



**Loudoun County**  
VIRGINIA

# POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

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**TIM HEMSTREET**  
County Administrator

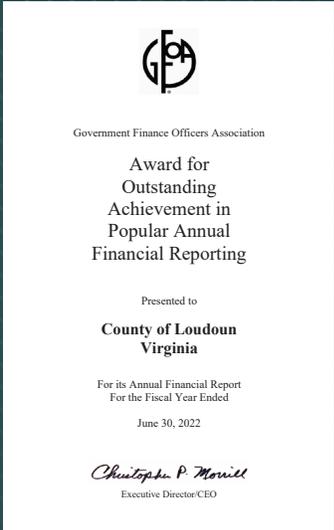
To the residents of Loudoun County:

We are pleased to present the County of Loudoun, Virginia Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2023. We deliver this report to you as part of the County officials' and Board of Supervisors' commitment to keep residents and stakeholders informed of the financial condition of their local government, and our accountability to provide fiscal stability. This report provides important, informative, and understandable information about the financial condition of your County Government, in a concise and accessible format.

The County concluded Fiscal Year 2023 (FY 2023) in sound financial condition, in part due to the diversity of revenues of the County which make it less susceptible to volatility in the economy. In addition, the County continued its commitments designed to effectively manage the challenges that continued growth has brought to Loudoun County. These commitments include extending the Metrorail Silver Line into Loudoun County; constructing population-based capital facilities and identifying funds for their operations; and, as a result of adopting a new Comprehensive plan, facilitating the update of the County's Zoning Ordinance to achieve the vision of the Plan. The Board continues to devote significant resources to transportation and transit projects such as road and pedestrian improvements that support access to businesses and promote walkable, mixed-use areas.

Population growth continues to be a dominant local trend affecting every area of the government's operations. Loudoun is expected to continue to experience one of the highest percentage growth rates in population and jobs in the Washington Metropolitan Area. Continued planning and commitment is required to meet the challenge of efficiently providing needed services for the growing population; providing for the necessary infrastructure for the future; and growing the tax base and resources required to pay for that infrastructure and its operations. Loudoun County has continued to follow a policy of fiscal sustainability. In April 2023, the County adopted a Fiscal Year 2024 budget that resulted in an overall increase of \$49.1 million in the general county government and a \$72.1 million addition in the school operating fund compared to FY 2023 appropriations.

In managing our available resources, the County must strike a balance between the demand for additional services and the ability to pay for those services. Financial management continues to be of paramount importance in this and future fiscal years. The County's financial health is reflected in the soundness of its current financial condition, and it is anticipated that current financial management practices will continue the County's tradition of fiscal stability. The Board's emphasis on sound fiscal planning, budget development and financial management contributes to the present financial condition of the County and sets the parameters and tasks for next year.



The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Loudoun County for its Popular Annual Financial Report for the fiscal year ended June 30, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

To receive an award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year. Loudoun County has received a Popular Award for the last six consecutive years (Fiscal Years 2017-2022). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA to determine its eligibility for another award.



# MAJOR INITIATIVES

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During FY 2023, the county made significant progress on the five focus areas of the Board of Supervisors strategic initiatives: open spaces and environment, connecting Loudoun, collective bargaining, equitable communities, and economic development.

**Silver Line Opening:** In November 2022, residents, business leaders and local officials gathered to officially open the Metrorail Silver Line extension in Loudoun, hosting a ribbon cutting ceremony at the new Ashburn Metrorail Station. This celebration marked the start of Metro Forward service in the county, including three new Metrorail stations: Ashburn, Loudoun Gateway and Washington Dulles International Airport. Two new parking garages at Ashburn South and Loudoun Gateway are operated by Loudoun County, and 21 new transit routes were launched with 175 bus stops to service the Loudoun Gateway and Ashburn stations.

**Hal and Berni Hanson Regional Park:** The 257-acre Hal and Berni Hanson Regional Park opened to the public in the fall of 2022, providing a rapidly growing community with an expansive regional park developed to serve a diverse population with outstanding state-of-the-art facilities. Hanson Park has been intentionally designed for everyone of all ages and for casual and active lifestyles. The public played a pivotal role in helping champion the park's unique features, including a dedicated cricket field, a professionally designed skate park, a tournament-level disc golf course, mixed-use courts for tennis and pickleball, fishing ponds, off-leash dog areas, and miles of trails traversing 80 acres of passive recreational space. The park also includes the county's first sensory trail for people with dementia and other disabilities.

**Douglass Community Center Playground:** A one-of-a-kind destination playground at the Douglass Community Center in Leesburg opened in the spring of 2023. As part of the renovation project for the Historic Douglass High School Education & Development Campus, which is operated by Loudoun County Public Schools, the county engaged in a concept design for the playground that would complement the project and honor, restore and preserve the rich cultural significance of the building. The Douglass High School, constructed in 1941 on land purchased by the African American community, was the only African American high school in Loudoun County until the end of county school segregation in 1968. The playground provides a themed experience through custom-made structures that depict the impact and contributions African Americans have made throughout American history.

