



Major Equipment Replacement Fund

The Major Equipment Replacement Fund allows for the scheduled and emergency replacement of major operational equipment over \$5,000 in value. The Fund was created in FY 2016. Prior to this, the County funded replacement of capital 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 2019 Actual ²	FY 2020 Actual ³	FY 2021 Adopted	FY 2022 Proposed	FY 2023 Projected
Beginning Fund Balance	\$6,844,114	\$6,092,598	\$6,855,719	\$5,855,719	\$6,855,719
Revenues					
Transfer from The General Fund	\$4,000,000	\$4,000,000	\$2,000,000	\$4,000,000	\$4,000,000
Total – Revenues	\$4,000,000	\$4,000,000	\$2,000,000	\$4,000,000	\$4,000,000
Expenditures					
Planned Replacement	\$4,524,207	\$3,190,662	\$1,000,000	\$1,000,000	\$3,500,000
Unplanned/Emergency Repl.	0	0	1,000,000	1,000,000	1,000,000
Future Replacement Reserve	0	0	1,000,000	1,000,000	1,000,000
General Government	227,309	46,217	0	0	0
Total – Expenditures	\$4,751,516	\$3,236,879	\$3,000,000	\$3,000,000	\$5,500,000
Estimated Ending Fund Balance	\$6,092,598	\$6,855,719	\$5,855,719	\$6,855,719	\$5,355,719

The FY 2022 Proposed Budget appropriates \$4,000,000 in local tax funding to the Major Equipment Replacement Fund to allow for replacement of select major equipment. Planned replacement needs for FY 2022 are estimated at \$1,000,000. Expenditures also include planning for \$1,000,000 of unplanned or emergency replacement needs and \$1,000,000 for Future Replacement Reserve.

For the FY 2022 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. Staff continually evaluates the asset replacement schedule to include additional assets and new equipment placed into service and will monitor and update funding and expenditure needs for the fund as more data becomes available.

¹ Sums may not equal due to rounding.

² Source: Loudoun County FY 2019 Comprehensive Annual Financial Report (CAFR).

³ Source: Loudoun County FY 2020 CAFR.