



Major Equipment Replacement Fund

The Major Equipment Replacement Fund, created in FY 2016, allows for the scheduled and emergency replacement of core operational equipment over \$5,000 in value. Prior to the creation of this fund, the County funded the replacement of essential equipment on an as-needed basis through either allocation of local tax funding in the General Fund or through mid-year use of General Fund balance.

Revenues, Expenditures, and Changes in Fund Balance¹

	FY 2021 Actual ²	FY 2022 Actual ³	FY 2023 Adopted	FY 2024 Proposed	FY 2025 Projected
Beginning Fund Balance	\$6,855,719	\$7,233,812	\$9,590,533	\$9,590,533	\$9,801,277
Revenues					
Capital Revenues	\$22	\$6,740			
Transfer from the General Fund	\$2,000,000	\$4,000,000	\$4,000,000	\$5,500,000	\$5,500,000
Total – Revenues	\$2,000,022	\$4,006,740	\$4,000,000	\$5,500,000	\$5,500,000
Expenditures					
Planned Replacement	\$1,401,411	\$964,647	2,000,000	\$2,289,256	\$2,380,826
Unplanned/Emergency Repl.	-	-	\$1,000,000	\$2,000,000	\$2,000,000
Future Replacement Reserve	-	-	\$1,000,000	\$1,000,000	\$1,000,000
General Government	220,518	\$685,372	-	-	-
Total – Expenditures	\$1,621,929	\$1,650,019	\$4,000,000	\$5,289,256	\$5,380,826
Estimated Ending Fund Balance	\$7,233,812	\$9,590,533	\$9,590,533	\$9,801,277	\$9,920,451

The FY 2024 Proposed Budget appropriates \$5,500,000 in local tax funding to the Major Equipment Replacement Fund to allow for replacement of select essential equipment. Planned replacement needs for FY 2024 are estimated at \$2,289,256. Expenditures also include planning for \$2,000,000 of unplanned or emergency replacement needs and \$1,000,000 for Future Replacement Reserve.

For the FY 2024 Proposed Budget, planned expenditures are based on a replacement schedule developed by an independent consultant. The schedule identifies planned equipment replacements and the estimated cost for replacement over a 20-year period. County staff continually evaluates the asset replacement schedule and related documentation to ensure the inclusion of additional assets and new equipment placed into service. Staff monitors and updates funding and expenditure needs for the fund as new and additional data becomes available by ensuring a sufficient balance.

¹ Sums may not equal due to rounding.

² Source: Loudoun County FY 2021 Annual Comprehensive Financial Report (ACFR)

³ Source: Loudoun County FY 2022 ACFR.