



## Finance and Budget

The Department of Finance and Budget (DFB) supports County agencies and Constitutional Officers in the provision of services to the residents and businesses of Loudoun County by professionally managing, on behalf of the County Administrator, organization-wide processes and providing sound advice in capital and operating budget management; revenue forecasting; demographic, economic, and fiscal impact analysis; long range fiscal planning; program evaluation and improvement; accounting and financial analysis; procurement; accounts payable and receivable; capital financing; debt management; and support of the County's financial reporting and payroll systems. In addition, the Department functions as the County liaison to the Board of Equalization and the Fiscal Impact Committee.

### Finance and Budget's Programs

#### Accounting, Finance, and Operations

Provides timely and accurate financial analysis; processing and reporting of financial transactions; processing of employee payroll, accounts payable, and accounts receivable; and support of the Oracle system. Coordinates the annual audit and produces the Annual Comprehensive Financial Report and Citizens Popular Report to provide financial transparency to residents, bond holders, and grantors.

#### Procurement

Responsible for the acquisition of all goods and services, including professional services and construction, required to meet the service needs of the growing population and County Government operations.

#### Finance and Budget Administration

Responsible for the department's administration, debt management, program evaluation, and the Board of Equalization.

#### Operating Budget Planning and Policy

Provides support to the County Administrator in development, analysis, review, implementation, and monitoring of the County's operating budget and special funds, working closely with, and providing assistance to County agencies.

#### Capital Budget Planning and Policy

Provides support to the County Administrator in the development, analysis, review, planning and monitoring of the County's capital budget; Uses research methods and demographic and economic analysis to perform long-range fiscal planning.

**Finance and Budget****Budget Analysis****Department Financial and FTE Summary<sup>1</sup>**

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Proposed	FY 2025 Projected
<b>Expenditures</b>					
Personnel	\$7,824,408	\$8,787,264	\$10,380,104	\$10,564,482	\$10,881,416
Operating and Maintenance <sup>2</sup>	3,346,711	1,002,603	1,185,834	1,485,885	1,500,744
<b>Total – Expenditures</b>	<b>\$11,171,119</b>	<b>\$9,789,867</b>	<b>\$11,565,938</b>	<b>\$12,050,367</b>	<b>\$12,382,160</b>
<b>Revenues</b>					
Miscellaneous Revenue	\$223,230	\$175,182	\$124,500	\$124,500	\$124,500
Intergovernmental – Commonwealth	255,000	0	0	0	0
Other Financing Sources	153,487	421,358	0	0	0
<b>Total – Revenues</b>	<b>\$631,717</b>	<b>\$596,540</b>	<b>\$124,500</b>	<b>\$124,500</b>	<b>\$124,500</b>
<b>Local Tax Funding</b>	<b>\$10,539,401</b>	<b>\$9,193,327</b>	<b>\$11,441,438</b>	<b>\$11,925,867</b>	<b>\$12,257,660</b>
<b>FTE</b>	<b>75.00</b>	<b>78.00</b>	<b>80.00</b>	<b>80.00</b>	<b>80.00</b>

**Department Financial and FTE Summary – Capital Improvement Program<sup>1</sup>**

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Proposed	FY 2025 Projected
<b>Expenditures</b>					
Personnel	\$1,302,995	\$1,425,707	\$2,365,125	\$2,592,679	\$2,670,459
<b>Total – Expenditures</b>	<b>\$1,302,995</b>	<b>\$1,425,707</b>	<b>\$2,365,125</b>	<b>\$2,592,679</b>	<b>\$2,670,459</b>
<b>Revenues</b>					
Revenue	\$1,302,995	\$1,425,707	\$2,365,125	\$2,592,679	\$2,670,459
<b>Total – Revenues</b>	<b>\$1,302,995</b>	<b>\$1,425,707</b>	<b>\$2,365,125</b>	<b>\$2,592,679</b>	<b>\$2,670,459</b>
<b>Local Tax Funding</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FTE</b>	<b>10.00</b>	<b>11.00</b>	<b>17.00</b>	<b>17.00</b>	<b>17.00</b>

<sup>1</sup> Sums may not equal due to rounding.<sup>2</sup> FY 2021 actual operating and maintenance expenditures posted include \$1,971,896 of COVID-19 payments to community regional organizations.



