outflows of resources for amounts related to pensions and OPEB.

The Statement of Net Position reports a separate section for deferred inflows of resources in addition to liabilities. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are reported for amounts related to pensions, leases, and OPEB.

**I. NET POSITION**

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. In the government-wide and proprietary fund financial statements, LCPS’ net position falls into three categories: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets represents the portion of net position related to capital assets, net of accumulated depreciation and amortization, reduced by the outstanding liabilities to acquire these assets.

Total capital assets, net of depreciation/amortization	\$ 2,469,728,376
Lease assets liability	(26,199,114)
SBITA liability	(4,098,294)
Installment purchase liability	(22,743,328)
Total liabilities - Capital Improvements Fund	(20,846,747)
Net Investment in capital assets	<u>\$ 2,395,840,893</u>

**J. FUND BALANCE**

For governmental fund types, a five-tier fund balance classification hierarchy is presented that depicts the extent to which LCPS is bound by spending constraints imposed on the use of its resources.

**1. NONSPENDABLE FUND BALANCE**

The nonspendable fund balance classification reflects amounts that are not in spendable form. Inventories and prepaid items are included in the nonspendable fund balance, as well as the Peabody Trust Fund's corpus balance.

**2. RESTRICTED FUND BALANCE**

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

**3. COMMITTED FUND BALANCE**

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by a School Board resolution, which can only be removed by a similar School Board motion.

**4. ASSIGNED FUND BALANCE**

The assigned fund balance classification reflects amounts that the School Board *intends* to be used for specific purposes. Assignments may be established either by the School Board or by the Superintendent, and are subject to neither the restricted nor the committed levels of constraint. The assignment of fund balance is authorized by Board resolution for subsequent year appropriations and by Board policy for assignment of contractual obligations.

**5. UNASSIGNED FUND BALANCE**

In the General Fund, the Unassigned Fund Balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund.

However, deficits in any fund, including the General Fund, which cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

**6. FLOW ASSUMPTION**

For the purpose of fund balance classification, LCPS considers restricted amounts spent first, when an expenditure is incurred for which both restricted and unrestricted fund balance is available.

Furthermore, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used, then committed amounts are spent first, followed by assigned amounts, and then unassigned amounts.

**K. LEASE AND SUBSCRIPTION LIABILITIES**

LCPS recognizes a lease or subscription liability in the government-wide financial statements with an initial, individual value of \$5,000 or more for leases, or \$100,000 or more for subscriptions.

At the commencement of a lease or subscription, LCPS initially measures the liability at the present value of payments expected to be made during the term of the arrangement. Subsequently, the liability is reduced by the principal portion of payments made.

Key estimates and judgments related to the liabilities include how LCPS determines (1) the discount rate it uses to discount the expected payments to present value, (2) term of the arrangement, and (3) lease or subscription payments. LCPS uses the interest rate charged by the counterparty as the discount rate. When the interest rate charged by the counterparty is not provided, LCPS generally uses its estimated incremental borrowing rate as the discount rate, unless an implied rate can be calculated.

**L. ENCUMBRANCES**

LCPS uses encumbrance accounting where purchase orders, contracts, and other commitments for the expenditure of funds are recorded. Encumbrances represent the estimated amount of expenditures to result if the open purchase orders and unfinished contracts were completed.

The appropriations of any funds encumbered at the end of the fiscal year carries over into the next fiscal year.

Following are the encumbrances as of June 30, 2025:

General Fund	\$ 38,808,322
Capital Improvements Fund	245,616,816
Nonmajor Funds (aggregate)	30,484,893
Total Governmental Funds	<u>\$ 314,910,031</u>

**M. PENSION PLANS**

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 LCPS' pension plans and the additions to/deletions from LCPS' pension plans' net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (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.

**N. OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of LCPS' OPEB plans and the additions to/deletions from LCPS' OPEB plans' net fiduciary position have been determined on the same basis as they were reported by the VRS for Group Life Insurance (GLI), Health Insurance Credit (HIC), and Virginia Local Disability Program (VLDP), as well as by the actuarial valuation provided for LPCS' OPEB Trust. 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.

**O. NEW PRONOUNCEMENTS**

Management has adopted Statement No. 101, *Compensated Absences*, to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences, in the form of annual leave and sick leave. LCPS recognizes a liability for leave that is earned and that will be used for time off or paid upon separation or other qualifying event. For purposes of estimating the future use of leave, LCPS applies the First-In, First-Out (FIFO) methodology to this standard.

Management has adopted Statement No. 102, *Certain Risk Disclosures*, to disclose qualitative and quantitative information about certain risks and uncertainties that could significantly affect financial position, results of operations or cash flows. The implementation did not result in changes to LCPS' recognition or measurement of assets, liabilities, revenues or expenses.

The GASB issued Statement No, 103, *Financial Reporting Model Improvements*, in April 2024. The requirements of this Statement are effective for fiscal years that end June 1, 2025. Management is in the process of completing its assessment on the impact of these requirements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. The requirements of this Statement are effective for fiscal years that begin after June 15, 2025. Management is in the process of completing its assessment on the impact of these requirements.

**P. CHANGE IN ACCOUNTING PRINCIPLE**

Effective for the fiscal year ended June 30, 2025, management implemented GASB Statement No. 101, *Compensated Absences*. The Statement requires recognition of compensated absences that accumulate based on certain eligibility criteria rather than only when they vest. As a result, the beginning net position for governmental activities was reduced by \$104,147,770, representing the cumulative effect of adopting GASB 101.

## II. DETAILED NOTES TO ALL FUNDS

### A. BANK DEPOSITS AND INVESTMENTS

LCPS' cash balances in all funds, except for fiduciary funds and petty cash/change accounts, are held by the County and are invested to the extent available by the County Treasurer and according to County policy. These balances are reflected as amounts Due from the County in the financial statements.

#### 1. CASH AND CASH EQUIVALENTS

The General Fund holds \$1,766 petty cash on June 30, 2025 for small purchases on an emergency basis. The School Nutrition Services Fund had \$5,840 consisting of its change fund and in transit items on June 30, 2025 and the Cash and temporary investments related to the School Activity Funds are all highly liquid cash and cash equivalents. The Special Revenue School Activity Fund reported \$10,123,908 cash and cash equivalents on June 30, 2025 as well as the Peabody Trust of \$10,120.

#### 2. RESTRICTED CASH ON DEPOSIT WITH OTHERS

Restricted cash on deposit with others represents unspent amounts from the lease proceeds held by third parties. The Lease Fund reported \$1,217,575 on June 30, 2025 as restricted cash on deposit with others, which represents amounts maintained to fund planned purchase agreements financed expenditures or purchase agreements financed expenditures that have not yet been submitted for reimbursement from an existing financed purchase agreement.

#### 3. INVESTMENTS AT FAIR VALUE

LCPS' 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 Trust is not rated by a nationally recognized statistical rating organization.

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. As of June 30, 2025, excluding the pooled funds, there were no other investments. Accordingly, there is no credit risk, or concentration of credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The entire balance of the pooled funds in the OPEB Fund is uninsured and uncollateralized. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The weighted average effective duration of the Virginia Pooled OPEB Trust at June 30, 2025 was 5.19 years.

The Trust categorizes its 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 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, participants may redeem their investment at the end of a calendar quarter upon 90 days' written notice.

At June 30, 2025, LCPS' share in this pool was \$324,147,888 as reported on Exhibit X.

### B. DUE FROM INTERGOVERNMENTAL UNITS

Amounts due from the Federal government are attributed primarily to the Individuals with Disabilities Education Act (IDEA) grant and to the Title III and Head Start grants in the Grant Fund. IDEA is designed to ensure that all school age handicapped children are provided a free, appropriate public education. Title III and Head Start programs enhance the instruction for disadvantaged children.

A significant portion of the receivable from the Commonwealth of Virginia in the General Fund was attributed to State sales taxes due to LCPS. The Virginia Retail Sales and Use Tax Act requires one and one-eighth cent of every five cents collected in State sales tax to be distributed to school divisions based on school-age population.

Amounts due from other governments at June 30, 2025 are as follows:

Fund	Federal Government	Commonwealth of Virginia	Total
General Fund	\$ 494,578	\$ 9,921,943	\$ 10,416,521
Nonmajor Funds (aggregate)	334,221	1,208,479	1,542,701
Total	<u>\$ 828,799</u>	<u>\$ 11,130,422</u>	<u>\$ 11,959,222</u>

**C. INTERFUND RECEIVABLES AND PAYABLES**

All receipt and disbursement transactions for LCPS flow through its general fund thereby creating interfund receivables and payables between funds. The purpose of interfund balances is to present transactions that are to be repaid between funds at year end. Cash for the governmental and proprietary funds are held by the County as “Due from the County” in the General Fund.

The composition of interfund receivables and payables balances as of June 30, 2025 are as follows:

Fund	Interfund Receivables	Interfund Payables
General Funds	\$ 223,333	\$ 342,617,437
Capital Improvements Fund	243,407,732	-
Nonmajor Funds (aggregate)	74,758,974	2,523,670
Internal Service - Self Insurance Fund	26,751,068	-
Total	<u>\$ 345,141,107</u>	<u>\$ 345,141,107</u>

**D. INTERFUND TRANSFERS**

Medical, prescription, vision and dental claim costs continue to increase due to price escalations, higher utilization of specialty pharmaceuticals, an increased number of catastrophic claims, and continued demand for services associated with chronic conditions, preventative care, and well-visit appointments.

The primary purpose of the interfund transfers made during fiscal year 2025 is to allocate excess revenues and available fund balance from the General Fund to the Workers’ Compensation Self Insurance Fund and Health Self Insurance Fund. These transfers help ensure to maintain adequate resources to meet current and anticipated claims costs.

The breakdown of interfund transfers for the fiscal year ended June 30, 2025 was as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 31,929,097
Internal Service - Self Insurance Fund	31,929,097	-
	<u>\$ 31,929,097</u>	<u>\$ 31,929,097</u>

**E. CAPITAL ASSETS**

A summary of capital asset activity for fiscal year 2025 was as follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2025</u>
Non-depreciable capital assets:				
Land	\$ 173,433,737	\$ 522,915	\$ -	\$ 173,956,652
Construction in progress	359,469,365	69,791,475	(292,187,333)	137,073,507
Total non-depreciable capital assets	<u>532,903,102</u>	<u>70,314,390</u>	<u>(292,187,333)</u>	<u>311,030,159</u>
Depreciable capital assets				
Building	2,631,987,926	325,068,018	-	2,957,055,944
Machinery and equipment	195,663,116	39,236,907	(9,047,354)	225,852,669
Improvements other than buildings	15,645,811	1,275,466	(1,329,694)	15,591,583
Infrastructure	78,350	-	-	78,350
Total depreciable capital assets	<u>2,843,375,203</u>	<u>365,580,391</u>	<u>(10,377,047)</u>	<u>3,198,578,546</u>
Right-to-use lease assets, being amortized:				
Buildings	3,856,750	2,187,890	-	6,044,640
Equipment	31,597,456	5,581,052	(11,185)	37,167,323
SBITA	16,556,673	2,269,550	(9,494,390)	9,331,833
Total amortizable capital assets	<u>52,010,879</u>	<u>10,038,492</u>	<u>(9,505,575)</u>	<u>52,543,796</u>
Total depreciable/amortizable capital assets	<u>2,895,386,082</u>	<u>375,618,883</u>	<u>(19,882,622)</u>	<u>3,251,122,343</u>
Accumulated depreciation:				
Buildings	(842,298,833)	(68,791,659)	-	(911,090,492)
Machinery and equipment	(139,832,576)	(19,161,660)	8,695,782	(150,298,454)
Improvements other than buildings	(8,255,115)	(1,479,967)	1,196,724	(8,538,358)
Infrastructure	(1,306)	(1,306)	-	(2,612)
Total accumulated depreciation	<u>(990,387,830)</u>	<u>(89,434,592)</u>	<u>9,892,506</u>	<u>(1,069,929,916)</u>
Accumulated amortization:				
Buildings	(1,428,596)	(692,456)	-	(2,121,052)
Equipment	(11,800,606)	(3,923,601)	-	(15,724,207)
SBITA	(6,422,461)	(2,635,038)	4,408,548	(4,648,951)
Total amortization	<u>(19,651,663)</u>	<u>(7,251,095)</u>	<u>4,408,548</u>	<u>(22,494,210)</u>
Depreciable capital assets, net	1,885,346,590	278,933,196	(5,581,568)	2,158,698,217
Total capital assets, net	<u>\$ 2,418,249,692</u>	<u>\$ 349,247,586</u>	<u>\$ (297,768,901)</u>	<u>\$ 2,469,728,376</u>

Depreciation and amortization are charged to governmental programs/functions as shown:

<u>Governmental Activities</u>	<u>Depreciation Expense</u>	<u>Amortization Expense</u>
Instruction:		
Regular	43,201,256	\$ 355,590
Special Education	23,137	-
Support services:		
Administration	725,224	-
Attendance and health	2,920	-
Pupil transportation	10,363,002	-
Facilities	30,958,773	-
Operation and maintenance	990,087	1,051,434
School nutrition services	380,478	-
Technology	2,789,715	5,844,071
Total	<u>\$ 89,434,592</u>	<u>\$ 7,251,095</u>

**F. LONG-TERM LIABILITIES**

Long-term liabilities related to leases, subscriptions and installment purchases are liquidated through LCPS' Debt Service Fund. Long-term liabilities for claims are liquidated by the Self-Insurance Internal Service Fund. Compensated absences, net OPEB liabilities and net pension liabilities are liquidated by the General Fund.

*The following is a summary of changes in the long-term liabilities of LCPS for the year ended June 30, 2025:*

<b>Governmental Activities</b>	<b>Restated Balance</b>			<b>Balance June 30, 2025</b>	<b>Due Within One Year</b>
	<b>June 30, 2024</b>	<b>Additions</b>	<b>Reductions</b>		
Compensated absences (1)	\$ 166,578,346	\$ 21,455,224	\$ -	\$ 188,033,570	\$ 5,242,603
Claims liabilities	25,961,480	287,621,821	282,880,092	30,703,209	30,703,209
Lease liability	22,914,092	7,768,942	4,483,920	26,199,114	4,522,098
SBITA liability	8,941,519	307,111	5,150,337	4,098,294	1,841,362
Installment purchase liability	22,647,533	10,000,000	9,904,205	22,743,328	7,349,116
Net OPEB liability	401,688,243	241,350,437	288,807,937	354,230,743	-
Net pension liability	863,351,077	393,698,414	461,155,511	795,893,980	-
<b>Total</b>	<b>\$ 1,512,082,290</b>	<b>\$ 962,201,949</b>	<b>\$ 1,052,382,002</b>	<b>\$ 1,421,902,238</b>	<b>\$ 49,658,388</b>

(1) Implementation of GASB Statement No. 101 Compensated Absences is reported as a change in accounting principle and requires a restatement of FY24 balance. The change in the compensate absence liability is presented as a net change.

**1. INSTALLMENT PURCHASE AGREEMENTS**

LCPS entered into an installment purchase agreement for school buses, other vehicles, computers and telecommunications equipment.

*The installment purchase agreements for this equipment include the following principal interest payments to maturity as of June 30, 2025:*

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 7,349,116	\$ 769,648
2027	7,586,494	532,270
2028	5,156,928	286,988
2029	\$ 2,650,790	\$ 107,357
<b>Total</b>	<b>\$ 22,743,328</b>	<b>\$ 1,696,263</b>

*The following schedule lists the lease installment purchase at June 30, 2025 by individual items:*

<b>Date Issued</b>	<b>Final Maturity</b>	<b>Interest Rate</b>	<b>Issue Amount</b>	<b>Balance at June 30, 2025</b>	<b>Type of Project Financed (the assets acquired secured the related installment purchase)</b>
8/5/2022	8/5/2026	2.76%	10,000,000	5,136,097	\$2.8M for vehicles; \$7.2M for computers and equipment
8/18/2023	8/18/2027	2.93%	10,000,000	7,607,231	\$2.8M for vehicles; \$7.2M for computers and equipment
8/9/2024	8/9/2028	4.05%	10,000,000	10,000,000	\$2.8M for vehicles; \$7.2M for computers and equipment
			<b>\$ 30,000,000</b>	<b>\$ 22,743,328</b>	

**2. LEASE PAYABLE**

LCPS has entered into various lease agreements as lessee primarily for office space, land and office equipment. Most leases have initial terms of up to 20 years, and contain one or more renewal options, generally for three or five year periods. LCPS' lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in LCPS' leases is not readily determinable, LCPS utilizes its incremental borrowing rate to discount the lease payments.

The future principal and interest lease payments as of June 30, 2025, were as follows:

Fiscal year	Governmental Activities	
	Principal	Interest
2026	\$ 4,522,098	\$ 370,337
2027	3,027,389	322,244
2028	2,104,196	289,413
2029	2,141,425	256,018
2030	1,849,337	224,585
2031-2035	7,266,058	731,804
2036-2040	5,288,611	167,980
Total	\$ 26,199,114	\$ 2,362,381

**3. SUBSCRIPTION LIABILITY**

LCPS has entered into various subscription agreements as a government, primarily for IT subscriptions. Most subscriptions have initial terms of up to 5 years, and contain one or more renewals at our option, generally for one or three year periods. We have included these renewal periods in the subscription term when it is reasonably certain that we will exercise the renewal option. LCPS subscriptions generally do not include termination options for either party to the subscription contracts or restrictive financial or other covenants. LCPS' subscription arrangements do not contain any material residual value guarantees. As the interest rate implicit in LCPS' subscriptions is not readily determinable, LCPS utilizes its incremental borrowing rate to discount the subscription payments.

The future principal and interest SBITA payments as of June 30, 2025, were as follows:

Fiscal year	Governmental Activities	
	Principal	Interest
2026	\$ 1,841,363	\$ 112,749
2027	1,338,362	62,488
2028	918,570	26,549
Total	\$ 4,098,294	\$ 201,787

**4. DEBT SERVICE RESPONSIBILITY**

The *Code of Virginia* prohibits LCPS from having borrowing or taxing authority. The County issues and services general obligation debt to finance the purchase or construction of school facilities. The debt is not secured by the assets purchased or constructed by LCPS, but by the full faith and credit, and taxing authority of the County.

Since LCPS is not obligated to repay principal or interest on any general obligation debt incurred on LCPS' behalf, the debt is recorded in the County's government-wide financial statements.

**5. CONSTRUCTION COMMITMENTS**

On June 30, 2025, LCPS had contractual commitments in the amount of \$245,616,816 in the Capital Improvements Fund for construction of various projects.

**G. PENSION BENEFITS**

LCPS participates in two public employee pension plans, a cost-sharing multiple-employer plan (Teacher or Professional Plan) and an agent multiple-employer plan (Non-Professional or Non-teacher Plan). Both are administered by the VRS. 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 retirement plans and the additions to/ deductions from the retirement plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, 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.