## Finance and Budget

### Department Financial and FTE Summary – Debt Service Fund<sup>1</sup>

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Proposed	FY 2025 Projected
<b>Expenditures</b>					
Personnel <sup>2</sup>	\$0	\$0	\$458,000	\$441,000	\$454,230
<b>Total – Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$458,000</b>	<b>\$441,000</b>	<b>\$454,230</b>
<b>Revenues</b>					
Revenue	\$0	\$0	\$458,000	\$441,000	\$454,230
<b>Total – Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$458,000</b>	<b>\$441,000</b>	<b>\$454,230</b>
<b>Local Tax Funding</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>

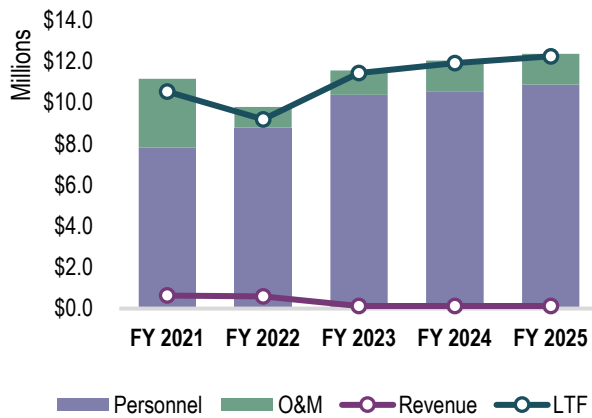
<sup>1</sup> Sums may not equal due to rounding.

<sup>2</sup> The change in the mix of employees in the three positions caused the FY 2024 expenditures budget amount to decrease.



# Finance and Budget

## Revenue and Expenditure History



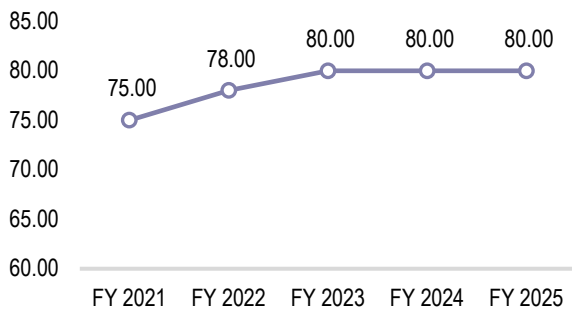
### Revenue/Local Tax Funding

As shown, DFB is primarily funded by local tax funding (99 percent). Miscellaneous revenue is primarily rebates from purchasing card (PCard) use. Other financing sources in FY 2021 and FY 2022 included a transfer from the Debt Service Fund to offset personnel expenditures of the Debt Management and Financing positions.<sup>1</sup>

### Expenditure

The majority of the Department’s expenditure budget is dedicated to personnel costs (88 percent). Major drivers of personnel increases are additional staffing as outlined in the Staffing/FTE History section and compensation increases, including merit increases for the general workforce in each fiscal year.

## Staffing/FTE History<sup>2</sup>



FY 2021 Mid-Year: senior management analyst (1.00 FTE) for the Board’s collective bargaining initiative, the demographer position was reclassified to a capital budget analyst position and revised to be funded in the Capital Projects Fund and no longer in the General Fund

FY 2021<sup>1</sup>: 1.00 FTE budget technician was added to the Capital Projects Fund; 1.00 FTE functional systems analyst, 1.00 FTE grants management analyst, and 1.00 FTE grants financial analyst were added to the General Fund

FY 2022: 1.00 FTE senior management analyst – debt, 2.00

FTE collective bargaining staffing (senior management analyst and payroll accountant)

FY 2023: 2.00 FTE capital budget management analysts, 1.00 FTE accountant IV, and 1.00 FTE accountant III added to the Capital Projects Fund; 2.00 FTE contracting officers, 1.00 FTE demographer, 1.00 FTE collective bargaining systems analyst, and 3.00 FTE unfunded added to the General Fund; 2.00 FTE in the General Fund were moved to the Capital Projects Fund; 3.00 FTE in the General Fund were moved to the Debt Service Fund

DFB’s personnel expenditures increased due to added positions, as indicated in the Staffing/FTE History graph above, and with the various merit increases and market adjustments approved each fiscal year.<sup>3</sup>

FY 2024 operating and maintenance expenditures have grown due to base budget expenditures increases for financial advisory services, the Board of Equalization stipend increase approved by the Board of Supervisors, and the debt book accounting software increase. The departmental revenues are anticipated to remain stable in FY 2024 and FY 2025.

<sup>1</sup> Effective FY 2023, the transfer to the debt service fund was no longer budgeted. Debt management positions are now funded directly by the Debt Service Fund.

<sup>2</sup> The chart reflects only the General Fund FTE of DFB and does not reflect FTE in the Capital Fund and Debt Service Fund.

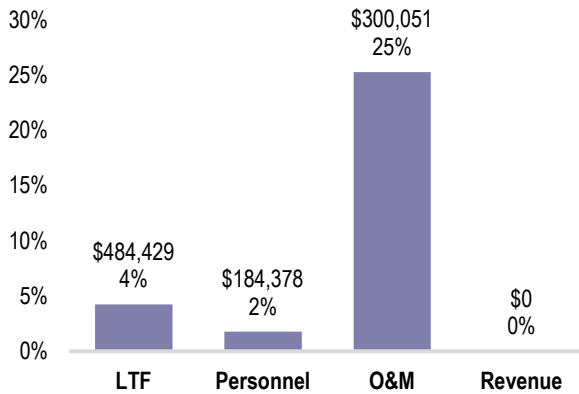
<sup>3</sup> See summary of merit increases in Non-Departmental Expenditures section 6-2.