**1. PLAN DESCRIPTION AND BENEFITS**

All full-time, salaried permanent employees of LCPS are automatically covered by the VRS Retirement Plan upon employment. This plan is administered by VRS along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay 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 – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the following pages on *tables*:

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>About Plan 1</b> Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</p>	<p><b>About Plan 2</b> Same as Plan 1.</p>	<p><b>About the Hybrid Retirement Plan</b> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>
<p><b>Eligible Members</b> Members are in Plan 1 if their membership date is prior to July 1, 2010, they were vested before January 1, 2013, and they have not taken a refund.</p> <p><b>Hybrid Opt-In Election</b> VRS non-hazardous duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 1 or ORP.</p>	<p><b>Eligible Members</b> Members are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Members are covered under Plan 2 if they have a membership date prior to July 1, 2010, and they were not vested before January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p><b>Eligible Members</b> Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• School division employees.</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.</li> </ul>

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Retirement Contributions</b> Members contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p><b>Retirement Contributions</b> Same as Plan 1.</p>	<p><b>Retirement Contributions</b> A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<p><b>Service Credit</b> Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p><b>Service Credit</b> Same as Plan 1.</p>	<p><b>Service Credit</b> <i>Defined Benefit Component:</i> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><i>Defined Contributions Component:</i> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Vesting</b>                      Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan.                      Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b>                      Same as Plan 1.</p>	<p><b>Vesting</b>  <i>Defined Benefit Component:</i>                      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 service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><i>Defined Contribution Component:</i> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distributions not required, except as governed by law.</p>
<p><b>Calculating the Benefit</b>                      The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p><b>Calculating the Benefit</b>                      See definition under Plan 1.</p>	<p><b>Calculating the Benefit</b>  <i>Defined Benefit Component:</i>                      See definition under Plan 1.</p> <p><i>Defined Contribution Component:</i>                      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.</p>
<p><b>Average Final Compensation</b>                      A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b>                      A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b>                      Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Service Retirement Multiplier</b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for members is 1.70%.</p>	<p><b>Service Retirement Multiplier</b> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.</p>	<p><b>Service Retirement Multiplier</b> <i>Defined Benefit Component:</i> The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who 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.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p>
<p><b>Normal Retirement Age</b> Age 65.</p>	<p><b>Normal Retirement Age</b> Normal Social Security retirement age.</p>	<p><b>Normal Retirement Age</b> <i>Defined Benefit Component:</i> Same as Plan 2.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Unreduced Retirement Eligibility</b> Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b> Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b> <i>Defined Benefit Component:</i> Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Reduced Retirement Eligibility</b> Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p>	<p><b>Earliest Reduced Retirement Eligibility</b> Age 60 with at least five years (60 months) of service credit.</p>	<p><b>Earliest Reduced Retirement Eligibility</b> <i>Defined Benefit Component:</i> Age 60 with at least five years (60 months) of service credit.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>                      The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><i>Eligibility:</i>                      For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><i>Exceptions to COLA Effective Dates:</i>                      The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability.</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.</li> </ul>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>                      The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><i>Eligibility:</i>                      Same as Plan 1.</p> <p><i>Exceptions to COLA Effective Dates:</i>                      Same as Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  <i>Defined Benefit Component:</i>                      Same as Plan 2.</p> <p><i>Defined Contribution Component:</i>                      Not applicable.</p> <p><i>Eligibility:</i>                      Same as Plan 1.</p> <p><i>Exceptions to COLA Effective Dates:</i>                      Same as Plan 1.</p>

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Disability Coverage</b>                      For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b>                      For 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.</p>	<p><b>Disability Coverage</b>                      Employees of school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid plan 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.</p>
<p><b>Purchase of Prior Service</b>                      Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p><b>Purchase of Prior Service</b>                      Same as Plan 1.</p>	<p><b>Purchase of Prior Service</b>  <i>Defined Benefit Component:</i>                      Same as Plan 1, with the following exception:</p> <ul style="list-style-type: none"> <li>• Hybrid Retirement Plan members are ineligible for ported service.</li> </ul> <p><i>Defined Contribution Component:</i>                      Not applicable.</p>

**Employees Covered by Benefit Terms**

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	981
Inactive members:	
Vested inactive members	244
Non-vested inactive members	885
LTD	5
Inactive members active elsewhere in VRS	335
Total inactive members	<u>1,469</u>
Active members	<u>2,004</u>
Total covered employees	<u><u>4,454</u></u>

**2. 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 provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. LCPS' contractually required employer contribution rate for the year ended June 30, 2025, was 14.21% for professional and 7.59% for non-professional of covered employee compensation. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined 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 professional pension plan from LCPS were \$146,626,536 for the year ended June 30, 2025. Contributions to the non-professional pension plan were \$9,023,960 for the year ended June 30, 2025.

**3. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

Professional - At June 30, 2025, LCPS reported a VRS teacher liability of \$773,303,185 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024. LCPS' proportion of the Net Pension Liability was based on LCPS actuarially determined employer contributions to the pension plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, LCPS' proportion was 8.23808% as compared to 8.28747% at June 30, 2023.

For the year ended June 30, 2025, LCPS recognized pension expense of \$101,040,915. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

Non-Professional - At June 30, 2025, LCPS reported a net pension liability for the non-professional benefit plan of \$22,590,795. The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability, less that employer's fiduciary net position. For LCPS, the net pension liability was measured as of June 30, 2024. The pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024.

The following table presents the change in LCPS net pension liability for the non-professional pension plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2023	\$ 224,805,677	\$ 223,086,163	\$ 25,719,514
Changes for the year:			
Service cost	8,241,446	-	8,241,446
Interest	16,999,985	-	16,999,985
actual experience	4,798,985	-	4,798,985
Contributions-employer	-	6,880,677	(6,880,677)
Contributions-employee	-	4,702,710	(4,702,710)
Net investment income	-	21,716,921	(21,716,921)
employee contributions	(10,390,977)	(10,390,977)	-
Administrative expenses	-	(135,677)	135,677
Other changes	-	4,504	(4,504)
Net changes	19,649,439	22,778,158	(3,128,719)
Balances at June 30, 2024	<u>\$ 244,455,116</u>	<u>\$ 245,864,321</u>	<u>\$ 22,590,795</u>

At June 30, 2025, LCPS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Virginia Retirement System		
	Professional Plan	Non-Professional Plan	Combined Totals
Net pension liability	\$ 773,303,185	\$ 22,590,795	\$ 795,893,980
Pension Expense	101,040,915	8,393,223	109,434,138
Deferred outflows of resources:			
Changes in proportion and difference between employer contributions and proportionate share of contributions	22,604,902	-	22,604,902
Difference between expected and actual experience	134,157,199	7,655,301	141,812,500
Changes of assumptions	14,036,486	-	14,036,486
<b>Employer contributions subsequent to the measurement date</b>	<u>146,626,536</u>	<u>9,023,960</u>	<u>155,650,496</u>
Total deferred outflows of resources	<u>317,425,123</u>	<u>16,679,261</u>	<u>334,104,384</u>
Deferred inflows of resources:			
Changes in proportion and difference between employer contributions and proportionate share of contributions	16,289,602	-	16,289,602
Difference between expected and actual experience	15,922,851	-	15,922,851
Net difference between projected and actual earnings on pension plan investments	106,445,655	6,062,194	112,507,849
Changes of assumptions	-	-	-
Total deferred inflows of resources	<u>\$ 138,658,108</u>	<u>\$ 6,062,194</u>	<u>\$ 144,720,302</u>

\$155,650,496 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended	
	June 30,	Non-Professional
2026	\$ (36,946,820)	\$ (333,271)
2027	68,035,446	4,172,717
2028	11,231,486	(921,783)
2029	<u>(10,179,633)</u>	<u>(1,324,556)</u>
Total	<u>\$ 32,140,479</u>	<u>\$ 1,593,107</u>

4. ACTUARIAL ASSUMPTIONS

The VRS pension liabilities were based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.50%
Salary increases, including inflation	Varies by service (3.5%-5.95%)
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Mortality rates:	
Pre-Retirement	Professional - Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males Non-professional - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement	Professional - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females Non-professional - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement	Professional - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females Non-professional - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors	Professional - Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally Non-professional - Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale	Professional - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates Non-professional - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2022. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

**5. 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 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:

<b>Asset Class (Strategy) Allocation</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP-Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
<b>Total</b>	<b>100.00%</b>		<b>7.07%</b>

\*Expected arithmetic nominal return 7.07%

\* The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at this time, providing a median return of 7.14%, including expected inflation of 2.50%."

**6. 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 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. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate. From July 1, 2024, on, school divisions 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.

**7. SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

The following presents LCPS' net pension liability using the discount rate of 6.75%, as well as what LCPS' net 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:

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
LCPS' net pension liability - Professional	\$1,436,645,742	\$ 773,303,185	\$230,046,735
LCPS' net pension liability - Non-Professional	\$58,768,850	\$ 22,590,795	\$(7,238,635)

8. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report. A copy of the 2024 VRS Annual Comprehensive Financial Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2024-annual-report.pdf](http://varetire.org/pdf/publications/2024-annual-report.pdf), or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

H. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The OPEB plans (LCPS OPEB Trust; VRS OPEB GLI, HIC and VLDP) have been reported separately herein since each plan has different and distinct characteristics, reporting requirements and valuations.

For purposes of aiding the reader to full understanding of the impact of the total pension requirements on the net position of LCPS, the following combining schedule is presented:

	<u>LCPS</u>	<u>VRS OPEB</u>			<u>OPEB</u>
	<u>OPEB Trust</u>	<u>GLI</u>	<u>HIC</u>	<u>VLDP</u>	<u>Combined</u>
					<u>Totals</u>
Net OPEB liability/(asset)	\$ 213,530,659	\$ 43,320,987	\$ 97,379,105	\$ (517,053)	\$ 353,713,698
OPEB Expense	55,991,283	2,517,927	10,385,452	1,614,916	70,509,578
Deferred outflows of resources:					
Changes in proportion and difference between employer contributions and proportionate share of contributions	-	2,792,515	7,386,460	47,547	10,226,522
Net difference between projected and actual earnings on OPEB plan investments	1,414,852	-	-	-	1,414,852
Changes of assumptions	87,298,666	246,930	1,798,839	80,924	89,425,359
Difference between expected and actual experience	23,839,798	6,832,715	6,225	942,612	31,621,350
Employer contributions subsequent to the measurement date	-	5,006,317	11,709,123	2,249,706	18,965,146
Total deferred outflows of resources	<u>112,553,316</u>	<u>14,878,477</u>	<u>20,900,647</u>	<u>3,320,789</u>	<u>151,653,229</u>
Deferred inflows of resources:					
Difference between expected and actual experience	19,814,305	1,058,187	4,676,609	126,398	25,675,499
Net difference between projected and actual earnings on OPEB plan investments	-	3,651,506	397,575	70,291	4,119,372
Changes of assumptions	14,862,171	2,146,898	-	5,049	17,014,118
Changes in proportion	-	1,583,437	1,798,402	32,454	3,414,293
Total deferred inflows of resources	<u>\$ 34,676,476</u>	<u>\$ 8,440,028</u>	<u>\$ 6,872,586</u>	<u>\$ 234,192</u>	<u>\$ 50,223,282</u>

1. LCPS’ OPEB TRUST

a. **Plan Description And Benefits**

The LCPS’ OPEB Trust Fund is a single-employer defined benefit healthcare plan (Plan), which provides healthcare insurance for eligible retirees and their spouses through LCPS’ group health insurance plan, which covers both active and retired members. Actives hired prior to July 1, 2013 are eligible for retiree coverage provided certain eligibility requirements are met. LCPS offers an Open Access Plus (OAP) Plan, and an Open Access Plus High (OAP HIGH) Plan to non-Medicare retirees. A Medicare Supplement Plan is offered to Medicare-eligible retirees/dependents.

Prescription drug coverage is included as part of the medical plans and is provided by Express Scripts, Inc. Dental and vision coverage is available as an add-on for active and pre-65 retirees with Delta Dental as the third-party administrator for dental benefits and Davis Vision as the third-party administrator for vision benefits.

Employer contribution rates for retirees vary based on the type of retirement, years of service, and type of coverage. Because claim costs are generally higher for retiree groups than for active employees, the premium amount does not represent the full cost of coverage for retirees. The Plan does not issue a publicly available financial report.

*At June 30, 2025, the date of the most recent actuarial valuation, plan membership consisted of:*

Retirees and beneficiaries entitled to benefits	3,190
Active plan members	<u>4,316</u>
Total	<u><u>7,506</u></u>

**b. Contributions and Funding Policy**

The contribution requirements of plan members of LCPS are established and may be amended by the School Board. The contributions are based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits. Contributions from LCPS towards OPEB benefits over the most recent five-year period were approximately \$31,981,466 per year. During fiscal year 2025, LCPS contributed \$36,784,003 to the OPEB Trust Fund, which included \$24,784,003 for current costs and an additional \$12,000,000 to prefund benefits.

LCPS participates in the Virginia Pooled OPEB Trust Fund (Trust Fund) sponsored by the Virginia Municipal League and the Virginia Association of Counties (VML/VACo). The Virginia Pooled OPEB Trust Fund was established in 2008 as an investment vehicle for participating employers to accumulate assets to fund OPEB.

The Virginia Pooled OPEB Trust Fund is governed by a Board of Trustees. The Board of Trustees is responsible for managing Trust Fund assets through the appointment and oversight of investment managers and with the guidance of an investment advisor. The targeted rate of return established by the Trustees for the Virginia Pooled OPEB Trust Fund, Portfolio II, is currently 6.00%.

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.

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 8.43%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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, 8 East Canal Street, Richmond, Virginia 23219.

LCPS is required to contribute the actuarially determined contribution of the employer (ADC). The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

**c. OPEB Liabilities, Expenses and Deferred Outflows/Inflows of Resources**

At June 30, 2025, LCPS reported a net OPEB liability for the OPEB Trust of \$213,530,659. The Net OPEB liability for the OPEB Trust was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

The following table presents the change in net OPEB liability:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2024	\$ 540,411,309	\$ 287,626,829	\$ 252,784,480
Changes for the year:			
Service cost	10,169,727	-	10,169,727
Interest	32,302,172	-	32,302,172
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(5,854,404)	-	(5,854,404)
Changes of assumptions	(14,566,254)	-	(14,566,254)
Contributions-employer	-	36,784,003	(36,784,003)
Net investment income	-	24,521,059	(24,521,059)
Benefit payments, including refunds of employee contributions	(24,784,003)	(24,784,003)	-
Net changes	(2,732,762)	36,521,059	(39,253,821)
Balances at June 30, 2025	\$ 537,678,547	\$ 324,147,888	\$ 213,530,659

The Net OPEB Liability was measured as of June 30, 2025 and 2024. Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates and the Total OPEB Liability was determined from actuarial valuations using data as of June 30, 2025.

For the year ended June 30, 2024, LCPS recognized OPEB Trust expense of \$77,876,840. At June 30, 2024, LCPS reported deferred outflows of resources and deferred inflows of resources related to the OPEB Trust from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 23,839,798	\$ 19,814,305
Net difference between projected and actual earnings on LCPS OPEB Trust plan investments	1,414,852	-
Changes in Assumptions	87,298,666	14,862,171
Total	\$ 112,553,316	\$ 34,676,476

*Deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as follows:*

Year Ended June 30,	
2026	\$ 36,927,172
2027	27,467,627
2028	21,804,375
2029	(4,585,221)
2030	(3,336,709)
Thereafter	(400,404)
Total	\$ 77,876,840

**d. Actuarial Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, if any.

Inflation	2.50%
Salary increases	Varies by service
Discount rate	6.00%
Healthcare cost trend rates:	
Non-Medicare Medical, Dental, Vision	7.00% graded to 4.50% over 10 years
Medicare Medical, Dental, Vision	5.00% graded to 4.50% over 10 years
Prescription	9.50% graded to 4.50% over 10 years
Administrative Costs	3.00%
Mortality rates:	
Healthy Male	Pub-2010 Headcount-Weighted Teachers Healthy Annuitant, set forward one year, projected generationally with 75% of Scale MP-2020 from 2010
Healthy Female	105% of Pub-2010 Headcount-Weighted Teachers Healthy Annuitant, projected generationally with 75% of Scale MP-2020 from 2010
Disabled	110% of Pub-2010 Headcount-Weighted Non-Safety Disabled Retiree, projected generationally with 75% of Scale MP-2020 from 2010
Surviving Spouse	Pub-2010 Headcount-Weighted Teachers Contingent Survivor, projected generationally with 75% of Scale MP-2020 from 2010

**e. Long Term Expected Rate Of Return**

The long-term expected rate of return on the OPEB plan investments was determined using a building-block method which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan 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. Best estimates of the geometric real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2025 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Arithmetic Real Rate of Return</b>
Large Cap U.S. Equity	16.00%	4.30%
Small Cap U.S. Equity	7.00%	4.79%
International Equity	9.00%	4.20%
Emerging Markets Equity	4.00%	4.50%
High Yield Bonds	5.00%	3.81%
Core Plus US Fixed Income	45.00%	2.83%
Real Estate	10.00%	3.42%
Hedge Funds - Equity Long/Short	4.00%	3.62%
<b>Total</b>	<b>100%</b>	

**f. Discount Rate**

The discount rate used to measure the Total OPEB Liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that contributions from LCPS will continue to be made commensurate with their average contributions over the most recent five-year period (approximately \$31,981,466 per year). Based on this assumption, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**g. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

*The following presents the NOL of the County as well as what the County’s NOL would be if it were calculated using a discount rate that is 1 percentage-point lower (5.00%) or 1 percentage-point higher (7.00%) than the current rate.*

	<b>1% Decrease (5.00%)</b>	<b>Current Discount Rate (6.00%)</b>	<b>1% Increase (7.00%)</b>
Net OPEB Liability	\$274,221,297	\$213,530,659	\$161,666,504

**h. Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

*The following represents the NOL as if it were calculated using healthcare cost trend rates that were 1-percentage point lower or 1-percentage point higher than the current healthcare trend rates.*

	<b>1% Decrease Healthcare Cost</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1% Increase Healthcare Cost</b>
Net OPEB Liability	<u>\$184,604,396</u>	<u>\$213,530,659</u>	<u>\$238,952,969</u>

The projection of future benefit payment for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**2. VRS OPEB PLANS - PLANS ADMINISTERED BY VIRGINIA RETIREMENT SYSTEM (VRS)**

**a. Plan Description and Benefits**

The Group Life Insurance (GLI) is a multiple employer, cost sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The 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 GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. In addition to the 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 group 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 insured program, it is not included as part of the Group Life Insurance Program OPEB. Benefits include:

<b>GLI PROGRAM PLAN PROVISIONS</b>
<p><b>Benefit Amounts</b></p> <p>The benefits payable under the GLI Program have several components.</p> <ul style="list-style-type: none"> <li>● <b><u>Natural Death Benefit</u></b> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.</li> <li>● <b><u>Accidental Death Benefit</u></b> – The accidental death benefit is double the natural death benefit.</li> <li>● <b><u>Other Benefit Provisions</u></b> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:               <ul style="list-style-type: none"> <li>○ Accidental dismemberment benefit</li> <li>○ Safety belt benefit</li> <li>○ Repatriation benefit</li> <li>○ Felonious assault benefit</li> <li>○ Accelerated death benefit option</li> </ul> </li> </ul>
<p><b>Reduction in Benefit Amounts</b></p> <p>The benefit amounts provided to members covered under the GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p><b>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</b></p> <p>For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was <b>\$9,532</b> as of June 30, <b>2025</b>.</p>

The Teacher Employee Health Insurance Credit Program (Teachers HIC) is a multiple-employer, cost-sharing plan. The Political Subdivision Health Insurance Credit Program (Non-teachers HIC) is a multiple-employer, agent-defined benefit plan. The Health Insurance Credit Program (HIC) was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. HIC is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. All full-time, salaried permanent employees are automatically covered by the program. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death. Benefits include:

TEACHER HIC	NON-TEACHER HIC
<b>Benefit Amounts</b>	
<p><b><u>At Retirement</u></b> – For Teacher and other professional school employees who retire the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.</p> <p><b><u>Disability Retirement</u></b> – For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either:</p> <ul style="list-style-type: none"> <li>○ \$4.00 per month, multiplied by twice the amount of service credit, or</li> <li>○ \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.</li> </ul>	<p><b><u>At Retirement</u></b> – For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.</p> <p><b><u>Disability Retirement</u></b> – For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.</p>
<b>Program Notes</b>	
<ul style="list-style-type: none"> <li>● The monthly HIC benefit cannot exceed the individual premium amount.</li> <li>● For Non-teachers HIC, no health insurance credit for premiums paid and qualified under LODA, however, the employee may receive the credit for premiums paid for other qualified health plans.</li> <li>● Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.</li> </ul>	

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	
Inactive members:	
Vested inactive members	384
Non-vested inactive members	31
Long Term Disability	5
Inactive members active elsewhere in VRS	304
Total inactive members	724
Active members	<u>2,004</u>
Total covered employees	<u><u>2,728</u></u>

The Teacher Employee Virginia Local Disability Program (Teachers VLDP) is a multiple-employer, cost-sharing plan. The Political Subdivision Employee Virginia Local Disability Program (Non-teachers VLDP) is a multiple-employer, cost-sharing plan. All full-time, salaried permanent employees who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the Teacher VLDP or Non-teachers VLDP, as applicable. School divisions are required by Title 51.1 of the Code of Virginia, as amended, to provide short-term and long-term disability benefits for their hybrid plan employees either through a local plan or through the VLDP. Benefits include:

<b>VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) PLAN PROVISIONS</b>
<p><b>Benefit Amounts</b></p> <p><b><u>Short-Term Disability –</u></b></p> <ul style="list-style-type: none"> <li>● The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work- related short-term disability coverage after one year of continuous participation in VLDP with their current employer.</li> <li>● During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work- related or work-related disability.</li> <li>● Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.</li> </ul> <p><b><u>Long-Term Disability –</u></b></p> <ul style="list-style-type: none"> <li>● The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week.</li> <li>● Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.</li> </ul>
<p><b>VLDP Notes:</b></p> <ul style="list-style-type: none"> <li>● Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible.</li> <li>● VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.</li> </ul>

For purposes of measuring the respective OPEB liability, deferred outflows of resources and deferred inflows of resources, and OPEB expense, information about the respective fiduciary net position of the VRS OPEB plans and the additions to/deductions from the respective fiduciary net 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.

b. **Contributions and Funding Policy**

GLI - The contribution requirements for the GLI 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 Group Life Insurance Program was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% X 60%) and the employer component was 0.47% (1.18% X 40%). Employers may elect to pay all or 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, 2025, was 0.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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. LCPS' contributions to the GLI Program were \$5,006,317 for the year ended June 30, 2025.

Teachers HIC and Non-teachers HIC - The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. LCPS' contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation for employees in the Teacher HIC program and 0.10% of covered employee compensation for employees in the Non-teachers HIC program. These rates were the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate 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 from LCPS to the Teacher HIC program were \$11,606,304 and \$102,819 to the Non-teachers HIC program for the year ended June 30, 2025.

June 2023, the Commonwealth made a special contribution of approximately \$4 million to the Teacher HIC program. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution.

Teachers VLDP and Non-teachers VLDP - The contribution requirement for active hybrid plan employees is governed by § 51.1-1178(C) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. LCPS' contractually required employer contribution rate for the year ended June 30, 2024, was 0.45% of covered employee compensation for employees in the Teachers VLDP and 0.74% of covered employee compensation for employees in the Non-teacher VLDP. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate 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 from LCPS to the Teachers VLDP were \$1,844,616 and \$405,090 to the Non-teachers VLDP for the year ended June 30, 2025.

c. **OPEB Liabilities, Expenses, and Deferred Outflows/Inflows of Resources**

GLI - At June 30, 2025, LCPS reported a liability of \$43,320,987 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, LCPS' proportion was 3.8821% as compared to 3.9337% at June 30, 2023.

For the year ended June 30, 2025, LCPS recognized GLI OPEB expense of \$2,517,927. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 6,832,715	\$ 1,058,187
Net difference between projected and actual earnings on GLI OPEB program investments	-	3,651,506
Changes in Assumptions	246,930	2,146,898
Changes in Proportion	2,792,515	1,583,437
Employer contributions subsequent to the measurement date	5,006,317	-
<b>Total</b>	<b>\$ 14,878,477</b>	<b>\$ 8,440,028</b>

Contributions of \$5,006,317 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<b>Year Ended June 30,</b>	
2026	\$ (843,533)
2027	1,308,236
2028	198,899
2029	189,167
2030	579,363
<b>Total</b>	<b>\$ 1,432,132</b>

Teachers HIC and Non-teachers HIC - At June 30, 2025, LCPS reported a liability of \$96,974,585 and for its proportionate share of the Net OPEB Liability for Teachers HIC and Non-teachers HIC respectively. The Net OPEB Liabilities were measured as of June 30, 2024 and the total OPEB liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. LCPS’ proportion of the net Teachers HIC OPEB Liability was based on LCPS’ actuarially determined employer contributions to the VRS Teacher Employee HIC Program OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, LCPS’ proportion of the VRS Teacher Employee HIC Program was 8.4061% as compared to 8.3497% at June 30, 2023.

	<b>Increase (Decrease)</b>		
	<b>Total Political Subdivision HIC OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Political Subdivision HIC OPEB Liability (a) - (b)</b>
Balances at June 30, 2023	\$ 3,065,511	\$ 2,488,616	\$ 576,895
Changes for the year:			
Service cost	49,240	-	49,240
Interest	205,542	-	205,542
Difference between expected and actual experience	(50,558)	-	(50,558)
Contributions-employer	-	145,860	(145,860)
Net investment income	-	233,976	(233,976)
Benefit payments	(139,354)	(139,354)	-
Administrative expenses	-	(3,236)	3,236
Other changes	-	(1)	1
<b>Net changes</b>	<b>64,870</b>	<b>237,245</b>	<b>(172,375)</b>
Balances at June 30, 2024	<b>\$ 3,130,381</b>	<b>\$ 2,725,861</b>	<b>\$ 404,520</b>

For the year ended June 30, 2025, LCPS recognized VRS Teacher Employee HIC Program OPEB expense of \$10,289,711 and \$95,741 for Teachers HIC and Non-teachers HIC, respectively.

At June 30, 2024, LCPS reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	<b>Health Insurance Credit (HIC)</b>		
	<b>Teachers</b>	<b>Political Subdivision</b>	<b>Combined Totals</b>
Net OPEB liability	\$96,974,585	\$404,520	\$97,379,105
OPEB Expense	10,289,711	95,741	10,385,452
Deferred outflows of resources:			
Changes in proportion and difference between employer contributions and proportionate share of contributions	7,386,460	-	7,386,460
Change of assumptions	1,670,592	128,247	1,798,839
Difference between expected and actual experience	-	6,225	6,225
Employer contributions subsequent to the measurement date	11,606,304	102,819	11,709,123
Total deferred outflows of resources	<u>20,663,356</u>	<u>237,291</u>	<u>20,900,647</u>
Deferred inflows of resources:			
Difference between expected and actual experience	4,594,424	82,185	4,676,609
Net difference between projected and actual earnings on OPEB plan investments	344,942	52,633	397,575
Changes in proportion and difference between employer contributions and proportionate share of contributions	1,798,402	-	1,798,402
Total deferred inflows of resources	<u>\$6,737,768</u>	<u>\$134,818</u>	<u>\$6,872,586</u>

Contributions of \$11,709,123 reported as deferred outflows of resources resulting from the LCPS' contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB liabilities in the fiscal year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<b>Year Ended</b>	<b>Teachers</b>		<b>Political Subdivision</b>	
	<b>June 30,</b>			
	2026	\$ 1,668,013	-\$23,956	
	2027	1,446,625	40,509	
	2028	274,242	4,146	
	2029	(434,808)	(19,287)	
	2030	(530,355)	(1,758)	
	Thereafter	(104,433)	-	
	Total	<u>\$ 2,319,284</u>	<u>-\$346</u>	

**Teachers and Non-teachers VLDP** - At June 30, 2025, LCPS reported an asset of \$299,650 and an asset of \$217,404 for its proportionate share of the Teacher VLDP and Non-teachers VLDP net OPEB asset, respectively. The Net VLDP OPEB asset was measured as of June 30, 2024 and the total VLDP OPEB Liability used to calculate the net VRS OPEB Liability/asset was determined by an actuarial valuation as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. LCPS' proportion of the Net VLDP OPEB Liability/(asset) was based on the LCPS' actuarially determined employer contributions to the plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, LCPS' proportion of the Teacher VLDP was 33.7502% as compared to 33.4461% at June 30, 2023. At June 30, 2024, the LCPS' proportion of the Non-teacher VLDP program was 6.7201% as compared to 6.7003% at June 30, 2023.

For the year ended June 30, 2025, LCPS recognized an OPEB expense of \$1,318,170 and \$296,746 related to Teachers VLDP and Non-teachers VLDP, respectively.

At June 30, 2025, LCPS reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee VLDP OPEB from the following sources:

	<b>VRS-Virginia Local Disability Plan (VLDP)</b>		
	<b>Teachers</b>	<b>Political Subdivision</b>	<b>Combined Totals</b>
Net OPEB liability/(asset)	\$ (299,650)	\$ (217,403)	\$ (517,053)
OPEB Expense	1,318,170	296,746	1,614,916
Deferred outflows of resources:			
Changes in proportion and difference between employer contributions and proportionate share of contributions	38,215	9,332	47,547
Changes of assumptions	80,924	-	80,924
Difference between expected and actual experience	916,781	25,831	942,612
Employer contributions subsequent to the measurement date	1,844,616	405,090	2,249,706
Total deferred outflows of resources	<u>2,880,536</u>	<u>440,253</u>	<u>3,320,789</u>
Deferred inflows of resources:			
Difference between expected and actual experience	80,588	45,810	126,398
Net difference between projected and actual earnings on OPEB plan investments	50,627	19,664	70,291
Changes of assumptions	-	5,049	5,049
Changes in proportion	27,114	5,340	32,454
Total deferred inflows of resources	<u>\$ 158,329</u>	<u>\$ 75,863</u>	<u>\$ 234,192</u>

Contributions of \$2,249,706 reported as deferred outflows of resources resulting from the LCPS' contributions subsequent to the measurement date will be recognized as a reduction of the Net VLDP OPEB liabilities in the fiscal year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee VLDP OPEB will be recognized in the Teacher Employee VLDP OPEB expense in future reporting periods as follows:

<b>Year Ended June 30,</b>	<b>Teachers</b>	<b>Non-teachers</b>
2026	\$ 70,609	\$ (19,178)
2027	122,740	(879)
2028	89,778	(5,241)
2029	89,452	(9,784)
2030	106,290	(5,663)
Thereafter	398,722	45
Total	<u>\$ 877,591</u>	<u>\$ (40,700)</u>

d. **Actuarial Assumptions**

The VRS OPEB liabilities were based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.50%
Salary increases, including inflation	Varies by service (3.5%-5.95%)
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Mortality rates:	
Pre-Retirement	Professional - Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males Non-professional - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement	Professional - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females Non-professional - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement	Professional - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females Non-professional - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors	Professional - Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally Non-professional - Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale	Professional - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates Non-professional - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2022. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

e. **Long Term Expected Rate Of Return**

The long-term expected rate of return on VRS 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 VRS 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 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:

<b>Asset Class (Strategy) Allocation</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP-Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
<b>Total</b>	<b>100.00%</b>		<b>7.07%</b>

\*Expected arithmetic nominal return 7.07%

\* The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at this time, providing a median return of 7.14%, including expected inflation of 2.50%.\*

**f. Discount Rate**

The discount rate used to measure the VRS total OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024 the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

**g. Sensitivity Of Net Opeb Liability To Changes In The Discount Rate**

The following presents the employer’s proportionate share of the net OPEB liabilities using the discount rate of 6.75%, as well as what the employer’s proportionate share of the net OPEB liabilities 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:

	<b>1% Decrease (5.75%)</b>	<b>Current Discount (6.75%)</b>	<b>1% Increase (7.75%)</b>
LCPS’ net Teachers GLI OPEB liability	\$60,902,259	\$39,162,169	\$21,599,034
LCPS’ net Non-teachers GLI OPEB liability	\$6,467,503	\$4,158,818	\$2,293,705
LCPS’ net Teachers HIC OPEB liability	\$110,284,295	\$96,974,585	\$85,693,388
LCPS’ net Non-teachers HIC OPEB liability	\$773,916	\$404,520	\$93,464
LCPS’ net Teachers VDLP OPEB liability	\$182,124	\$(299,650)	\$(719,846)
LCPS’ net Non-teachers VDLP OPEB liability	\$(158,095)	\$(217,403)	\$(269,597)

**h. GLI PROGRAM FIDUCIARY NET POSITION**

Detailed information about the VRS OPEB plans’ Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report. A copy of the 2024 VRS Annual Comprehensive Financial Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2024 annual-report.pdf](http://varetire.org/pdf/publications/2024%20annual-report.pdf), or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**III. OTHER INFORMATION**

**A. RISK MANAGEMENT**

LCPS is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; the health of and injuries to employees; and natural disasters.

LCPS maintains an internal service fund for workers' compensation claims, disability claims, and health insurance benefits. LCPS' property and liability insurance program is provided through membership in the Virginia Association of Counties Group Self-Insurance Pool. Member jurisdictions contribute to the pool based on their risk exposures and past claims experience.

The property coverage program consists of blanket replacement costs, 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). In addition, LCPS carries cyber risk liability insurance with a \$10,000,000 limit (per occurrence and annual aggregate) providing coverage due to network security breaches (including hacking and viruses) and online privacy matters (including identity theft).

The cyber risk liability insurance carries a \$1,000 deductible per occurrence and the educator's legal liability carries a \$5,000 deductible per occurrence.

LCPS has no significant reduction in insurance coverage from prior years. Our coverage amounts increase each year with the addition of new school construction, new technology, and new vehicles. Our insurance premiums remain relatively flat despite the increase in our blanket property coverage limits. Claims that arose from incidents occurring prior to the existence of all the foregoing agreements are covered under LCPS' previous commercial insurance programs. LCPS has not had any insurance claims or made any settlements to exceed insurance coverage amounts for each of the past three fiscal years.

In 1990, LCPS received a Certificate as a Qualified Self-Insurer from the Virginia Workers' Compensation Commission. At that time, LCPS began to self-insure statutory workers' compensation and employer's liability coverage. At the same time, LCPS purchased excess workers' compensation and employer's liability insurance. This excess insurance limits individual claims against the self-insurance program with a current specific retention level of \$600,000 per occurrence. Workers' Compensation claims that arose from incidents occurring prior to the self-insured program are covered under LCPS' previous commercial insurance carrier. A reserve for pending claims and incurred but not reported claims have been accrued as a liability within the self-insurance funds as an estimate based on information received from AON Risk Solutions.

LCPS contracts with a third-party administrator to adjust workers' compensation claims, provide underwriting services, and recommend reserve levels, including claims reported but not settled. All other property and casualty insurance either has been or is expected to be renewed as it becomes due.

*The following table shows the amounts that have been accrued for workers' compensation as a liability within the self-insurance fund. LCPS' administrator is PMA Companies*

<b>Fiscal Year 2024</b>	
Unpaid claims beginning of fiscal year	\$ 5,755,376
Incurred claims (including IBNR)	3,885,832
Claim payments	(3,470,728)
Unpaid claims end of fiscal year	<u>\$ 6,170,480</u>
<b>Fiscal Year 2025</b>	
Unpaid claims beginning of fiscal year	\$ 6,170,480
Incurred claims (including IBNR)	5,615,082
Claim payments	(4,691,353)
Unpaid claims end of fiscal year	<u>\$ 7,094,209</u>

On October 1, 1984, LCPS began to self-insure health care for all eligible employees and all retirees. Eligible employees and retirees are defined by School Board Policy.

LCPS has purchased stop loss insurance from Connecticut General Life Insurance Company (CIGNA) limiting claims against the self-insurance program to \$600,000 per occurrence for individual claims.

The following table shows the amounts that have been accrued as a liability within the self-insurance fund based upon an estimate from LCPS' contracted actuary.

<b>Fiscal Year 2024</b>	
Unpaid claims beginning of fiscal year	\$ 16,097,900
Incurred claims (including IBNR)	247,698,306
Claim payments	(244,005,206)
Unpaid claims end of fiscal year	<u>\$ 19,791,000</u>
<b>Fiscal Year 2025</b>	
Unpaid claims beginning of fiscal year	\$ 19,791,000
Incurred claims (including IBNR)	282,006,739
Claim payments	(278,188,739)
Unpaid claims end of fiscal year	<u>\$ 23,609,000</u>

CIGNA is also contracted to adjudicate health insurance claims, provide underwriting services and recommend reserve levels, including claims incurred but not yet reported.

LCPS offers three (3) health plan options to active employees: A High Deductible Health Plan with Health Savings Accounts (HDHP), a Point of Service (POS) Plan and an Open Access Plus (OAP) Plan. Non-Medicare eligible retirees may also choose from the POS and OAP Plans. A Medicare Advantage Plan is offered to Medicare-eligible retirees/dependents. All plan designs and premiums for employees and retirees are evaluated every fiscal year. Coverage levels are Employee Only, Employee Plus Child, Employee Plus Spouse and Family.

Prescription drug coverage is included as part of the medical plans and is provided by Express Scripts, Inc. Dental and vision coverage is available as an add-on with Delta Dental as the third-party administrator for dental benefits and Davis Vision as the third-party administrator for vision benefits. Summary Plan Documents are available on the HRTD Employee Benefits website.

**B. BUDGETS**

Budgets are prepared and adopted on a basis consistent with GAAP. Annual appropriation resolutions and budgets are adopted for the General Fund, Lease Fund, School Nutrition Service Fund, Grant Fund and Debt Service Fund. The budget also included a recommended program of capital expenditures to be financed from current operations and a separate six-year capital improvement plan. All annual appropriations lapse at fiscal year end except for the Capital Improvements Fund and the Capital Asset Preservation Fund, for which project-length budgets are adopted. Encumbrances represent goods or services that have been contracted and are funded; however, these goods or services have not been received or performed. Encumbrances do not constitute expenditures. The budget of any funds encumbered at the end of the fiscal year carries over into the next fiscal year.

**C. CONTINGENT LIABILITIES**

LCPS is contingently liable with respect to lawsuits and other claims, which arise in the ordinary course of its operations. Management believes that the amount of loss, if any, is not material to LCPS' financial condition.

LCPS receives grant funds, principally from the Federal government, for various educational programs. Certain expenditures of these funds are subject to audit by the grantor. LCPS is contingently liable to refund amounts received in excess of allowable expenditures.

In the opinion of LCPS management, no material refunds will be required as a result of expenditures disallowed by the grantors.

**D. COMPLIANCE REVIEW AND FEDERAL AWARD REPAYMENT**

In May 2024, the Virginia Department of Education (VDOE) conducted a fiscal monitoring review of Loudoun County Public Schools (LCPS). This review included an evaluation of LCPS's compliance with the Maintenance of Effort (MOE) provisions under the Individuals with Disabilities Education Act (IDEA). The MOE provisions require school divisions to maintain a consistent level of local financial support for special education services, ensuring that federal funds are used to supplement, and not supplant, local resources.

During the review, VDOE determined that certain expenditures reported as local special education costs did not meet the eligibility criteria under MOE guidelines, resulting in an overstatement of local special education spending. LCPS disagrees with this determination, citing conflicting and inconsistent guidance. Further, LCPS asserts that the expenditures were properly allocated, met MOE requirements, and that the matter relates to reporting interpretation rather than the actual use of funds.

As a result of VDOE's adjustments to LCPS's reported expenditures, LCPS did not meet the required level of local effort for fiscal years 2023 and 2024. As a result, LCPS was required to remit \$29.0 million to VDOE in fiscal year 2025. LCPS continues to engage in ongoing communication with VDOE regarding this matter.



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## Required Supplementary Information

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**A budgetary comparison schedule for the General Fund, which accounts for all revenues and expenditures of Loudoun County Public Schools, not required to be accounted for in other funds.**

**Schedules that are required concerning LCPS' pensions and other postemployment benefits.**

**Trend data for pensions and other postemployment benefits.**

**The notes to the required supplementary information are also included.**

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Budgetary Comparison Schedule - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2025**

Exhibit XII

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>REVENUES</b>				
Intergovernmental:				
Federal government	\$ 362,436	\$ 362,436	\$ 226,562	\$ (135,874)
Commonwealth of Virginia	530,811,614	541,589,626	540,888,996	(700,630)
County of Loudoun, Virginia	1,268,127,376	1,273,805,864	1,264,595,065	(9,210,799)
Charges for services:				
Tuition and fees	2,304,000	2,304,000	2,844,283	540,283
Revenue from the use of money and property	1,740,000	1,740,000	1,846,970	106,970
Recovered costs	5,810,000	5,810,000	9,239,447	3,429,447
Other	3,622,466	3,851,469	4,194,401	342,932
Total revenues	<u>1,812,777,892</u>	<u>1,829,463,395</u>	<u>1,823,835,724</u>	<u>(5,627,671)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular	1,061,393,103	1,056,951,391	1,021,745,900	35,205,491
Special	311,891,059	313,532,225	308,398,058	5,134,167
Adult education	956,890	949,268	868,756	80,512
Return of local/matching funds	-	-	28,997,133	(28,997,133)
Other	6,197,085	2,492,502	3,032,923	(540,421)
Administration	69,986,278	79,774,539	75,844,114	3,930,425
Attendance and health	40,277,738	39,816,190	36,675,581	3,140,609
Pupil transportation	93,143,306	89,633,887	86,615,462	3,018,425
Facilities services	8,076,109	12,231,020	7,094,544	5,136,476
Operation and maintenance	162,106,484	178,797,060	160,594,868	18,202,192
School nutrition services	1,915,825	1,785,281	1,318,067	467,214
Technology	56,622,036	65,736,999	60,822,173	4,914,826
Capital outlay	12,211,979	11,080,161	3,984,019	7,096,142
Principal	-	-	6,542,948	(6,542,948)
Interest	-	-	521,196	(521,196)
Total expenditures	<u>1,824,777,892</u>	<u>1,852,780,523</u>	<u>1,803,055,742</u>	<u>49,724,781</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers Out	-	-	(31,929,097)	(31,929,097)
Subscription Based IT	-	-	307,111	307,111
Total other financing sources	<u>-</u>	<u>-</u>	<u>(31,621,986)</u>	<u>(31,621,986)</u>
Net change in fund balances	(12,000,000)	(23,317,128)	(10,842,004)	12,475,124
Fund balances at beginning of year	<u>216,773</u>	<u>(132,263,608)</u>	<u>62,991,076</u>	<u>195,254,684</u>
Fund balances at end of year	<u>\$ (11,783,227)</u>	<u>\$ (155,580,736)</u>	<u>\$ 52,149,072</u>	<u>\$ 207,729,808</u>

See accompanying notes to the required supplementary information.