## Finance and Budget

While not included in the FY 2024 Proposed Budget, the Department has a resource request, focusing on the thematic area of Board of Supervisors’ (Board) collective bargaining priority, described in an increase option in the executive summary and in the Board’s narrative in the general government section. In addition, the Department has a resource request for operating budget management analysts, focusing on the thematic area of fiscal responsibility and a secondary theme of internal support, which is described in an increase option in the executive summary, and is not included in the FY 2024 Proposed Budget.

### Percent Change from Adopted FY 2023 to Proposed FY 2024

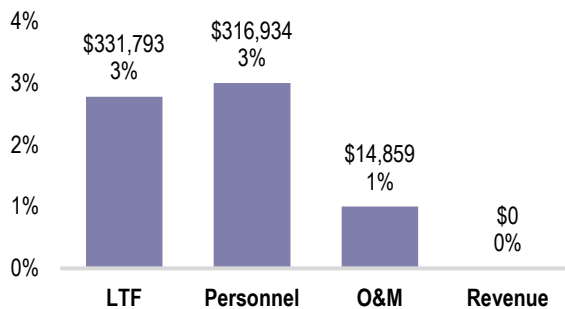


**Reasons for Change:**

**Personnel:** ↑ general pay changes || **O&M:** ↑ increased expenditures for base budget expenditures increases for financial advisory services and debt book accounting software ||

**Revenue:** ↔

### Percent Change from Proposed FY 2024 to Projected FY 2025



**Reasons for Change:**

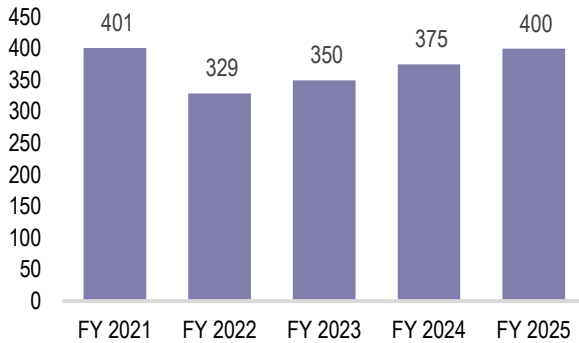
**Personnel:** ↑ 3 percent || **O&M:** ↑ 1 percent ||

**Revenue:** ↔



# Finance and Budget

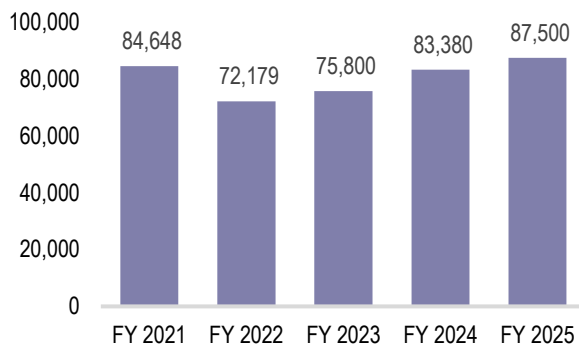
## Key Measures



**Objective:** Measure the volume of financial transactions processed.

**Measure:** Number of active CIP projects.

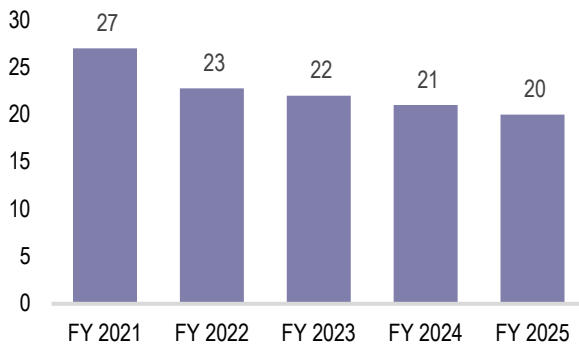
*The FY 2023 budget added additional CIP staffing to address the increase in active CIP projects.*



**Objective:** Measure the volume of financial transactions processed.

**Measure:** Number of CIP Fund general ledger transactions.

*The FY 2023 budget added additional CIP staffing to address the increase the number of CIP Fund general ledger transactions. The decrease in total in FY 2022 as compared to prior year FY 2021 is due to several projects reaching completion in FY 2022 while new projects were delayed due to inventory and design/scope issues. These conditions produced less spending in FY 2022.*