**LOUDOUN COUNTY PUBLIC SCHOOLS**

**Exhibit XIII**

**Schedule of Employer’s Proportionate Share of the Net Pension Liability and Related Ratios  
Virginia Retirement System-Pension-Professional Plan  
For the Fiscal Year Ended June 30, 2025\***

<b>Fiscal Year</b>	<b>Employer’s Proportion of the Net Pension Liability</b>	<b>Employer’s Proportionate Share of the Net Pension Liability</b>	<b>Employer’s Covered Payroll</b>	<b>Employer’s Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2025	8.23808%	773,303,185 \$	959,205,662	80.62%	84.52%
2024	8.28747%	837,631,563	832,575,109	100.61%	82.45%
2023	8.47571%	806,938,333	796,158,822	101.35%	82.61%
2022	8.16904%	634,184,094	726,702,816	87.27%	85.46%
2021	7.96679%	1,159,377,165	701,172,761	165.35%	71.47%
2020	7.44121%	979,305,522	626,445,257	156.33%	73.51%
2019	7.16702%	842,841,000	580,077,082	145.30%	74.81%
2018	6.85549%	843,087,000	542,902,050	155.29%	72.92%
2017	6.61724%	927,348,000	507,489,598	182.73%	68.28%
2016	6.37430%	802,292,000	473,788,018	169.34%	70.68%

See accompanying notes to the required supplementary information

\*The amounts presented have a measurement date of the previous fiscal year end.

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Schedule of Changes in Employer's Net Pension Liability and Related Ratios**  
**Virginia Retirement System-Pension-Political Subdivision Plan**  
**For the Fiscal Year Ended June 30, 2025\***

<b>TOTAL PENSION LIABILITY</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Service cost	\$ 5,228,000	\$ 5,258,000	\$ 5,209,000	\$ 5,032,000	\$ 5,330,056
Interest	8,227,000	8,778,000	9,459,000	9,946,000	10,573,312
Difference between expected and actual experience	(902,000)	905,000	(37,000)	29,000	5,812,334
Changes of assumptions	-	-	(2,080,000)	-	5,348,446
Benefit payments, including refunds of employee contributions	(4,410,000)	(4,947,000)	(5,490,000)	(5,692,000)	(6,392,665)
Net change in total pension liability	8,143,000	9,994,000	7,061,000	9,315,000	20,671,483
Total pension liability, beginning of year	119,731,000	127,874,000	137,868,000	144,929,000	154,243,642
Total pension liability, end of year (a)	<u>\$ 127,874,000</u>	<u>\$ 137,868,000</u>	<u>\$ 144,929,000</u>	<u>\$ 154,244,000</u>	<u>\$ 174,915,125</u>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions-employer	\$ 3,637,000	\$ 3,731,000	\$ 3,079,000	\$ 3,287,000	\$ 3,387,225
Contributions-employee	2,527,000	2,587,000	2,624,000	2,796,000	3,010,797
Net investment income	5,276,000	2,186,000	15,251,000	10,355,000	10,117,648
Benefit payments, including refunds of employee contributions	(4,410,000)	(4,947,000)	(5,490,000)	(5,692,000)	(6,392,665)
Administrative expense	(69,000)	(73,000)	(86,000)	(87,000)	(96,958)
Other	(2,000)	(1,000)	(13,000)	(9,000)	(6,411)
Net change in plan fiduciary net position	6,959,000	3,483,000	15,365,000	10,650,000	10,019,636
Plan fiduciary net position, beginning	114,164,000	121,123,000	124,606,000	139,971,000	150,620,971
Plan fiduciary net position, ending (b)	<u>\$ 121,123,000</u>	<u>\$ 124,606,000</u>	<u>\$ 139,971,000</u>	<u>\$ 150,621,000</u>	<u>\$ 160,640,607</u>
Net pension liability, ending (a)-(b)	\$ 6,751,000	\$ 13,262,000	\$ 4,958,000	\$ 3,623,000	\$ 14,274,518
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	94.72%	90.38%	96.58%	97.65%	91.84%
<b>Covered payroll</b>	\$ 50,973,799	\$ 53,004,200	\$ 53,665,362	\$ 57,768,804	\$ 63,808,087
<b>Net pension liability as a percentage of covered payroll</b>	13.24%	25.02%	9.24%	6.27%	22.37%

See accompanying notes to the required supplementary information

\*The rounded amounts presented have a measurement date of the previous fiscal year end.

2021	2022	2023	2024	2025	TOTAL PENSION LIABILITY
\$ 5,625,101	\$ 5,848,757	\$ 6,378,766	\$ 8,036,037	\$ 8,241,446	Service cost
11,568,079	12,519,488	14,346,139	15,320,013	16,999,985	Interest
4,094,215	4,000,688	413,814	10,803,276	4,798,985	Difference between expected and actual experience
-	6,057,512	-	-	-	Changes of assumptions
(7,072,355)	(7,312,524)	(8,174,912)	(8,561,542)	(10,390,977)	Benefit payments, including refunds of employee contributions
14,215,040	21,113,921	12,963,807	25,597,784	19,649,439	Net change in total pension liability
174,915,125	189,130,165	210,244,086	223,207,893	248,805,677	Total pension liability, beginning of year
<u>\$ 189,130,165</u>	<u>\$ 210,244,086</u>	<u>\$ 223,207,893</u>	<u>\$ 248,805,677</u>	<u>\$ 268,455,116</u>	Total pension liability, end of year (a)
					<b>PLAN FIDUCIARY NET POSITION</b>
\$ 3,497,885	\$ 4,259,920	\$ 4,772,680	\$ 6,098,659	\$ 6,880,677	Contributions-employer
3,184,680	3,188,065	3,590,757	4,150,877	4,702,710	Contributions-employee
3,060,374	44,891,184	(309,996)	13,640,724	21,716,921	Net investment income
(7,072,355)	(7,312,524)	(8,174,912)	(8,561,542)	(10,390,977)	Benefit payments, including refunds of employee contributions
(102,475)	(108,411)	(127,766)	(131,179)	(135,677)	Administrative expense
(3,679)	4,272	4,825	5,493	4,504	Other
2,564,430	44,922,506	(244,412)	15,203,032	22,778,158	Net change in plan fiduciary net position
160,640,607	163,205,037	208,127,543	207,883,131	223,086,163	Plan fiduciary net position, beginning
<u>\$ 163,205,037</u>	<u>\$ 208,127,543</u>	<u>\$ 207,883,131</u>	<u>\$ 223,086,163</u>	<u>\$ 245,864,321</u>	Plan fiduciary net position, ending (b)
\$ 25,925,128	\$ 2,116,543	\$ 15,324,762	\$ 25,719,514	\$ 22,590,795	Net pension liability, ending (a)-(b)
86.29%	98.99%	93.13%	89.66%	91.58%	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
\$ 67,956,479	\$ 69,489,477	\$ 77,464,722	\$ 90,885,246	\$ 95,300,265	<b>Covered payroll</b>
38.15%	3.05%	19.78%	28.30%	23.70%	<b>Net pension liability as a percentage of covered payroll</b>

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
 Schedule of Employer Contributions  
 Virginia Retirement System-Pension  
 For the Fiscal Year Ended June 30, 2025

Exhibit XV

<b>Professional Plan</b>	<b>Date</b>	<b>Contractually Required Contribution *</b>	<b>Contributions in Relation to Contractually Required Contribution *</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
	2025	\$ 146,626,536	\$ 146,626,536	\$ (0)	\$ 959,205,662	15.29%
	2024	145,953,519	145,953,519	-	886,622,547	16.46%
	2023	138,373,983	138,206,007	(167,976)	832,572,109	16.60%
	2022	132,321,596	132,321,596	-	796,158,822	16.62%
	2021	120,778,008	120,778,008	-	726,702,816	16.62%
	2020	109,943,889	109,943,889	-	701,172,761	15.68%
	2019	98,226,616	98,226,616	-	626,445,257	15.68%
	2018	82,475,000	82,475,000	-	580,077,082	14.22%
	2017	78,001,000	78,001,000	-	542,902,050	14.37%
	2016	70,276,318	70,276,318	-	507,489,598	13.85%
<b>Non-Professional Plan</b>						
	2025	\$ 9,023,960	\$ 9,023,960	-	\$ 102,818,857	8.78%
	2024	7,222,843	7,222,843	-	95,300,265	7.58%
	2023	6,898,190	6,799,171	(99,019)	90,885,246	7.48%
	2022	5,337,319	5,337,319	-	77,464,722	6.89%
	2021	4,787,825	4,787,825	-	69,489,477	6.89%
	2020	3,893,906	3,893,906	-	67,956,479	5.73%
	2019	3,656,203	3,656,203	-	63,808,087	5.73%
	2018	3,252,000	3,252,000	-	57,768,804	5.63%
	2017	3,088,000	3,088,000	-	53,665,362	5.75%
	2016	3,739,163	3,739,163	-	53,004,200	7.05%

\* Includes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan. See accompanying notes to the required supplementary information



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**LOUDOUN COUNTY PUBLIC SCHOOLS**

Schedule of Changes in the Net OPEB Liability and Related Ratios with Investment Returns

LCPS OPEB Trust\*

For the Fiscal Year Ended June 30, 2025

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>TOTAL OPEB LIABILITY</b>				
Service cost	\$ 5,783,010	\$ 5,580,255	\$ 12,498,442	\$ 8,250,047
Interest	1,707,102	17,614,339	26,997,794	24,910,466
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	4,481,330	48,770,039	(46,637,314)	(3,713,631)
Changes of assumptions	-	94,538,038	(7,502,400)	-
Benefit payments	(17,098,396)	(19,271,094)	(15,007,398)	(16,812,744)
	<u>10,243,046</u>	<u>147,231,574</u>	<u>(29,650,876)</u>	<u>12,634,138</u>
Net change in total OPEB liability				
Total OPEB liability, beginning of year	287,384,564	297,627,610	444,859,184	415,208,308
	<u>\$ 297,627,610</u>	<u>\$ 444,859,184</u>	<u>\$ 415,208,308</u>	<u>\$ 427,842,446</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions-employer	\$ 27,098,396	\$ 29,271,094	\$ 25,007,398	\$ 28,812,744
Net investment income	9,119,738	7,584,631	41,104,933	(29,103,145)
Benefit payments	(17,098,396)	(19,271,094)	(15,007,398)	(16,812,744)
Administrative expense	-	-	-	-
Other	-	-	-	-
	<u>19,119,738</u>	<u>17,584,631</u>	<u>51,104,933</u>	<u>(17,103,145)</u>
Net change in plan fiduciary net position				
Plan fiduciary net position, beginning	160,426,016	179,545,754	197,130,385	248,235,318
	<u>\$ 179,545,754</u>	<u>\$ 197,130,385</u>	<u>\$ 248,235,318</u>	<u>\$ 231,132,173</u>
Plan fiduciary net position, ending (b)				
Net OPEB Liability-OPEB Trust (ending) (a)-(b)	<u>\$ 118,081,856</u>	<u>\$ 247,728,799</u>	<u>\$ 166,972,990</u>	<u>\$ 196,710,273</u>
<b>Plan Fiduciary Net position as a percentage of the Total OPEB liability</b>	60.33%	44.31%	59.79%	54.02%
<b>Covered-employee payroll</b>	\$ 468,583,742	\$ 453,623,652	\$ 398,195,610	\$ 390,237,676
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	25.20%	54.61%	41.93%	50.41%

\*Totals may not foot due to rounding

**Investment Return Schedule**

	<b>Fiscal Year Ending June 30 2019</b>	<b>Fiscal Year Ending June 30 2020</b>	<b>Fiscal Year Ending June 30 2021</b>	<b>Fiscal Year Ending June 30 2022</b>
Annual money-weighted rate of return, net of investment expense	5.51%	4.11%	20.34%	-11.45%

See accompanying notes to the required supplementary information

\*LCPS is participating in the Virginia Pooled OPEB Trust Fund sponsored by the Virginia Municipal League and the Virginia Association of Counties (VML/VACo). The Virginia Pooled OPEB Trust Fund is established as an investment vehicle for participating employers to accumulate assets to fund OPEB.

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.

<b>2023</b>	<b>2024</b>	<b>2025</b>	
\$ 7,934,379	\$ 9,594,082	\$ 10,169,727	<b>TOTAL OPEB LIABILITY</b>
25,536,318	31,252,148	32,302,172	Service cost
(52,792,089)	-	-	Interest
13,180,233	799,345	(5,854,404)	Changes of benefit terms
122,367,631	-	(14,566,254)	Difference between expected and actual experience
(20,643,748)	(24,659,436)	(24,784,003)	Changes of assumptions
			Benefit payments
95,582,724	16,986,139	(2,732,762)	Net change in total OPEB liability
427,842,446	523,425,170	540,411,309	Total OPEB liability, beginning of year
<u>\$ 523,425,170</u>	<u>\$ 540,411,309</u>	<u>\$ 537,678,547</u>	Total OPEB liability, end of year (a)
			<b>PLAN FIDUCIARY NET POSITION</b>
\$ 32,643,748	\$ 36,659,436	\$ 36,784,003	Contributions-employer
12,318,710	20,175,946	24,521,059	Net investment income
(20,643,748)	(24,659,436)	(24,784,003)	Benefit payments
-	-	-	Administrative expense
-	-	-	Other
24,318,710	32,175,946	36,521,059	Net change in plan fiduciary net position
231,132,173	255,450,883	287,626,829	Plan fiduciary net position, beginning
<u>\$ 255,450,883</u>	<u>\$ 287,626,829</u>	<u>\$ 324,147,888</u>	Plan fiduciary net position, ending (b)
<u>\$ 267,974,287</u>	<u>\$ 252,784,480</u>	<u>\$ 213,530,659</u>	Net OPEB Liability-OPEB Trust (ending) (a)-(b)
48.80%	53.22%	60.29%	<b>Plan Fiduciary Net position as a percentage of the Total OPEB liability</b>
\$ 407,110,734	\$ 424,664,660	\$ 417,798,590	<b>Covered-employee payroll (1)</b>
65.82%	59.53%	51.11%	<b>Net OPEB liability as a percentage of covered-employee payroll</b>

<b>Fiscal Year Ending June 30 2023</b>	<b>Fiscal Year Ending June 30 2024</b>	<b>Fiscal Year Ending June 30 2025</b>	
5.19%	7.76%	8.43%	Annual money-weighted rate of return, net of investment expense

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Schedule of Employer Contributions**  
**LCPS OPEB Trust\***  
**For the Fiscal Year Ended June 30, 2025**

Exhibit XVII

OPEB Trust	Actuarial Valuation Date	Fiscal Year	Employer Annual Contribution
	6/30/2024	6/30/2025	\$ 36,784,003
	6/30/2023	6/30/2024	36,659,436
	6/30/2022	6/30/2023	32,643,748
	6/30/2021	6/30/2022	28,812,744
	6/30/2020	6/30/2021	25,007,398
	6/30/2019	6/30/2020	29,271,094
	6/30/2018	6/30/2019	27,098,396
	6/30/2017	6/30/2018	27,724,264
	6/30/2016	6/30/2017	26,321,831
	6/30/2015	6/30/2016	24,247,438

\*LCPS is participating in the Virginia Pooled OPEB Trust Fund sponsored by the Virginia Municipal League and the Virginia Association of Counties (VML/VACo). The Virginia Pooled OPEB Trust Fund is established as an investment vehicle for participating employers to accumulate assets to fund OPEB.

Fiscal Year Ending June 30,	Actuarially Determined Contributions <sup>(1)</sup>	Contributions Made in Relation to the Actuarially Determined Contributions	Contributions Deficiency (Excess)	Covered-Employee Payroll <sup>(2)</sup>	Contributions as a Percentage of Payroll
2025	N/A	\$ 36,784,003	N/A	\$ 417,798,590	8.8%
2024	N/A	36,659,436	N/A	424,664,660	8.63%
2023	N/A	32,643,748	N/A	407,110,734	8.02%
2022	N/A	28,812,744	N/A	390,237,676	7.38%
2021	N/A	25,007,398	N/A	398,195,600	6.28%
2020	N/A	29,271,094	N/A	453,623,652	6.45%

**Notes to Schedule:**

*Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.*

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Asset Valuation Method	Fair Value of Assets
Inflation	2.75%
Salary Increases	Varies by service
Discount Rate	6.00%
Healthcare cost trend rates	
Non-Medicare Medical and Prescription Drug	7.00% graded to 4.50% over 10 years
Medicare Medical	5.00% graded to 4.50% over 10 years
Prescription Drug	9.50% graded to 4.50% over 10 years
Dental	4.00%
Vision	3.00%
Administrative Costs	3.00%

Mortality rates:

Healthy Male	Pub-2010 Headcount-Weighted Teachers Healthy Annuitant, set forward one year, projected generationally with 75% of Scale MP-2020 from 2010
Healthy Female	105% of Pub-2010 Headcount-Weighted Teachers Healthy Annuitant, projected generationally with 75% of Scale MP-2020 from 2010
Disabled	110% of Pub-2010 Headcount-Weighted Non-Safety Disabled Retiree, projected generationally with 75% of Scale MP-2020 from 2010
Surviving Spouse	Pub-2010 Headcount-Weighted Teachers Contingent Survivor, projected generationally with 75% of Scale MP-2020 from 2010

See accompanying notes to the required supplementary information

<sup>(1)</sup> GASB 75 was effective for employer fiscal years beginning after June 15, 2017. LCPS has no policy to determine contributions to the OPEB Trust, therefore, no actuarially determined contributions are presented.

<sup>(2)</sup> June 30, 2017 covered 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.

<sup>(3)</sup> N/A reflects information not applicable for the current fiscal year.

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**  
**Schedule of Employer’s Share of Net OPEB Liability**  
**Virginia Retirement System-Group Life Insurance (GLI)**  
**For the Fiscal Year Ended June 30, 2025\***

Exhibit XVIII

<b>GLI-Teachers</b>	<b>Date</b>	<b>Employer’s Proportion of the Net OPEB Liability</b>	<b>Employer’s Proportionate Share of the Net OPEB Liability</b>	<b>Employer’s Covered Payroll</b>	<b>Employer’s Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
	2025	3.51%	\$ 39,162,169	\$ 961,845,830	4.07%	73.41%
	2024	3.55%	42,535,690	835,432,360	5.09%	69.30%
	2023	3.67%	44,133,625	797,292,984	5.54%	67.21%
	2022	3.50%	40,986,660	726,824,504	5.64%	67.45%
	2021	3.41%	56,861,425	701,223,596	8.11%	52.64%
	2020	3.20%	51,999,615	626,427,691	8.30%	52.00%
	2019	3.06%	46,412,000	581,094,062	7.99%	51.22%
	2018	2.94%	44,272,000	542,661,496	8.16%	48.86%
<b>GLI-Political Subdivision</b>						
	2025	0.37%	\$ 4,158,818	\$ 103,328,039	4.02%	73.41%
	2024	0.39%	4,642,063	91,174,213	5.09%	69.30%
	2023	0.36%	4,292,002	77,536,540	5.54%	67.21%
	2022	0.34%	3,923,944	69,583,180	5.64%	67.45%
	2021	0.33%	5,519,008	68,062,132	8.11%	52.64%
	2020	0.32%	5,298,866	\$ 63,833,514	8.30%	52.00%
	2019	0.30%	4,622,000	\$ 57,864,717	7.99%	51.22%
	2018	0.29%	4,384,000	\$ 53,727,081	8.16%	48.86%

See accompanying notes to the required supplementary information

\* The amounts presented have a measurement date of the previous fiscal year.

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**LOUDOUN COUNTY PUBLIC SCHOOLS**  
 Schedule of Employer Contributions  
 Virginia Retirement System-Group Life Insurance (GLI)  
 For the Fiscal Year Ended June 30, 2025

Exhibit XIX

<b>GLI-Teachers</b>	<b>Date</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
	2025	\$ 4,520,675	\$ 4,520,675	\$ -	\$ 961,845,830	0.47%
	2024	4,865,880	4,865,880	-	901,088,880	0.54%
	2023	4,305,383	6,673,156	2,367,773	835,432,360	0.80%
	2022	3,935,671	3,935,671	-	797,292,984	0.49%
	2021	3,924,852	3,924,852	-	726,824,504	0.54%
	2020	3,646,363	3,646,363	-	701,223,596	0.52%
	2019	3,257,424	3,257,424	-	626,427,691	0.52%
	2018	3,021,689	3,021,689	-	581,094,062	0.52%
	2017	2,821,840	2,821,840	-	542,661,496	0.52%
	2016	2,433,288	2,433,288	-	506,935,062	0.48%
<b>GLI-Political Subdivision</b>						
	2025	\$ 485,642	\$ 485,642	\$ -	\$ 103,328,039	0.47%
	2024	516,727	516,727	-	95,690,202	0.54%
	2023	418,696	661,096	242,400	91,174,213	0.73%
	2022	376,790	376,790	-	77,536,540	0.49%
	2021	375,749	375,749	-	68,583,180	0.55%
	2020	353,923	353,923	-	68,062,132	0.52%
	2019	331,934	331,934	-	63,833,514	0.52%
	2018	300,897	300,897	-	57,864,717	0.52%
	2017	279,381	279,381	-	53,727,081	0.52%
	2016	254,042	254,042	-	52,925,461	0.48%

See accompanying notes to the required supplementary information

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Schedule of Employer's Share of Net OPEB Liability**  
**Virginia Retirement System-Health Insurance Credit (HIC)-Teachers**  
**For the Fiscal Year Ended June 30, 2025\***

**Exhibit XX**

<u>Date</u>	<u>Employer's Proportion of the Net OPEB Liability</u>	<u>Employer's Proportionate Share of the Net OPEB Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
2025	8.41%	\$ 96,974,585	\$ 959,198,645	10.11%	21.82%
2024	8.35%	101,149,113	832,551,278	12.15%	17.90%
2023	8.22%	106,696,552	796,150,028	13.40%	9.95%
2022	8.22%	105,477,938	726,755,639	14.51%	9.95%
2021	8.00%	104,348,276	701,252,844	14.88%	9.95%
2020	7.47%	97,780,663	626,502,557	15.61%	8.97%
2019	7.18%	91,209,000	580,972,292	15.70%	8.08%
2018	6.87%	87,145,000	542,126,406	16.07%	7.04%

See accompanying notes to the required supplementary information

\* The amounts presented have a measurement date of the previous fiscal year.

*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.*

**LOUDOUN COUNTY PUBLIC SCHOOLS**

Schedule of Changes in the Net OPEB Liability and Related Ratios with Investment Returns  
Virginia Retirement System-Health Insurance Credit (HIC) - Political Subdivision  
For the Fiscal Year Ended June 30, 2025\*

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>TOTAL HIC OPEB LIABILITY</b>			
Service Cost	\$ 68,371	\$ 62,353	\$ 63,900
Interest	139,537	143,395	151,076
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	23,315	44,121
Changes in assumptions	(60,019)	-	63,797
Projected earnings on investments	-	-	-
Benefit Payments	(57,252)	(129,029)	(109,555)
	<hr/>	<hr/>	<hr/>
Net change in total HIC OPEB Liability	90,997	100,034	213,339
Total HIC OPEB liability - beginning	2,022,011	2,113,008	2,213,004
	<hr/>	<hr/>	<hr/>
Total HIC OPEB liability - ending (a)	<u>\$ 2,113,008</u>	<u>\$ 2,213,042</u>	<u>\$ 2,426,343</u>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - employer	\$ 107,353	\$ 116,631	\$ 121,225
Net Investment income	163,092	111,147	109,411
Benefit Payments	(57,252)	(129,029)	(109,555)
Administrative Expense	(2,698)	(2,664)	(2,394)
Other	8,051	(8,051)	(129)
	<hr/>	<hr/>	<hr/>
Net change in plan fiduciary net position	218,546	88,034	118,558
Plan fiduciary net position - beginning	1,385,442	1,603,988	1,694,117
	<hr/>	<hr/>	<hr/>
Plan fiduciary net position - ending (b)	<u>\$ 1,603,988</u>	<u>\$ 1,692,022</u>	<u>\$ 1,812,675</u>
	<hr/>	<hr/>	<hr/>
Net OPEB Liability-HIC Political Subdivision	<u>\$ 509,020</u>	<u>\$ 521,020</u>	<u>\$ 613,668</u>
	<hr/>	<hr/>	<hr/>
<b>Plan Fiduciary Net position as a percentage of the Total OPEB liability</b>	75.91%	76.46%	74.71%
	<hr/>	<hr/>	<hr/>
<b>Covered Payroll</b>	\$ 53,683,988	\$ 57,864,863	\$ 63,808,087
	<hr/>	<hr/>	<hr/>
<b>Net OPEB liability as a percentage of covered payroll</b>	0.95%	0.90%	0.96%

See accompanying notes to the required supplementary information

\* The amounts presented have a measurement date of the previous fiscal year.

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.

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$	68,131	\$ 70,444	\$ 50,515	\$ 48,929	\$ 49,240
	159,417	169,692	182,455	197,851	205,542
	48,577	-	-	-	-
	8,201	(5,096)	(77,161)	3,267	(50,558)
	-	43,313	212,898	-	-
	-	-	-	-	-
	(129,229)	(134,969)	(144,601)	(133,466)	(139,354)
	155,097	143,384	224,106	116,581	64,870
	2,426,343	2,581,440	2,724,824	2,948,930	3,065,511
<b>\$</b>	<b>2,581,440</b>	<b>\$ 2,724,824</b>	<b>\$ 2,948,930</b>	<b>\$ 3,065,511</b>	<b>\$ 3,130,381</b>
\$	129,062	\$ 129,986	\$ 147,584	\$ 127,292	\$ 145,860
	36,025	482,701	2,469	142,392	233,976
	(129,229)	(134,969)	(144,601)	(133,466)	(139,354)
	(3,507)	(5,743)	(4,073)	(3,456)	(3,236)
	(16)	-	35,566	1,924	(1)
	32,335	471,975	36,945	134,686	237,245
	1,812,675	1,845,010	2,316,985	2,353,930	2,488,616
<b>\$</b>	<b>1,845,010</b>	<b>\$ 2,316,985</b>	<b>\$ 2,353,930</b>	<b>\$ 2,488,616</b>	<b>\$ 2,725,861</b>
<b>\$</b>	<b>736,430</b>	<b>\$ 407,839</b>	<b>\$ 595,000</b>	<b>\$ 330,115</b>	<b>\$ 404,520</b>
	71.47%	85.03%	79.82%	88.29%	87.08%
\$	67,956,479	\$ 69,127,673	\$ 77,463,456	\$ 90,879,127	\$ 102,818,857
	1.08%	0.59%	0.77%	0.36%	0.39%

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
 Schedule of Employer Contributions  
 Virginia Retirement System-Health Insurance Credit (HIC)  
 For the Fiscal Year Ended June 30, 2025

Exhibit XXII

HIC-Teachers	Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	2025	\$ 11,606,304	\$ 11,606,304	\$ -	\$ 959,198,645	1.21%
	2024	10,878,343	10,878,343	-	899,036,600	1.21%
	2023	10,073,870	10,060,578	(13,292)	832,551,278	1.21%
	2022	8,806,887	8,806,887	-	796,150,028	1.11%
	2021	8,793,743	8,793,743	-	726,755,639	1.21%
	2020	8,415,034	8,415,034	-	701,252,844	1.20%
	2019	7,518,031	7,518,031	-	626,502,557	1.20%
	2018	7,145,959	7,145,959	-	580,972,292	1.23%
	2017	6,017,603	6,017,603	-	542,126,406	1.11%
	2016	5,347,894	5,347,894	-	504,518,323	1.06%
<b>HIC-Political Subdivision</b>						
	2025	\$ 102,819	\$ 102,819	\$ -	\$ 102,818,857	0.10%
	2024	133,488	133,488	-	95,348,419	0.14%
	2023	127,231	128,596	1,365	90,879,127	0.14%
	2022	129,986	129,986	-	77,463,456	0.17%
	2021	132,027	132,027	-	69,127,673	0.19%
	2020	129,117	129,117	-	67,956,479	0.19%
	2019	121,235	121,235	-	63,808,087	0.19%
	2018	115,730	115,730	-	57,864,863	0.20%
	2017	107,368	107,368	-	53,683,988	0.20%
	2016	100,049	100,049	-	52,657,193	0.19%

See accompanying notes to the required supplementary information

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
 Schedule of Employer's Share of Net OPEB Liability/(Asset)  
 Virginia Retirement System-Virginia Local Disability Program (VLDP)  
 For the Fiscal Year Ended June 30, 2025\*

Exhibit XXIII

<u>VLDP-Teachers</u>	<u>Date</u>	<u>Employer's Proportion of the Net OPEB Liability/(Asset)</u>	<u>Employer's Proportionate Share of the Net OPEB Liability/(Asset)</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
	2025	33.75%	\$ (299,650)	\$ 409,914,370	-0.07%	107.03%
	2024	33.45%	224,075	360,935,140	0.07%	93.77%
	2023	35.36%	(39,754)	284,577,727	-0.01%	101.57%
	2022	34.72%	(244,455)	233,657,292	-0.10%	101.46%
	2021	34.65%	278,014	204,972,203	0.14%	78.28%
	2020	33.31%	193,658	159,743,547	0.12%	74.12%
	2019	32.95%	246,000	122,861,829	0.20%	46.18%
	2018	31.84%	191,000	89,862,999	0.21%	31.96%
<u>VLDP-Political Subdivision</u>						
	2025	6.72%	\$ (217,404)	\$ 54,741,867	-0.40%	129.49%
	2024	6.72%	(108,126)	46,611,573	-0.26%	116.89%
	2023	6.70%	(39,394)	31,390,085	-0.13%	107.99%
	2022	6.36%	(64,397)	25,555,567	-0.25%	119.59%
	2021	6.32%	63,111	23,558,688	0.27%	76.84%
	2020	6.02%	121,947	18,601,794	0.66%	49.19%
	2019	5.41%	42,000	13,127,622	0.32%	51.39%
	2018	4.68%	27,000	8,601,102	0.31%	38.40%

See accompanying notes to the required supplementary information

\* The amounts presented have a measurement date of the previous fiscal year.

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.

**LOUDOUN COUNTY PUBLIC SCHOOLS**

Exhibit XXIV

Schedule of Employer Contributions

Virginia Retirement System-Virginia Local Disability Program (VLDP)

For the Fiscal Year Ended June 30, 2025

VLDP-Teachers	Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	2025	\$ 1,844,616	\$ 1,824,251	\$ 20,365	\$ 409,914,370	0.45%
	2024	1,696,394	1,696,394	-	360,935,140	0.47%
	2023	1,481,306	1,469,259	12,047	315,171,970	0.47%
	2022	1,099,348	1,099,348	-	284,577,727	0.39%
	2021	1,098,186	1,098,186	-	233,657,292	0.47%
	2020	840,390	840,390	-	204,972,203	0.41%
	2019	654,948	654,948	-	159,743,547	0.41%
	2018	380,872	380,872	-	122,861,829	0.31%
	2017	278,575	278,575	-	89,862,999	0.31%
	2016	165,728	165,728	-	57,147,570	0.29%
<b>VLDP-Political Subdivision</b>						
	2025	\$ 405,090	\$ 403,832	\$ 1,258	\$ 54,741,897	0.74%
	2024	396,198	396,198	-	46,611,573	0.85%
	2023	349,620	343,597	6,023	41,131,810	0.84%
	2022	212,340	212,340	-	31,390,085	0.68%
	2021	212,111	212,111	-	25,555,567	0.83%
	2020	169,623	169,623	-	23,558,688	0.72%
	2019	115,331	115,331	-	18,601,794	0.62%
	2018	78,766	78,766	-	13,127,622	0.60%
	2017	51,607	51,607	-	8,601,102	0.60%
	2016	35,461	35,461	-	5,910,085	0.60%

See accompanying notes to the required supplementary information

# Notes to the Required Supplementary Information (RSI)

## Loudoun County Public Schools June 30, 2025

### I. BUDGETARY COMPARISON SCHEDULE

The *Code of Virginia* requires the Superintendent of Loudoun County Public Schools (LCPS), with School Board approval, to submit an annual budget to the Loudoun County Board of Supervisors (BOS), which serves as the school divisions' fiscal authority. The budget development process begins each year with the Superintendent gathering input from parents, staff and community stakeholders to inform the School Board's budget priorities.

In January, the Superintendent presents the proposed budget, known as the Estimate of Needs, to the School Board. The School Board holds work sessions and public hearings before making any modifications. Once approved, the School Board submits the proposed budget to the BOS in February.

From February through April, the BOS appropriates funding for the school division, and the School Board makes any necessary adjustments to align with the final appropriation. Between May and July, the adopted budget is entered into the accounting system and becomes the basis for operating the school division for the new fiscal year, effective July 1.

Formal budgetary integration is employed at each program level as a management control tool. All budgets are adopted in accordance with generally accepted accounting principles (GAAP). All budgetary changes that affect total fund appropriations or estimated revenues are required to have School Board approval before BOS action.

All annual appropriations lapse at the end of the fiscal year. The budget is controlled at certain legal and administrative levels. Legal controls are established at the individual fund level, while the administrative controls are implemented at the object level, specifically at the expenditure category for each office and school within the fund. Management may amend the approved budget at the administrative level within the same fund. Amendments, changes, or transfers at the legal level require special approval of the School Board. The following table presents a summary comparison of the General Fund's original and final budgets with actual performance, net of other financing sources and uses, for the fiscal year ended June 30, 2025.

*The following table presents a summary comparison of the General Fund's original and final budgets with actual performance, net of other financing sources and uses, for the fiscal year ended June 30, 2025*

#### GENERAL FUND BUDGET AND ACTUAL COMPARISON

For the Fiscal Year Ended June 30, 2025

(Dollars in Thousands-may not foot due to rounding)

	Original Budget	Final Budget	Actual	Variance from Final Budget
Total revenues	\$ 1,812,777.9	\$ 1,829,463.4	\$ 1,823,835.7	\$ (5,627.7)
Total expenditures	(1,824,777.9)	(1,852,780.5)	(1,803,055.7)	49,724.8
Total other financing uses	-	-	(31,622.0)	(31,622.0)
Net change in fund balances	<u>\$ (12,000.0)</u>	<u>\$ (23,317.1)</u>	<u>\$ (10,842.0)</u>	<u>\$ 12,475.1</u>

## **II. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The OPEB plans (LCPS OPEB Trust; VRS OPEB GLI, HIC and VLDP) have been reported separately herein since each plan has different and distinct characteristics, reporting requirements and valuations.

### **A. LCPS OPEB TRUST**

1. **CHANGES OF BENEFIT TERMS** - There have been no actuarially material changes to the benefit provisions since the prior actuarial valuation.

2. **CHANGES OF ASSUMPTIONS**

The June 30, 2025 liabilities in this report were developed based on data as of June 30, 2024. Multiple assumption changes were made in the valuation. These changes include:

- The valuation-year per capita health costs were updated.
- The retiree self-pay contribution rates remained at their current level.
- The future trend rates on the valuation-year per capita health costs and retiree self-pay contribution rates were modified.
- The assumed mortality rates were modified

### **B. OTHER POSTEMPLOYMENT BENEFITS (OPEB) GROUP LIFE INSURANCE**

1. **CHANGES OF BENEFIT TERMS** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

2. **CHANGES OF ASSUMPTIONS** - The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2017, through June 30, 2021, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

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

Largest Ten Locality Employers – General Employees

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

**C. OTHER POSTEMPLOYMENT BENEFITS (OPEB) HEALTH INSURANCE CREDIT PROGRAM - TEACHERS**

- 1. CHANGES OF BENEFIT TERMS** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.
- 2. CHANGES OF ASSUMPTIONS** - The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2017, through June 30, 2021, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

**D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) HEALTH INSURANCE CREDIT PROGRAM – POLITICAL SUBDIVISION**

1. **CHANGES OF BENEFIT TERMS** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.
2. **CHANGES OF ASSUMPTIONS** - The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2017, through June 30, 2021, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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

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

**E. OTHER POSTEMPLOYMENT BENEFITS (OPEB) Virginia Local Disability Program - Teachers**

1. **CHANGES OF BENEFIT TERMS** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.
2. **CHANGES OF ASSUMPTIONS** - The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2017, through June 30, 2021, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

**F. OTHER POSTEMPLOYMENT BENEFITS (OPEB) VIRGINIA LOCAL DISABILITY PROGRAM – POLITICAL SUBDIVISION**

1. **CHANGES OF BENEFIT TERMS** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.
2. **CHANGES OF ASSUMPTIONS** – The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2017, through June 30, 2021, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest Ten Locality Employers-General and Non-Hazardous Duty Employees

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



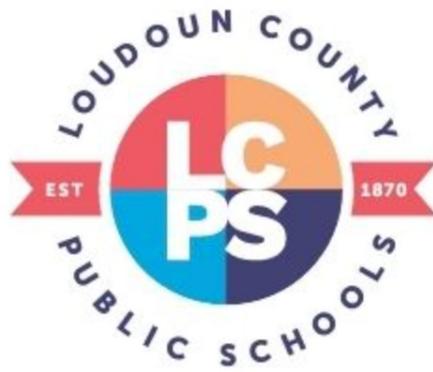
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# Other Supplementary Information

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**Capital Improvements Fund**  
**Nonmajor Governmental Funds**  
**Component Units-Charter Schools**



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## **Capital Improvements Fund**

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**Capital Improvements Fund - is used to account for the construction, renovation, and major maintenance projects of schools and buildings. The primary revenue source is bond proceeds from the County of Loudoun, Virginia**



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**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Budgetary Comparison Schedule - Budget and Actual**  
**Capital Improvements Fund**  
For the Fiscal Year Ended June 30, 2025

Schedule 1

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental:				
County of Loudoun, Virginia	\$ 214,607,099	\$ 177,086,044	\$ 391,693,143	\$ 2,443,268,991
Federal Government	10,979,837	4,259,878	15,239,715	-
Other	-	-	-	350,000
Total revenues	<u>225,586,936</u>	<u>181,345,922</u>	<u>406,932,858</u>	<u>2,443,618,991</u>
<b>EXPENDITURES</b>				
Current:				
Support services:				
Facilities services	-	-	-	961,000
Capital outlay	207,259,471	120,297,268	327,556,739	2,442,657,991
Principal	105,940	109,026	214,966	-
Interest	12,780	9,694	22,474	-
Total expenditures	<u>207,378,191</u>	<u>120,415,988</u>	<u>327,794,179</u>	<u>2,443,618,991</u>
Excess of revenues over expenditures	<u>18,208,745</u>	<u>60,929,934</u>	<u>79,138,679</u>	<u>-</u>
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	-	-
Subscription based IT	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>18,208,745</u>	<u>60,929,934</u>	<u>\$ 79,138,679</u>	<u>\$ -</u>
Fund balance at beginning of year		<u>162,712,739</u>		
Fund balance at end of year		<u>\$ 223,642,673</u>		



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## **Nonmajor Governmental Funds**

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**Lease Fund** – used to account for lease proceeds and expenditures.

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

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

**School Activity Funds** – used to account for monies collected and disbursed at schools in connection with student athletics, classes, clubs, various fund raising activities, and private donations. This fund has no adopted budget.

**Capital Asset Preservation Fund** – used to account for the maintenance projects of schools and buildings. The primary revenue source is contributions from the County of Loudoun, Virginia.

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

**Peabody Trust Fund** – used to account for monies provided through a private donor, the corpus of which is nonexpendable.