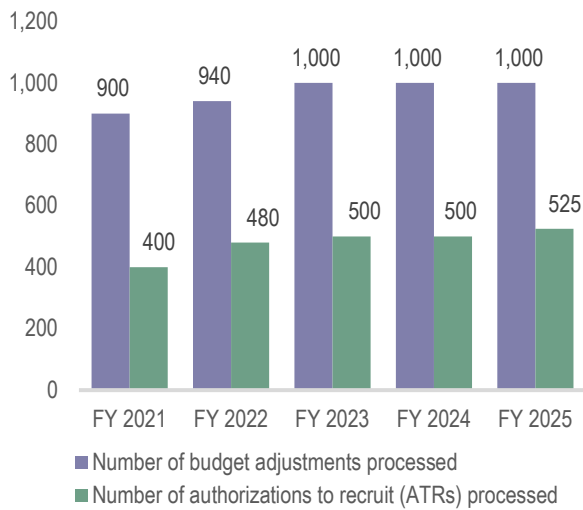
**Objective:** Provide continuous innovation and improvements in efficiency and effectiveness.

**Measure:** Average number of weeks to process invitations for bid (IFBs) and requests for proposal (RFPs).

*Two contracting officers were added to the FY 2023 budget to help reduce the average number of weeks to process IFBs/RFPs.*



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**Objective:** Process department requests for budget adjustments, authorization to recruit (ATR) forms, and analyses of organizational changes.

**Measure:** Number of budget adjustments processed and number of ATRs processed.

*The number of budget adjustments, which are becoming more complex, and authorizations to recruit processed are projected to be relatively stable in FY 2024.*

**Finance and Budget****Department Programs****Department Financial and FTE Summary by Program<sup>1</sup>**

	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Adopted	FY 2024 Proposed	FY 2025 Projected
<b>Expenditures</b>					
Accounting, Finance, & Operations	\$4,018,929	\$4,238,991	\$4,804,705	\$5,117,161	\$5,256,510
Procurement	1,384,038	1,430,571	2,088,959	2,114,992	2,176,889
Operating Budget	1,531,526	1,881,731	2,365,442	2,387,483	2,455,762
Finance and Budget Administration <sup>2</sup>	3,724,497	1,875,652	1,779,025	1,898,800	1,945,983
Capital Budget and Planning	512,129	362,922	527,807	531,931	547,016
<b>Total – Expenditures</b>	<b>\$11,171,119</b>	<b>\$9,789,867</b>	<b>\$11,565,938</b>	<b>\$12,050,367</b>	<b>\$12,382,160</b>
<b>Revenues</b>					
Accounting, Finance, & Operations	\$5,771	\$5,541	\$4,500	\$4,500	\$4,500
Procurement	217,459	169,641	120,000	120,000	120,000
Finance and Budget Administration	408,487	421,358	0	0	0
<b>Total – Revenues</b>	<b>\$631,717</b>	<b>\$596,540</b>	<b>\$124,500</b>	<b>\$124,500</b>	<b>\$124,500</b>
<b>Local Tax Funding</b>					
Accounting, Finance, & Operations	\$4,013,158	\$4,233,450	\$4,800,205	\$5,112,661	\$5,252,010
Procurement	1,166,579	1,260,930	1,968,959	1,994,992	2,056,889
Operating Budget	1,531,526	1,881,731	2,365,442	2,387,483	2,455,762
Capital Budget and Planning	512,129	362,922	527,807	531,931	547,016
Finance and Budget Administration	3,316,010	1,454,294	1,779,025	1,898,800	1,945,983
<b>Total – Local Tax Funding</b>	<b>\$10,539,401</b>	<b>\$9,193,327</b>	<b>\$11,441,438</b>	<b>\$11,925,867</b>	<b>\$12,257,660</b>
<b>FTE</b>					
Accounting, Finance & Operations	27.00	28.00	28.00	28.00	28.00
Procurement	12.00	12.00	14.00	14.00	14.00
Operating Budget <sup>3</sup>	25.00	26.00	29.00	29.00	29.00
Finance and Budget Administration	10.00	11.00	8.00	8.00	8.00
Capital Budget and Planning	1.00	1.00	1.00	1.00	1.00
<b>Total - FTE</b>	<b>75.00</b>	<b>78.00</b>	<b>80.00</b>	<b>80.00</b>	<b>80.00</b>

<sup>1</sup> Sums may not equal due to rounding.<sup>2</sup> FY 2021 actual expenditures posted to the Finance and Budget Administration Division include \$1,971,896 of COVID-19 payments to community regional organizations.<sup>3</sup> The Operating Budget Program includes the 6.00 FTE for the unclassified, unfunded pool available for temporary use by LCFR and the 8.00 FTE for the unclassified, unfunded pool available for temporary use by all County departments.