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2025

	<b>Special Revenue</b>				
	<b>Lease Fund</b>	<b>School Nutrition Services Fund</b>	<b>Grant Fund</b>	<b>School Activity Fund</b>	<b>Capital Asset Preservation Fund</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 5,840	\$ -	\$ 10,123,908	\$ -
Accounts receivable, net	-	3,345,927	8,699,597	442,232	-
Due from other governmental units	-	-	1,542,701	-	-
Interfund receivables	1,754,639	21,487,839	220,470	-	51,296,026
Inventories	-	499,922	-	347,984	-
Prepaid items	-	1,387	-	134,994	-
Restricted cash on deposit with others	1,217,575	-	-	-	-
Total assets	<u>\$ 2,972,214</u>	<u>\$ 25,340,915</u>	<u>\$ 10,462,768</u>	<u>\$ 11,049,118</u>	<u>\$ 51,296,026</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 158,650	\$ 412,673	\$ 215,387	\$ 237,108	\$ 10,063,020
Accrued liabilities	-	2,550,851	1,018,410	-	3,244,324
Unearned revenues	-	1,282,317	8,322,168	597,888	-
Total liabilities	<u>\$ 158,650</u>	<u>\$ 4,245,841</u>	<u>\$ 9,555,965</u>	<u>\$ 834,996</u>	<u>\$ 13,307,344</u>
Fund balances:					
Nonspendable:					
Inventories	-	499,922	-	347,984	-
Prepaid items and deposits	-	1,387	-	134,994	-
Restricted for:					
Restricted by legal agreement	2,813,564	-	906,803	-	-
Committed to:					
Capital asset preservation	-	-	-	-	37,988,682
Assigned to:					
Special revenue fund	-	20,593,765	-	9,731,144	-
Unassigned:					
Total fund balances	<u>2,813,564</u>	<u>21,095,074</u>	<u>906,803</u>	<u>10,214,122</u>	<u>37,988,682</u>
Total liabilities and fund balances	<u>\$ 2,972,214</u>	<u>\$ 25,340,915</u>	<u>\$ 10,462,768</u>	<u>\$ 11,049,118</u>	<u>\$ 51,296,026</u>

<u>Debt Service Fund</u>	<u>Permanent Peabody Trust Fund</u>	<u>Total Nonmajor Governmental Funds</u>	
<b>ASSETS</b>			
\$ -	\$ 10,120	\$ 10,139,868	Cash and cash equivalents
-	-	12,487,756	Accounts receivable, net
-	-	1,542,701	Due from other governmental units
-	-	74,758,974	Interfund receivables
-	-	847,906	Inventories
-	-	136,381	Prepaid items
-	-	1,217,575	Restricted cash on deposit with others
<u>\$ -</u>	<u>\$ 10,120</u>	<u>\$ 101,131,161</u>	Total assets
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
\$ -	\$ -	\$ 11,086,838	Accounts payable
-	-	6,813,585	Accrued liabilities
2,523,670	-	2,523,670	Interfund payables
-	-	10,202,373	Unearned revenues
<u>2,523,670</u>	<u>-</u>	<u>30,626,466</u>	Total liabilities
Fund balances:			
Nonspendable:			
-	-	847,906	Inventories
-	-	136,381	Prepaid items and deposits
-	10,120	10,120	Permanent fund-nonexpendable
Restricted for:			
-	-	3,720,367	Restricted by legal agreement
Committed to:			
-	-	37,988,682	Capital asset preservation
Assigned to:			
-	-	30,324,909	Special revenue fund
(2,523,670)	-	(2,523,670)	Unassigned
<u>(2,523,670)</u>	<u>10,120</u>	<u>70,504,695</u>	Total fund balances
<u>\$ -</u>	<u>\$ 10,120</u>	<u>\$ 101,131,161</u>	Total liabilities and fund balances

**LOUDOUN COUNTY PUBLIC SCHOOLS**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2025

	Special Revenue				
	Lease Fund	School Nutrition Services Fund	Grant Fund	School Activity Fund	Capital Asset Preservation Fund
<b>REVENUES</b>					
Intergovernmental:					
Federal government	\$ -	\$ 18,956,785	\$ 23,123,809	\$ -	\$ -
Commonwealth of Virginia	-	804,419	11,084,057	-	-
County of Loudoun, Virginia	-	-	-	-	50,290,000
Charges for services:					
Tuition and fees	-	-	10,837	-	-
Food sales	-	22,325,911	-	-	-
Lease fund interest	302,400	-	-	-	-
Other	-	920,761	5,821,467	20,836,278	-
Total revenues	<u>302,400</u>	<u>43,007,876</u>	<u>40,040,170</u>	<u>20,836,278</u>	<u>50,290,000</u>
<b>EXPENDITURES</b>					
Current:					
Instruction:					
Regular	-	-	14,867,519	21,227,829	-
Special	-	-	18,194,130	-	-
Adult education	-	-	232,202	-	-
Support services:					
Administration	-	-	-	-	-
Attendance and health	-	-	40,418	-	-
Operation and maintenance	-	-	-	-	43,101,803
Pupil transportation	102,313	-	525,000	-	-
School nutrition services	-	45,098,960	32,989	-	-
Technology	7,199,923	-	2,546,322	-	-
Capital outlay	2,869,292	3,172,690	3,508,000	-	10,405,340
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>10,171,528</u>	<u>48,271,650</u>	<u>39,946,580</u>	<u>21,227,829</u>	<u>53,507,143</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,869,128)</u>	<u>(5,263,774)</u>	<u>93,590</u>	<u>(391,551)</u>	<u>(3,217,143)</u>
<b>OTHER FINANCING SOURCES</b>					
Installment purchases	10,000,000	-	-	-	-
Net change in fund balances	130,872	(5,263,774)	93,590	(391,551)	(3,217,143)
Fund balances at beginning of year	<u>2,682,692</u>	<u>26,358,848</u>	<u>813,213</u>	<u>10,605,673</u>	<u>41,205,825</u>
Fund balances at end of year	<u>\$ 2,813,564</u>	<u>\$ 21,095,074</u>	<u>\$ 906,803</u>	<u>\$ 10,214,122</u>	<u>\$ 37,988,682</u>

<u>Debt Service Fund</u>	<u>Permanent Peabody Trust Fund</u>	<u>Total Nonmajor Governmental Funds</u>	
			<b>REVENUES</b>
			Intergovernmental:
\$ -	\$ -	\$ 42,080,594	Federal government
-	-	11,888,476	Commonwealth of Virginia
10,448,988	-	60,738,988	County of Loudoun, Virginia
			Charges for services:
-	-	10,837	Tuition and fees
-	-	22,325,911	Food sales
-	-	302,400	Lease fund interest
-	-	27,578,506	Other
<u>10,448,988</u>	<u>-</u>	<u>164,925,712</u>	Total revenues
			<b>EXPENDITURES</b>
			Current:
			Instruction:
-	9,450	36,104,798	Regular
-	-	18,194,130	Special
-	-	232,202	Adult education
			Support services:
-	-	-	Administration
-	-	40,418	Attendance and health
-	-	43,101,803	Operation and maintenance
-	-	627,313	Pupil transportation
-	-	45,131,949	School nutrition services
-	-	9,746,245	Technology
-	-	19,955,322	Capital outlay
			Debt service:
9,904,206	-	9,904,206	Principal
544,784	-	544,784	Interest
<u>10,448,990</u>	<u>9,450</u>	<u>183,583,170</u>	Total expenditures
			Excess (deficiency) of revenues over (under) expenditures
<u>(2)</u>	<u>(9,450)</u>	<u>(18,657,458)</u>	
			<b>OTHER FINANCING SOURCES</b>
<u>-</u>	<u>-</u>	<u>10,000,000</u>	Installment purchases
(2)	(9,450)	(8,657,458)	Net change in fund balances
<u>(2,523,668)</u>	<u>19,570</u>	<u>79,162,153</u>	Fund balances at beginning of year
<u>\$ (2,523,670)</u>	<u>\$ 10,120</u>	<u>\$ 70,504,695</u>	Fund balances at end of year

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Budgetary Comparison Schedule - Budget and Actual**  
**Lease Fund**  
 For the Fiscal Year Ended June 30, 2025

**Schedule 4**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Final Budget</b>
<b>REVENUES</b>				
Other	\$ -	\$ -	\$ 302,400	\$ 302,400
<b>EXPENDITURES</b>				
Current:				
Administration	2,000	2,000	-	2,000
Pupil Transportation	-	6,114	102,313	(96,199)
Operation and maintenance	-	-	-	-
Technology	7,200,000	7,200,000	7,199,923	77
Capital outlay	2,800,000	3,696,885	2,869,292	827,593
Total expenditures	<u>10,002,000</u>	<u>10,904,999</u>	<u>10,171,528</u>	<u>733,471</u>
Excess (deficiency) of revenues over (under) expenditures	(10,002,000)	(10,904,999)	(9,869,128)	1,035,871
<b>OTHER FINANCING SOURCES</b>				
Leases	<u>10,002,000</u>	<u>10,904,999</u>	<u>10,000,000</u>	<u>(904,999)</u>
Net change in fund balance	-	-	130,872	130,872
Fund balance at beginning of year	<u>1,505,333</u>	<u>1,505,333</u>	<u>2,682,692</u>	<u>1,177,359</u>
Fund balance at end of year	<u>\$ 1,505,333</u>	<u>\$ 1,505,333</u>	<u>\$ 2,813,564</u>	<u>\$ 1,308,231</u>

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Budgetary Comparison Schedule - Budget and Actual**  
**School Nutrition Services Fund**  
For the Fiscal Year Ended June 30, 2025

Schedule 5

(may not foot due to rounding)

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Final Budget</b>
<b>REVENUES</b>				
Intergovernmental:				
Federal government	\$ 19,788,353	\$ 19,788,353	\$ 18,956,785	\$ (831,568)
Commonwealth of Virginia	1,082,469	1,082,469	804,419	(278,050)
Charges for services:				
Food sales	20,952,573	20,952,573	22,325,911	1,373,338
Other	814,260	5,710,182	920,761	(4,789,421)
Total revenues	<u>42,637,655</u>	<u>47,533,577</u>	<u>43,007,876</u>	<u>(4,525,701)</u>
<b>EXPENDITURES</b>				
Current:				
Support services:				
School nutrition services	48,259,245	49,157,611	45,098,960	4,058,651
Capital outlay	525,000	4,522,557	3,172,690	1,349,867
Total expenditures	<u>48,784,245</u>	<u>53,680,168</u>	<u>48,271,650</u>	<u>5,408,518</u>
Net change in fund balance	(6,146,590)	(6,146,591)	(5,263,774)	882,817
Fund balance at beginning of year	<u>13,017,197</u>	<u>13,017,197</u>	<u>26,358,846</u>	<u>13,341,649</u>
Fund balance at end of year	<u>\$ 6,870,607</u>	<u>\$ 6,870,606</u>	<u>\$ 21,095,072</u>	<u>\$ 14,224,466</u>

**LOUDOUN COUNTY PUBLIC SCHOOLS**

**Schedule 6**

**Budgetary Comparison Schedule - Budget and Actual Grant Fund**  
For the Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
<b>REVENUES</b>				
Intergovernmental:				
Federal government	\$ 23,815,772	\$ 24,960,975	\$ 23,123,809	\$ (1,837,166)
Commonwealth of Virginia	6,860,347	24,239,400	11,084,057	(13,155,343)
Charges for services:				
Tuition and fees	57,000	(6,627)	10,837	17,464
Other	4,338,626	6,459,348	5,821,467	(637,881)
Total revenues	<u>35,071,745</u>	<u>55,653,096</u>	<u>40,040,170</u>	<u>(15,612,926)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular	11,959,284	27,847,737	14,867,519	12,980,218
Special	19,961,324	20,587,185	18,194,130	2,393,055
Adult education	258,500	234,885	232,202	2,683
Support services:				
Attendance and health	-	447,858	40,418	407,440
Pupil transportation	-	3,975,000	525,000	3,450,000
School nutrition services	-	58,790	32,989	25,801
Technology	2,546,000	2,546,322	2,546,322	-
Capital outlay	346,637	(44,680)	3,508,000	(3,552,680)
Total expenditures	<u>35,071,745</u>	<u>55,653,097</u>	<u>39,946,580</u>	<u>15,706,517</u>
Net change in fund balance	-	(1)	93,590	93,591
Fund balance at beginning of year	<u>2,374,235</u>	<u>2,587,381</u>	<u>813,213</u>	<u>(1,774,168)</u>
Fund balance at end of year	<u>\$ 2,374,235</u>	<u>\$ 2,587,380</u>	<u>\$ 906,803</u>	<u>\$ (1,680,577)</u>

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Budgetary Comparison Schedule - Budget and Actual**  
**Capital Asset Preservation Fund**  
**For the Fiscal Year Ended June 30, 2025**

Schedule 7

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental:				
County of Loudoun, Virginia	\$ 41,205,826	\$ 50,290,000	\$ 91,495,826	\$ 91,495,826
Total revenues	<u>41,205,826</u>	<u>50,290,000</u>	<u>91,495,826</u>	<u>91,495,826</u>
<b>EXPENDITURES</b>				
Current:				
Support services:				
Operation and maintenance	31,989,228	43,101,804	75,091,032	43,092,101
Capital outlay	193,923	10,405,340	10,599,263	-
Total expenditures	<u>32,183,151</u>	<u>53,507,144</u>	<u>85,690,295</u>	<u>43,092,101</u>
Net change in fund balance	<u>\$ 9,022,675</u>	<u>\$ (3,217,144)</u>	<u>\$ 5,805,531</u>	<u>\$ 48,403,725</u>
Fund balance at beginning of year		<u>41,205,826</u>		
Fund balance at end of year		<u>\$ 37,988,682</u>		

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Budgetary Comparison Schedule - Budget and Actual**  
**Debt Service Fund**  
 For the Fiscal Year Ended June 30, 2025

**Schedule 8**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Final Budget</b>
<b>REVENUES</b>				
Intergovernmental:				
County of Loudoun, Virginia	\$ 10,448,988	\$ 10,448,988	\$ 10,448,988	\$ -
Total revenues	<u>10,448,988</u>	<u>10,448,988</u>	<u>10,448,988</u>	<u>-</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	9,904,205	9,904,205	9,904,206	(1)
Interest	544,783	544,783	544,784	(1)
Total expenditures	<u>10,448,988</u>	<u>10,448,988</u>	<u>10,448,990</u>	<u>(2)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>2</u>
Fund balance at beginning of year	<u>2,396,901</u>	<u>2,396,901</u>	<u>(2,523,668)</u>	<u>(4,920,569)</u>
Fund balance at end of year	<u>\$ 2,396,901</u>	<u>\$ 2,396,901</u>	<u>\$ (2,523,670)</u>	<u>\$ (4,920,567)</u>

## **Component Units**

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**The Middleburg Community Charter School – is a public school which provides the children of Loudoun County a SOL based, academically rigorous, art and music enhanced, integrated curriculum.**

**The Hillsboro Charter Academy – is a public school providing individualized learning plans. Students are encouraged to use higher-order thinking skills and are immersed in hands-on, engineering, and creative-arts based projects that support the rigorous academic program.**

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Balance Sheet-Governmental Fund**  
**Component Unit-Middleburg Community Charter School**  
**June 30, 2025**

**Schedule 9**

	<u>General Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,064,468
Restricted cash on deposit with others	130,000
Prepaid items	3,328
Due from Primary Government	<u>56,008</u>
Total assets	<u><u>1,253,804</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>	
Current liabilities:	
Accounts payable	\$ 28,299
Payroll liabilities	<u>4,075</u>
Total liabilities	<u>32,374</u>
 Fund balances:	
Nonspendable:	
Prepaid items	3,328
Unassigned	1,088,102
Restricted for capital improvements	<u>130,000</u>
Total fund balance	<u>1,221,430</u>
 Total liabilities and fund balance	 <u><u>\$ 1,253,804</u></u>

## LOUDOUN COUNTY PUBLIC SCHOOLS

Schedule 10

## Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Fund

## Component Unit-Middleburg Community Charter School

For the Fiscal Year Ended June 30, 2025

	<b>General Fund</b>
<b>REVENUES</b>	
Revenue from the use of money and property	\$ 29,962
Miscellaneous	9,895
Donations and contributions	25,347
Grants	38,656
Contributions from Loudoun County Public Schools	<u>3,536,433</u>
Total revenues	<u>3,640,293</u>
<b>EXPENDITURES</b>	
Education:	
Instructional	2,450,222
Attendance and health services	216,045
Transportation	176,963
Operation and maintenance	582,324
Food services	<u>1,628</u>
Total expenditures	<u>3,427,182</u>
Net change in fund balance	213,111
Fund balance, beginning of year	<u>1,008,319</u>
Fund balance, end of year	<u>\$ 1,221,430</u>

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
 Balance Sheet-Governmental Fund  
 Component Unit-Hillsboro Charter Academy  
 June 30, 2025

**Schedule 11**

	<u>General Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,704,642
Prepaid items	4,974
Total assets	<u>1,709,616</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Current liabilities:	
Accounts payable	\$ 36,286
Due to primary government	13,835
Total liabilities	<u>50,121</u>
Fund balances:	
Nonspendable:	
Prepaid items	4,974
Unassigned	1,654,521
Total fund balance	<u>1,659,495</u>
 Total liabilities and fund balance	 <u>\$ 1,709,616</u>

## LOUDOUN COUNTY PUBLIC SCHOOLS

Schedule 12

## Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Fund

## Component Unit-Hillsboro Charter Academy

For the Fiscal Year Ended June 30, 2025

	<b>General Fund</b>
<b>REVENUES</b>	
Grants	\$ 3,500
Miscellaneous	5,000
Donations and contributions	8,309
Fundraising	42,576
Revenue from the use of money and property	66,131
Contributions from Loudoun County Public Schools	3,592,559
Total revenues	<u>3,718,075</u>
<b>EXPENDITURES</b>	
Education:	
Instructional	2,334,035
Administration and health services	341,098
Transportation	54,262
Operation and maintenance	815,520
Fundraising	50,314
Food services	1,872
Total expenditures	<u>3,597,101</u>
Net change in fund balance	120,974
Fund balance, beginning of year	<u>1,538,521</u>
Fund balance, end of year	<u>\$ 1,659,495</u>



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# Statistical Section

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## LCPS Annual Comprehensive Financial Report 2025

Unaudited-See accompanying independent auditor's report.

This section of Loudoun County's Public School (LCPS) Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about LCPS' overall financial health. Information is presented in the following five categories:

- **Financial Trends** - trend information to help the reader understand how LCPS' financial performance and well being have changed over time.
- **Revenue Capacity** - information to help the reader assess LCPS' most significant revenue sources.
- **Debt Capacity** - information to help the reader in understanding LCPS's debt burden.
- **Demographic and Economic Information** - demographic and economic indicators to help the reader understand the environment within which the LCPS financial activities take place.
- **Operating Information** - service and infrastructure data to help the reader understand the resources used and services provided in LCPS' operations.

**LOUDOUN COUNTY PUBLIC SCHOOLS**

**Net Position by Component**

(accrual basis of accounting)

<b>Governmental Activities</b>	<b>Fiscal Year</b>				
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Net investment in capital assets	\$ 2,395,840,893	\$ 2,330,571,840	\$ 2,190,242,112	\$ 2,103,307,674	\$ 2,061,751,435
Restricted	4,247,540	3,515,476	4,483,569	1,889,342	3,353,525
Unrestricted	(668,175,617)	(589,614,855)	(616,123,033)	(756,209,146)	(829,380,845)
Total net position, as previously reported, restated	1,731,912,816	1,744,472,461	1,578,602,648	1,348,987,870	1,235,724,115
Prior period adjustments/restatements (1)	-	-	-	-	-
<b>Total net position</b>	<b><u>\$ 1,731,912,816</u></b>	<b><u>\$ 1,744,472,461</u></b>	<b><u>\$ 1,578,602,648</u></b>	<b><u>\$ 1,348,987,870</u></b>	<b><u>\$ 1,235,724,115</u></b>

(1) FY 2020-LCPS restated net position for the implementation of GASB Statement 84 relating to Student Activity Funds in the amount of \$8,590,501

(1) FY 2017-LCPS restated net position for the implementation of GASB Statement 75 relating to OPEB accounting in the amount of \$166,015,606.

Table A

		Fiscal Year					
2020	2019	2018	2017	2016	Governmental Activities		
\$ 1,972,889,722	\$ 1,893,341,002	\$ 1,787,598,402	\$ 1,634,288,422	\$ 1,583,599,591	Net investment in capital assets		
3,903,338	3,882,548	2,319,695	1,851,696	3,381,400	Restricted		
(819,642,013)	(776,656,859)	(871,954,719)	(718,725,777)	(746,910,871)	Unrestricted		
1,157,151,047	1,120,566,691	917,963,378	917,414,341	840,070,120	Total net position, as previously reported		
8,590,501	-	-	(166,015,606)	-	Prior period adjustments/restatements(1)		
<u>\$ 1,165,741,548</u>	<u>\$ 1,120,566,691</u>	<u>\$ 917,963,378</u>	<u>\$ 751,398,735</u>	<u>\$ 840,070,120</u>	Total net position		

LOUDOUN COUNTY PUBLIC SCHOOLS

Changes in Net Position  
(accrual basis of accounting)

Governmental Activities	Fiscal Year				
	2025	2024	2023	2022	2021
<b>Expenses</b>					
Instruction:					
Regular	\$ 1,115,894,491	\$ 1,066,246,374	\$ 931,177,738	\$ 964,510,273	\$ 919,055,882
Special	331,891,497	287,041,814	254,349,334	251,958,858	258,238,313
Adult education	1,130,993	1,184,411	1,074,903	956,985	751,560
Return of local/matching funds	28,997,133	-	-	-	-
Other	3,143,046	5,258,153	4,550,907	7,482,885	4,390,758
Charter Schools	6,284,062	5,653,332	5,662,445	4,886,756	1,734,432
Total instruction	<u>1,487,341,221</u>	<u>1,365,384,084</u>	<u>1,196,815,327</u>	<u>1,229,795,757</u>	<u>1,187,170,945</u>
Support Services:					
Administration	77,974,250	61,794,079	39,612,930	35,794,252	33,627,285
Attendance and health	37,443,064	33,904,114	28,812,861	27,055,250	30,117,163
Pupil transportation	99,082,162	90,488,539	81,480,768	74,718,086	64,774,255
Facilities services	38,163,440	26,623,295	26,059,160	14,703,205	10,075,176
Operation and maintenance	207,978,429	176,563,566	157,242,103	132,723,028	116,933,355
School nutrition services	47,307,696	45,319,043	43,843,097	40,083,643	29,053,844
Total support services	<u>507,949,040</u>	<u>434,692,635</u>	<u>377,050,919</u>	<u>325,077,462</u>	<u>284,581,078</u>
Technology	80,823,328	81,081,400	75,171,152	71,247,183	69,127,748
Interest on long-term debt	1,403,408	1,643,752	382,629	706,850	425,803
Total Expenses	<u>2,077,516,998</u>	<u>1,882,801,871</u>	<u>1,649,420,027</u>	<u>1,626,827,252</u>	<u>1,541,305,574</u>
<b>Program Revenues</b>					
Charges for services:					
Regular instruction	2,605,372	2,289,141	2,274,675	1,560,404	2,246,030
All other instruction	238,911	215,022	196,535	149,544	113,767
School nutrition services	22,325,911	21,607,846	18,610,679	2,867,339	9,363
Operating grants and contributions	111,628,764	99,140,838	109,742,261	118,039,675	109,232,687
Capital grants and contributions	231,635,922	268,802,936	200,786,729	171,799,983	183,170,821
Total program revenues	<u>368,434,880</u>	<u>392,055,783</u>	<u>331,610,879</u>	<u>294,416,945</u>	<u>294,772,668</u>
Net (expense)	<u>(1,709,082,118)</u>	<u>(1,490,746,088)</u>	<u>(1,317,809,148)</u>	<u>(1,332,410,307)</u>	<u>(1,246,532,906)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Grants and contributions not restricted to specific purposes:					
Federal Government	4,486,440	12,087,716	-	12,292,087	15,653,053
Commonwealth of Virginia	489,145,582	456,174,784	(53,639,827)	388,928,663	370,576,010
County of Loudoun, Virginia	1,270,784,175	1,153,029,770	-	1,015,553,982	920,285,052
Revenue from the use of money and property	1,530,960	1,709,336	(101,833)	1,651,054	323,437
Lease fund interest	302,400	261,574	-	-	-
Other	34,420,686	33,352,722	19,782,960	27,248,276	9,677,921
Special items	-	-	-	-	-
Total general revenues and other changes in net position	<u>1,800,670,243</u>	<u>1,656,615,901</u>	<u>(33,958,701)</u>	<u>1,445,674,062</u>	<u>1,316,515,473</u>
<b>Change in Net Position</b>	<u>\$ 91,588,125</u>	<u>\$ 165,869,813</u>	<u>\$ (46,671,964)</u>	<u>\$ 113,263,755</u>	<u>\$ 69,982,567</u>

Table B

		Fiscal Year					
2020	2019	2018	2017	2016		Governmental Activities	
						<b>Expenses</b>	
\$ 877,709,427	\$ 724,655,424	\$ 721,595,070	\$ 689,981,195	\$ 621,120,465		Instruction:	
241,956,861	200,765,707	166,515,819	160,599,364	145,456,923		Regular	
817,409	860,694	860,289	774,264	707,242		Special	
-	-	-	-	-		Adult education	
3,302,058	2,151,766	1,689,859	1,839,511	1,711,412		Return of local/matching funds	
4,115,070	4,011,758	3,771,454	3,269,360	1,435,100		Other	
1,127,900,825	932,445,349	894,432,491	856,463,694	770,431,100		Charter Schools	
						Total instruction	
33,269,743	29,635,996	28,549,412	26,693,802	23,030,952		Support Services:	
11,706,150	17,108,962	15,768,881	14,965,974	13,540,598		Administration	
65,292,109	61,840,432	60,653,658	56,126,296	55,634,667		Attendance and health	
11,874,092	8,021,502	5,181,035	4,249,055	2,340,378		Pupil transportation	
116,631,517	98,185,651	97,125,742	8,989,938	81,867,506		Facilities services	
30,701,900	29,413,042	27,464,983	26,095,594	24,226,030		Operation and maintenance	
269,475,511	244,205,585	234,743,711	212,120,659	200,640,131		School nutrition services	
63,418,914	48,585,046	36,783,840	37,424,763	30,055,892		Total support services	
494,468	467,622	330,571	299,611	301,611		Technology	
1,461,289,718	1,225,703,602	1,166,290,613	1,106,308,727	1,001,428,776		Interest on long-term debt	
						Total Expenses	
						<b>Program Revenues</b>	
						Charges for services:	
2,366,230	2,870,467	2,760,144	2,594,197	2,506,063		Regular instruction	
182,025	413,003	444,577	312,992	291,785		All other instruction	
14,277,723	20,608,328	18,808,535	18,633,779	16,454,344		School nutrition services	
75,940,321	73,291,582	60,944,366	34,998,883	28,826,012		Operating grants and contributions	
172,769,957	191,328,688	195,274,010	112,116,942	106,240,042		Capital grants and contributions	
265,536,256	288,512,068	278,231,632	168,656,793	154,318,246		Total program revenues	
(1,195,753,462)	(937,191,534)	(888,058,981)	(937,651,934)	(847,110,530)		Net (expense)	
						<b>General Revenues and Other Changes in Net Position</b>	
						Grants and contributions not restricted to specific purposes:	
1,516,900	377,608	107,774	252,028	225,367		Federal Government	
353,451,342	324,509,718	309,914,527	316,787,568	289,484,886		Commonwealth of Virginia	
872,629,877	807,652,367	737,000,680	692,137,749	679,458,663		County of Loudoun, Virginia	
1,195,527	1,788,215	1,987,844	1,788,122	1,959,285		Revenue from the use of money and property	
-	-	-	-	-		Lease fund interest	
3,544,172	5,466,939	5,612,799	4,030,688	5,107,365		Other	
-	-	-	-	-		Special items	
1,232,337,818	1,139,794,847	1,054,623,624	1,014,996,155	976,235,566		Total general revenues and other changes in net position	
\$ 36,584,356	\$ 202,603,313	\$ 166,564,643	\$ 77,344,221	\$ 129,125,036		<b>Change in Net Position</b>	

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Fund Balances of Governmental Funds**  
 (modified accrual basis of accounting)

General Fund:	Fiscal Year				
	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2023 <sup>(1)</sup>	2022 <sup>(1)</sup>	2021 <sup>(1)</sup>
General Fund:					
Nonspendable	\$ 1,340,750	\$ 1,993,690	\$ 1,173,204	\$ 1,051,802	\$ 953,515
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	50,808,322	51,753,185	34,185,876	46,799,017	66,116,288
Unassigned	-	9,244,201	9,060,907	766,659	8,953,928
Total General Fund	<u>52,149,072</u>	<u>62,991,076</u>	<u>44,419,987</u>	<u>48,617,478</u>	<u>76,023,731</u>
All other governmental funds:					
Nonspendable	994,407	1,117,277	1,131,706	922,152	864,668
Restricted	3,720,367	3,495,906	4,383,801	2,551,422	3,331,155
Committed	261,631,355	203,918,565	174,676,971	153,361,440	115,077,423
Assigned	30,324,909	35,866,812	41,634,377	47,138,075	31,663,864
Unassigned	(2,523,670)	(2,523,668)	(2,523,669)	(5,731,436)	-
Total all other governmental funds	<u>294,147,368</u>	<u>241,874,892</u>	<u>219,303,186</u>	<u>198,241,653</u>	<u>150,937,110</u>
Total governmental funds, previously reported, restated	346,296,440	304,865,968	263,723,173	246,859,131	226,960,841
Prior period adjustment	-	-	-	-	-
Total governmental funds	<u>\$ 346,296,440</u>	<u>\$ 304,865,968</u>	<u>\$ 263,723,173</u>	<u>\$ 246,859,131</u>	<u>\$ 226,960,841</u>

<sup>(1)</sup> The School Activity Fund is treated as a Special Revenue Fund beginning in fiscal year 2021, but was part of the Fiduciary Fund prior to fiscal year 2021.

Table C

Fiscal Year					
2020	2019	2018	2017	2016	
\$ 142,240	\$ 145,621	\$ 180,142	\$ 138,578	\$ 154,865	General Fund:
-	-	-	-	-	Nonspendable
-	-	-	-	-	Restricted
-	-	-	-	-	Committed
32,584,862	28,656,119	36,088,162	24,966,285	21,924,835	Assigned
15,489,671	11,537,377	77,108	15,491,769	53	Unassigned
<u>48,216,773</u>	<u>40,339,117</u>	<u>36,345,412</u>	<u>40,596,632</u>	<u>22,079,753</u>	Total General Fund
786,724	319,631	340,730	503,123	408,938	All other governmental funds:
3,879,568	3,857,728	2,293,825	1,824,776	3,353,080	Nonspendable
101,334,124	64,976,165	55,618,817	61,093,398	80,078,810	Restricted
12,304,243	14,296,884	11,944,420	9,157,093	5,990,189	Committed
-	-	-	-	-	Assigned
-	-	-	-	-	Unassigned
<u>118,304,659</u>	<u>83,450,408</u>	<u>70,197,792</u>	<u>72,578,390</u>	<u>89,831,017</u>	Total all other governmental funds
166,521,432	123,789,525	106,543,204	113,175,022	111,910,770	Total governmental funds,
-	-	-	-	-	previously reported, restated
-	-	-	-	-	Prior period adjustment
<u>\$ 166,521,432</u>	<u>\$ 123,789,525</u>	<u>\$ 106,543,204</u>	<u>\$ 113,175,022</u>	<u>\$ 111,910,770</u>	Total governmental funds

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Changes in Fund Balances of Governmental Funds**  
(modified accrual basis of accounting)

	Fiscal Year				
	2025	2024	2023	2022	2021
<b>Revenues</b>					
Intergovernmental	\$ 2,101,764,603	\$ 1,987,836,347	\$ 1,824,628,779	\$ 1,702,482,343	\$ 1,588,185,538
Charges for services	25,181,031	24,123,098	22,000,948	4,577,287	2,369,160
Revenue from the use of money and property	1,846,970	1,811,169	1,615,451	1,787,422	433,979
Lease fund interest	302,400	261,574	174,541	-	-
Recovered costs	9,239,447	7,410,304	4,315,006	7,013,521	7,070,742
Other	31,772,907	28,225,700	27,831,846	24,105,306	13,341,764
<b>Total revenues</b>	<b>2,170,107,358</b>	<b>2,049,668,192</b>	<b>1,880,566,571</b>	<b>1,739,965,879</b>	<b>1,611,401,183</b>
<b>Expenditures</b>					
Current:					
Instruction	1,417,573,900	1,296,908,167	1,248,141,456	1,201,290,311	1,070,035,399
Support services	457,044,119	394,964,818	368,430,844	320,994,212	260,419,203
Technology	70,568,418	71,207,194	70,349,134	65,830,129	66,136,688
Capital outlay	144,236,609	226,811,692	184,299,730	125,606,216	161,524,249
Debt service:					
Principal	16,556,180	19,844,758	18,355,714	16,487,834	9,959,753
Interest	1,075,674	1,119,703	710,859	796,607	496,972
<b>Total expenditures</b>	<b>2,107,054,900</b>	<b>2,010,856,332</b>	<b>1,890,287,737</b>	<b>1,731,005,309</b>	<b>1,568,572,264</b>
Excess (deficiency) of revenues over (under) expenditures	63,052,458	38,811,860	(9,721,166)	8,960,570	42,828,919
<b>Other financing sources (uses)</b>					
Installment purchases	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Leases	-	-	4,240,436	937,720	-
Subscription based IT	307,111	5,447,759	12,344,772	-	-
Transfers in	-	-	-	-	-
Transfers out	(31,929,097)	(13,116,824)	-	-	(980,011)
<b>Total other financing sources (uses), net</b>	<b>(21,621,986)</b>	<b>2,330,935</b>	<b>26,585,208</b>	<b>10,937,720</b>	<b>9,019,989</b>
<b>Special items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 41,430,472</b>	<b>\$ 41,142,795</b>	<b>\$ 16,864,042</b>	<b>\$ 19,898,290</b>	<b>\$ 51,848,908</b>
Debt service as a percentage of noncapital expenditures	0.9%	1.18%	1.12%	1.08%	0.75%

Table D

		Fiscal Year					
2020	2019	2018	2017	2016			
\$ 1,471,486,868	\$ 1,397,720,517	\$ 1,289,031,572	\$ 1,152,913,390	\$ 1,102,620,217		<b>Revenues</b>	
16,825,978	23,844,780	21,966,238	21,540,968	19,252,192		Intergovernmental	
						Charges for services	
1,266,159	1,845,872	2,032,297	1,873,339	1,958,475		Revenue from the use of money and property	
-	-	-	-	-		Lease fund interest	
3,986,339	3,806,670	3,586,291	3,547,551	2,363,494		Recovered costs	
4,285,969	6,110,291	4,510,548	3,754,591	4,506,263		Other	
<u>1,497,851,313</u>	<u>1,433,328,130</u>	<u>1,321,126,946</u>	<u>1,183,629,839</u>	<u>1,130,700,641</u>		Total revenues	
						<b>Expenditures</b>	
						Current:	
1,021,204,779	945,156,960	878,478,022	814,953,656	761,368,922		Instruction	
249,059,364	245,368,447	231,968,561	206,364,658	199,404,249		Support services	
61,021,726	48,466,526	36,074,646	36,366,962	29,539,481		Technology	
123,408,744	176,763,324	180,943,640	137,330,180	103,463,999		Capital outlay	
						Debt service:	
9,944,037	9,990,672	9,992,314	9,972,603	9,214,448		Principal	
480,756	335,880	301,581	300,748	275,601		Interest	
<u>1,465,119,406</u>	<u>1,426,081,809</u>	<u>1,337,758,764</u>	<u>1,205,288,807</u>	<u>1,103,266,700</u>		Total expenditures	
						Excess (deficiency) of revenues over (under) expenditures	
32,731,907	7,246,321	(16,631,818)	(21,658,968)	27,433,941			
						<b>Other financing sources (uses)</b>	
10,000,000	10,000,000	10,000,000	10,000,000	10,000,000		Installment purchases	
-	-	44,677	23,824,678	-		Leases	
-	-	-	-	-		Subscription based IT	
-	-	-	-	-		Transfers in	
-	-	(44,677)	(10,901,458)	(23,268,000)		Transfers out	
<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>22,923,220</u>	<u>13,268,000</u>		Total other financing sources (uses), net	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<b>Special items</b>	
<u>\$ 42,731,907</u>	<u>\$ 17,246,321</u>	<u>\$ (6,631,818)</u>	<u>\$ 1,264,252</u>	<u>\$ 14,165,941</u>		<b>Net change in fund balances</b>	
0.78%	0.83%	0.90%	0.97%	0.96%		Debt service as a percentage of noncapital expenditures	

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Charges for Services Revenue**  
**by Source (1)**  
 (modified accrual basis of accounting)

**Table E**

<b>Fiscal Year</b>	<b>Food Sales</b>	<b>Tuition</b>	<b>Testing Fees <sup>(2)</sup></b>	<b>Driver's ED Fees</b>	<b>Miscellaneous Fees</b>	<b>Total</b>
2025	\$ 22,325,911	\$ 1,789,579	\$ 903,192	\$ 149,525	\$ 1,986	\$ 25,170,194
2024	21,607,846	1,583,810	771,034	142,640	1,730	24,107,060
2023	18,610,679	1,698,585	605,632	164,950	1,492	21,081,338
2022	2,867,339	1,251,723	251,248	198,523	8,454	4,577,287
2021	9,363	904,906	1,301,820	151,640	1,431	2,369,160
2020	14,277,723	911,836	1,520,081	113,958	2,380	16,825,978
2019	20,608,328	1,589,445	1,380,778	263,616	2,613	23,844,780
2018	18,808,535	1,494,805	1,356,283	278,598	28,017	21,966,238
2017	18,633,779	1,375,894	1,223,442	258,270	49,583	21,540,968
2016	16,454,344	1,268,321	1,174,692	284,332	70,503	19,252,192

<sup>(1)</sup> LCPS' primary own source revenue is charges for services, which consists of food sales, tuition, testing fees, drivers education fees and miscellaneous fees.

<sup>(2)</sup> The first four AP exam fees are free beginning in FY22.

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**School Nutrition Services**  
**Sales Price Breakdown**

**Table F**

Fiscal Year	Breakfast		Lunch		
	Student	Adult	Student		Adult
			Elementary	Secondary	
2025	\$2.30	n/a(1)	\$3.25	\$3.35	n/a(1)
2024	\$2.10	n/a(1)	\$3.05	\$3.15	n/a(1)
2023	\$2.10	3.65	\$3.05	\$3.15	\$4.10
2022	\$2.10	n/a(1)	\$3.05	\$3.15	\$4.10
2021	\$2.10	n/a(1)	\$3.05	\$3.15	\$4.10
2020	\$2.10	n/a(1)	\$3.05	\$3.15	\$4.10
2019	\$2.10	n/a(1)	\$3.05	\$3.15	\$4.10
2018	\$2.10	n/a(1)	\$3.05	\$3.15	\$4.10
2017	\$2.10	n/a(1)	\$3.00	\$3.10	\$4.10
2016	\$2.10	n/a(1)	\$3.00	\$3.10	\$4.10

<sup>(1)</sup> Meal price eliminated. Sold a la carte only.

Source: LCPS - School Nutrition Services Office

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Food Sales - Annual Meals Served**

**Table G**

Fiscal Year	Students Served				Adult Lunches
	Breakfasts	Free & Reduced Breakfasts	Lunches	Free & Reduced Lunches	
2025	599,278	1,184,217	3,055,745	2,374,470	**Adult purchased as A-La-Carte
2024	629,505	1,111,511	3,181,256	2,327,519	2,277
2023	(1) 625,981	951,770	3,403,746	2,110,050	15,397
2022	(2) -	-	-	-	13,982
2021	(3) -	-	-	-	897
2020	241,997	616,942	2,206,333	1,413,056	33,367
2019	309,555	823,845	3,070,371	1,917,563	49,551
2018	286,367	811,561	2,817,858	1,866,394	47,606
2017	236,467	763,087	2,753,158	1,869,432	52,413
2016	220,562	741,029	2,443,532	1,728,039	52,595

<sup>(1)</sup> SSO Seamless Summer Option - USDA waiver to feed students free (meals claimed - under SSO, not NSLP/NSBP- this is how meals were claimed when things shut down)

<sup>(2)</sup> Due to COVID - 19 - No meals served to students during the 20-21 School Year. Summer Feeding - USDA waiver to feed students free

<sup>(3)</sup> Due to COVID - 19 LCPS schools closed March 2020 and the number of meals served were reduced - 3/13/2020 to 6/30/2020  
 3/13/2020 to 3/31/2020 - Seamless Summer  
 4/1/2020 to 6/30/2020 - Summer Feeding

Source: LCPS - School Nutrition Services Office

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
Ratios of Outstanding Debt by Type

Table H

<b>Fiscal Year</b>	<b>Installment Purchase Liabilities</b>	<b>Lease Liabilities</b>	<b>SBITA Liability</b>	<b>Total Reporting Entity</b>	<b>Percentage of Personal Income</b>	<b>Debt Per Capita</b>
2025	\$ 22,743,328	\$ 26,199,114	\$ 4,098,294	\$ 53,040,736	0.11%	\$ 117
2024	22,647,533	22,914,092	8,941,519	54,503,144	0.12%	122
2023	22,619,288	27,376,586	8,598,269	58,594,143	0.13%	133
2022	22,707,358	27,657,292	-	50,364,650	0.12%	116
2021	25,259,130	-	-	25,259,130	0.06%	59
2020	25,218,883	-	-	25,218,883	0.07%	60
2019	25,162,921	-	-	25,162,921	0.07%	61
2018	25,153,593	-	-	25,153,593	0.08%	62
2017	25,145,907	-	-	25,145,907	0.08%	64
2016	25,118,510	-	-	25,118,510	0.09%	66

Schedule is intended to show information for 10 years. 2022 is the first year for Lease Assets, ten years is not available. 2023 is the first year for Subscription Based IT, ten years is not available.  
Source: LCPS Annual Comprehensive Financial Reports 2017-2025

LOUDOUN COUNTY PUBLIC SCHOOLS  
Demographic Statistics

Table I

Year	Population <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Per Capita Personal Income <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>	School Enrollment <sup>(5)</sup>
2025	455,193	\$ 48,922,323,000	\$ 107,476	3.5%	81,694
2024	447,837	\$ 47,166,641,000	\$ 105,321	2.7%	82,125
2023	440,983	\$ 44,607,146,000	\$ 102,229	2.4%	82,233
2022	434,951	\$ 41,709,039,000	\$ 96,372	2.4%	81,642
2021	428,000	\$ 39,455,920,000	\$ 92,022	3.6%	81,504
2020	420,959	\$ 35,988,556,000	\$ 85,139	8.8%	84,175
2019	413,000	\$ 34,009,530,000	\$ 81,997	2.3%	82,485
2018	402,575	\$ 31,913,668,000	\$ 78,631	2.6%	81,235
2017	392,376	\$ 30,041,689,000	\$ 75,651	3.0%	79,001
2016	381,214	\$ 28,491,347,000	\$ 73,874	3.2%	76,263

<sup>(1)</sup> 2020, U.S. Census Bureau. 2016-2019 & 2021-2025 Loudoun County Office of Management and Budget August 2025 Estimates.

<sup>(2)</sup> Through 2023: U.S. Bureau of Economic Analysis. 2024 and 2025 are Loudoun County Office of Management and Budget estimates.

<sup>(3)</sup> Through 2023: U.S. Bureau of Economic Analysis. 2024 and 2025 are Loudoun County Office of Management and Budget estimates.

<sup>(4)</sup> Local Area Unemployments Statistics (LAUS) from Virginia Works (Department of Workforce Development and Advancement) for the month of June. (Accessed August 29, 2025.) Prior year values reflect updates and revisions to labor force estimates.

<sup>(5)</sup> Loudoun County Public Schools, for the end of September of the given fiscal year.

Note: Prior year numbers are adjusted as more current data becomes available.

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
Principal Employers in the County of Loudoun, Virginia  
Current Year and Nine Years Ago

Table J

Employer	June 30, 2025			June 30, 2016		
	Rank	Number of Employees (1)	Percentage of Total County Employment (2)	Rank	Number of Employees (1)	Percentage of Total County Employment (2)
Loudoun County Public Schools	1	13,281	6.71%	1	10,210	6.41%
County of Loudoun	2	5,059	2.56%	2	3,377	2.12%
U.S. Department of Homeland Security	3	2,500-5,000	1.89%	4	1,000-2,499	1.10%
Northrop Grumman (formerly Orbital ATK at this location)	4	2,500-5,000	1.89%			
United Airlines	5	2,500-5,000	1.89%	5	1,000-2,499	1.10%
Amazon	6	2,500-5,000	1.89%			
Inova Health System (Loudoun Hospital Center)	7	2,500-5,000	1.89%	6	1,000-2,499	1.10%
Verizon	8	1,000-2,500	0.88%	3	2,500-4,999	2.35%
Dynalectric	9	1,000-2,500	0.88%			
Walmart	10	1,000-2,500	0.88%			
RTX (formerly Raytheon Technologies)				7	1,000-2,499	1.10%
Swissport USA, Inc				9	1,000-2,499	1.10%
Orbital ATK Inc (Formerly Orbital Sciences)				8	1,000-2,499	1.10%
U.S. Postal Service				10	1,000-2,499	1.10%
Totals			<u>21.36%</u>			<u>18.58%</u>

(1) Loudoun County Department of Economic Development, Virginia Employment Commission links to BLS, CEW publications, 2nd Quarter 2024 released in December 2024, 2016 CAFR data, Loudoun County Public Schools, and Loudoun County Department of Finance and Procurement, and Loudoun County Office of Management and Budget

(2) Percentages are based on the midpoint of the employment range and average total Loudoun County employment of prior calendar year according to the Virginia Employment Commission and BLS data files.

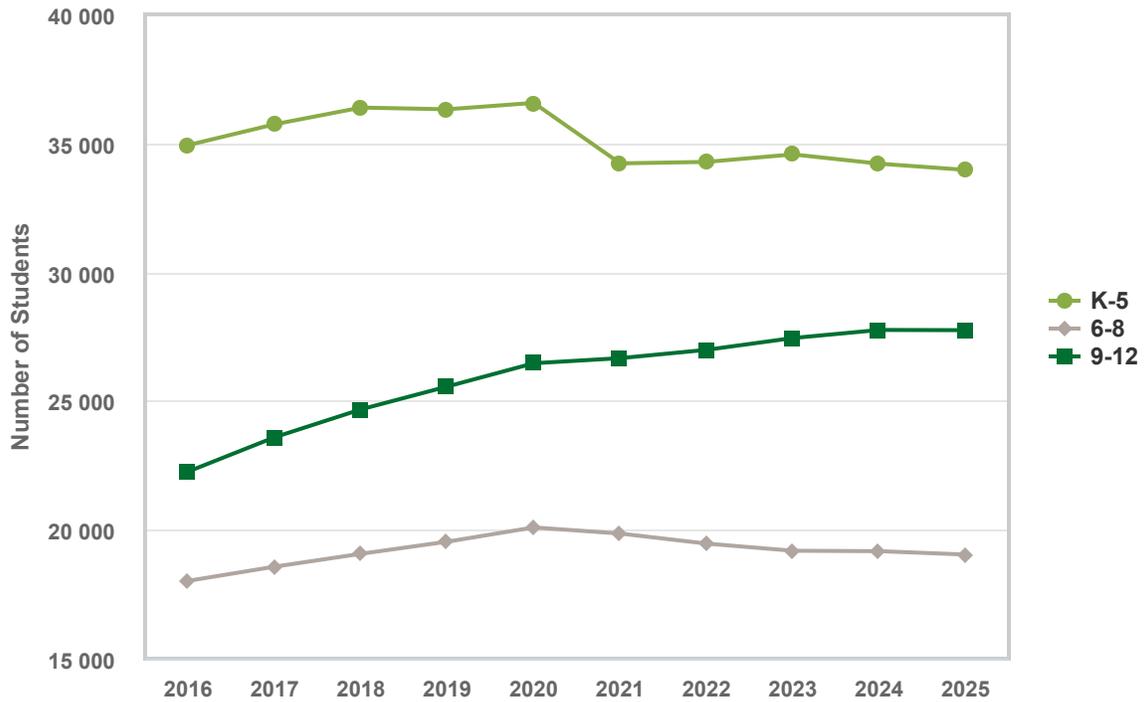
LOUDOUN COUNTY PUBLIC SCHOOLS  
Enrollment Trend  
Last Ten Fiscal Years

Table K

Fiscal Year	Grades K-5	Grades 6-8	Grades 9-12	Grades K-12 Total
2025	33,965	19,040	27,746	80,751
2024	34,206	19,171	27,755	81,132
2023	34,566	19,187	27,441	81,194
2022	34,275	19,465	26,983	80,723
2021	34,218	19,855	26,660	80,733
2020	36,565	20,092	26,463	83,120
2019	36,317	19,541	25,561	81,419
2018	36,383	19,070	24,674	80,127
2017	35,736	18,570	23,592	77,898
2016	34,928	18,021	22,263	75,212

Source: LCPS Department of Planning & GIS Services

Total LCPS Student Growth



LOUDOUN COUNTY PUBLIC SCHOOLS

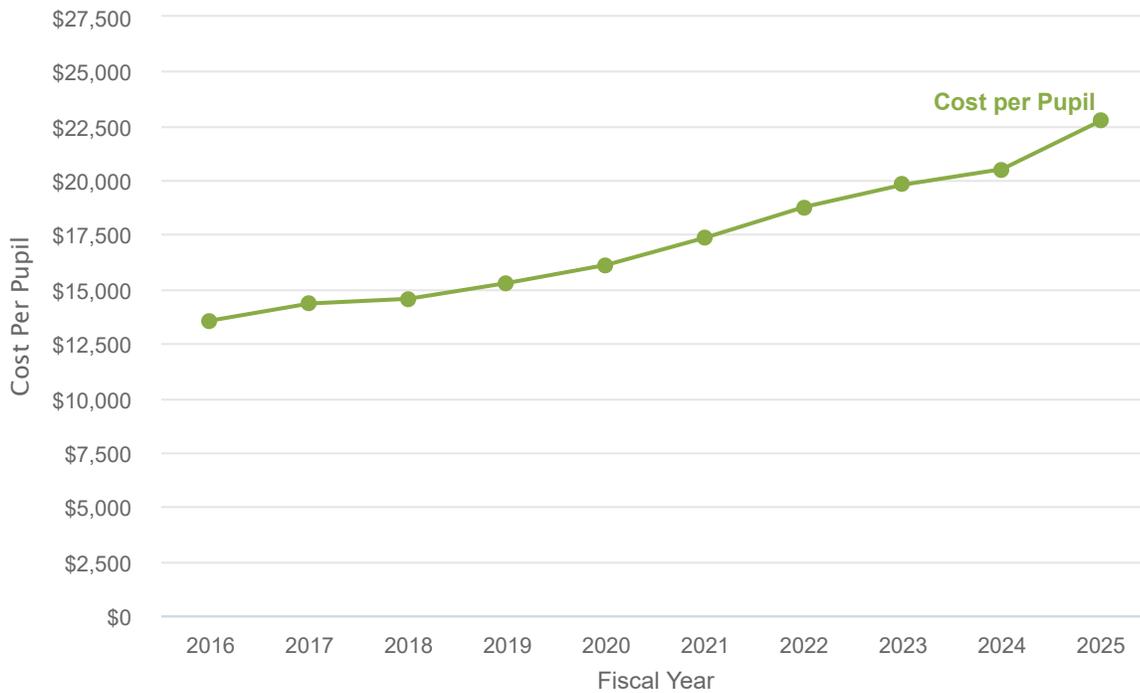
Cost per Pupil  
Last Ten Fiscal Years

Table L

Fiscal Year	Cost per Pupil
2025	\$ 22,732
2024	\$ 20,504
2023	\$ 19,791
2022	\$ 18,767
2021	\$ 17,358
2020	\$ 16,106
2019	\$ 15,277
2018	\$ 14,548
2017	\$ 14,332
2016	\$ 13,549

Source: LCPS Budget Office – Annual School Report

Cost Per Pupil Trend



**LOUDOUN COUNTY PUBLIC SCHOOLS**

**Scholastic Assessment Test (SAT) Scores**

**Comparison of County of Loudoun, VA, Commonwealth of Virginia, and National Averages**

Last Ten Fiscal Years

**Table M**

<b>Fiscal Year</b>	<b>Combined SAT Scores Evidence-based Reading and Writing and Math (1)</b>		
	<b>County of Loudoun</b>	<b>Commonwealth of Virginia</b>	<b>Global</b>
	2025	1187	1112
2024	1177	1101	1024
2023	1173	1113	1028
2022	1178	1124	1050
2021	1182	1151	1060
2020	1173	1116	1051
2019	1180	1119	1059
2018	1184	1117	1068
2017	1155	1102	1060

<b>Fiscal Year</b>	<b>Combined SAT Scores Critical Reading, Math and Writing</b>		
	<b>County of Loudoun</b>	<b>Commonwealth of Virginia</b>	<b>National</b>
	2016	1617	1535

Source: LCPS Research Office

<sup>(1)</sup> The SAT exam was redesigned in March 2016 to include two sections with a maximum total score of 1600. The maximum score for the old SAT exam was 2400.

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
Average Class Size - Students per Classroom Teacher  
Last Ten Fiscal Years

Table N

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<u>Fiscal Year</u>	<u>Elementary</u>	<u>Middle/ Intermediate</u>	<u>High</u>
2025	22.0	23.7	23.7
2024	22.0	23.7	23.7
2023	22.0	23.7	23.7
2022	22.0	23.7	23.7
2021	22.0	23.8	23.7
2020	22.0	23.8	23.7
2019	23.0	23.8	24.2
2018	23.0	23.8	24.8
2017	23.0	23.8	24.8
2016	23.0	22.3	24.8

Source: LCPS Budget Office

**LOUDOUN COUNTY PUBLIC SCHOOLS**  
**Full-Time Equivalent Employees by Function - All Funds**  
**Last Ten Fiscal Years**

Function	Fiscal Year				
	2025	2024	2023	2022	2021
School based:					
Instruction	7,578.7	7,470.4	7,385.8	7,583.8	7,249.3
Bus drivers & attendants	793.0	787.5	779.5	809.5	819.5
Teacher assistants	1,661.6	1,585.6	1,590.1	1,670.1	1,622.7
Custodians	658.0	642.0	642.0	638.0	625.8
Other school support	663.5	626.5	610.0	595.5	560.5
Administration	425.0	415.5	413.5	414.5	385.0
Instructional support	327.0	310.6	307.0	310.0	246.7
Nurses & health clinic specialists	128.5	122.6	121.6	110.1	108.6
<b>Total school based FTE's</b>	<b>12,235.3</b>	<b>11,960.7</b>	<b>11,849.5</b>	<b>12,131.5</b>	<b>11,618.1</b>
Non-school based:					
Secretarial/clerical	140.5	136.8	137.8	124.0	114.0
Other support staff	553.0	538.0	510.0	493.8	406.0
Administration	352.0	332.5	307.0	268.5	243.5
<b>Total non-school based FTE's</b>	<b>1,045.5</b>	<b>1,007.3</b>	<b>954.8</b>	<b>886.3</b>	<b>763.5</b>
<b>Total FTE's</b>	<b>13,280.8</b>	<b>12,968.0</b>	<b>12,804.3</b>	<b>13,017.8</b>	<b>12,381.6</b>

Source: LCPS Budget Office

Note: Categories and positions are from the school division's annual adopted budget books and are based on those used by the Washington Area Boards of Education (WABE).

Table O

Fiscal Year					Function
2020	2019	2018	2017	2016	
					School based:
7,018.0	6,754.2	6,474.7	6,210.1	5,927.4	Instruction
837.5	836.5	832.5	852.0	853.5	Bus drivers & attendants
1,514.3	1,461.3	1,394.2	1,287.3	1,189.5	Teacher assistants
607.8	591.8	557.8	546.7	536.8	Custodians
540.0	517.5	492.5	434.8	429.4	Other school support
378.0	634.0	340.0	324.0	299.0	Administration
240.0	241.8	216.4	183.1	176.0	Instructional support
107.2	102.7	101.0	100.4	97.9	Nurses & health clinic specialists
<u>11,242.8</u>	<u>10,869.8</u>	<u>10,409.1</u>	<u>9,938.4</u>	<u>9,509.5</u>	Total school based FTE's
					Non-school based:
114.0	112.0	115.0	146.0	158.0	Secretarial/clerical
404.0	378.0	374.3	385.3	382.3	Other support staff
234.0	217.5	204.5	170.5	152.5	Administration
<u>752.0</u>	<u>707.5</u>	<u>693.8</u>	<u>701.8</u>	<u>692.8</u>	Total non-school based FTE's
<u><u>11,994.8</u></u>	<u><u>11,577.3</u></u>	<u><u>11,102.9</u></u>	<u><u>10,640.2</u></u>	<u><u>10,202.3</u></u>	Total FTE's

**LOUDOUN COUNTY PUBLIC SCHOOLS**

Miscellaneous Statistics  
Last Ten Fiscal Years

Function	Fiscal Year				
	2025	2024	2023	2022	2021
Attendance percentage	94.1%	94.2%	93.6%	94.5%	97.4%
Drop-out rate	1.97%	1.82%	0.63%	0.54%	0.54%
English as a Second Language students served	11,890	11,768	11,369	11,022	9,802
Financial aid received by graduates	\$104,125,461	\$64,073,575	\$97,004,554	\$78,486,755	\$55,315,071
Graduates pursuing further education:					
Number of students	6,282	6,296	5,563	5,696	5,400
Percent of students	90.6%	89.9%	87.0%	86.6%	84.0%
Percent of staff that is school-based	92.1%	92.2%	92.5%	93.2%	93.8%
National Merit Scholarship Committee Semifinalists	57	82	45	57	55
Gifted & Talented students served	8,966	9,670	8,497	9,117	7,267

Source: LCPS Public Information Office

Table P

2020	2019	Fiscal Year			Function
		2018	2017	2016	
95.6%	95.4%	95.7%	96.0%	95.9%	Attendance percentage
0.58%	0.52%	0.55%	0.53%	0.82%	Drop-out rate
10,228	9,588	8,827	8,530	7,173	English as a Second Language students served
\$47,680,920	\$63,186,640	\$58,505,588	\$54,768,301	\$59,476,537	Financial aid received by graduates
5,467	5,338	5,167	4,794	4,628	Graduates pursuing further education: Number of students
87.6%	92.8%	91.3%	91.2%	92.8%	Percent of students
93.7%	93.2%	93.8%	93.7%	92.6%	Percent of staff that is school-based
54	58	38	32	40	National Merit Scholarship Committee Semifinalists
8,658	8,152	7,336	6,950	7,108	Gifted & Talented students served

**LOUDOUN COUNTY PUBLIC SCHOOLS**

Capital Assets Statistics

by Function

Function	Fiscal Year				
	2025	2024	2023	2022	2021
<b>Elementary Schools:</b>					
Buildings	62	61	61	60	59
Building square footage	5,011,743	4,662,246	4,662,246	4,548,663	4,433,833
Base Capacity *	42,449	42,959	44,402	43,327	42,298
<b>Middle Schools:</b>					
Buildings	18	17	17	17	17
Building square footage	3,112,660	2,787,897	2,787,897	2,787,897	2,787,897
Base Capacity	23,746	22,267	22,192	22,178	22,178
<b>High Schools:</b>					
Buildings	17 ***	17 ***	17 ***	17 **	17
Building square footage	4,474,402	4,366,061	4,366,061	4,366,061	4,366,061
Base Capacity	30,754	30,754	30,795	31,050	31,023
<b>Education Centers:</b>					
Buildings	2	2	2	2	2
Building square footage	501,379	361,771	361,771	361,771	361,771
School Buses	785	760	754	788	784

Source: LCPS Division of Planning and GIS Services

Capacity reporting has been changed beginning with FY19 to reflect a base capacity calculation for all schools.

Reported square footage includes modular classrooms/trailers.

\* Does not reflect capacity for Charter Schools (i.e., Hillsboro Charter Academy, Middleburg Community Charter School)

\*\* William Obediah Robey High School opened with the 2021-2022 school year. While a distinctly separate school, William Obediah Robey High School is physically located within the Park View High School building.

\*\*\* Effective with the 2022-2023 school year, William Obediah Robey High School is located within the Dominion High School building.

Table Q

Fiscal Year					Function
2020	2019	2018	2017	2016	
					Elementary Schools:
59	58	57	57	56	Buildings
4,433,833	4,330,981	4,227,919	4,199,245	4,093,488	Building square footage
42,252	41,207	39,845	40,655	38,807	Base Capacity
					Middle Schools:
17	17	16	15	15	Buildings
2,787,897	2,787,897	2,602,676	2,418,083	2,418,083	Building square footage
22,178	21,874	20,447	18,918	18,818	Base Capacity
					High Schools:
16	15	15	15	15	Buildings
4,060,928	3,766,768	3,766,798	3,766,798	3,766,798	Building square footage
28,988	26,887	26,101	25,068	25,370	Base Capacity
					Education Centers:
2	2	2	2	2	Buildings
361,771	361,771	127,071	127,071	127,071	Building square footage
783	828	788	800	821	School Buses