**Lovettsville Community Center:** Opened to the public in the summer of 2022, this project included the construction of a new 18,500-square-foot building as well as an addition and renovation to the existing pool house building. Features of the new center include a full court gymnasium, a fitness room and a dedicated senior area, as well as five classrooms, a kitchen, restrooms and meeting spaces.

**Union Street School Project:** The historic Union Street School property, located at 20 Union St. NW in Leesburg, became the first county property included in the county's Resident Curator Program, as the Board of Supervisors

approved a lease agreement with the Loudoun Freedom Center. This significant partnership aims to preserve African American history & culture and make accessible a full understanding of the rich heritage of Loudoun County and the significant contributions of the African American community. Under the terms of the Resident Curator Program and the lease agreement, the Loudoun Freedom Center will serve as the curator for the property, taking responsibility for the day-to-day operations, maintenance and security.

**Disability Services Job Fair:** Public Affairs collaborated with the Workforce Resource Center, which is part of the Department of Family Services, to plan and execute a job fair focused on people with disabilities for Disability Employment Awareness Month in October 2022. In addition to event planning and execution, PAC provided communications and assisted with staffing the event. The event was very successful, with record attendance and high levels of engagement among job seekers and employers.

**Rapid REVIVE!:** County staff developed a six-minute Rapid REVIVE! video to increase community access to Naloxone. The video provides training to identify signs of opioid overdose and how to respond by administering the lifesaving medication of Naloxone. This was the first video produced in northern Virginia, and Arlington County and Fairfax County have expressed interest in using the video because of its success. In addition to the Rapid REVIVE! video, the county's prevention team has collaborated with community partners to offer trainings.

**Veterans Treatment Docket:** The Loudoun County Veterans Treatment Docket launched in January 2023 as part of the county's efforts to expand access to mental health services and to support those who served in the military. Veterans treatment dockets are specialized court dockets led by the General District Court within the existing structure of Virginia's court system that offer substance use and mental health treatment for eligible defendants. Loudoun's specialty docket serves justice-involved veterans of the U.S. military branches who have mental illness or co-occurring disorders. The creation of the specialty court docket for veterans is part of a broader criminal justice reform effort supported by the Board of Supervisors 2020-2023 Strategic Initiatives.

**Foster Families:** The Virginia Department of Social Services recognized the county's Department of Family Services for its innovative approach to support kinship foster families by linking them with seasoned families who mentor, support and assist them. A kinship placement can be with grandparents, an aunt, uncle, cousin, adult sibling, or anyone related to the children. These placements are more likely to be successful in the long term.

**Broadband:** Residents and businesses in areas of Loudoun that are part of the county's Virginia Telecommunications Initiative broadband project with All Points Broadband saw progress on this important project during FY 2023. A \$17.5 million grant from the state is supporting plans to connect more than 8,600 unserved residents and businesses in Loudoun County to broadband service.

# YOUR BOARD OF SUPERVISORS



Loudoun County Board of Supervisors 2020–2023 (First row, from left to right) Juli E. Briskman, Algonkian; Koran T. Saines, Vice Chair, Sterling; Phyllis J. Randall, Chair At-Large; Kristen C. Umstadd, Leesburg. Second row, from left to right: Caleb A. Kershner, Catoctin; Sylvia R. Glass, Broad Run; Tony R. Buffington, Blue Ridge, Michael R. Turner, Ashburn; Matthew F. Letourneau, Dulles.

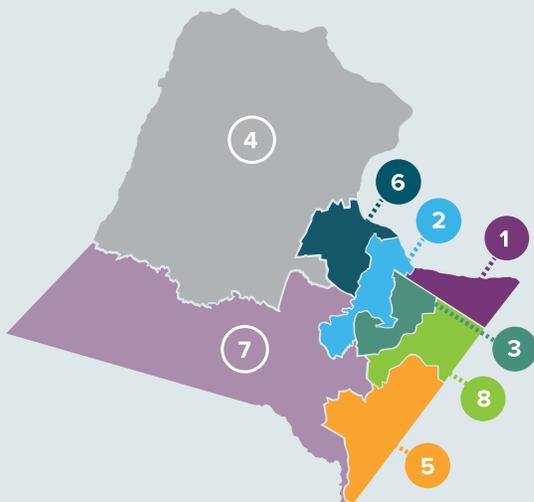
The County is governed by an elected body of representatives called the Board of Supervisors, with one Supervisor elected from each of the eight magisterial districts and one At-Large Chair for a term of four years.

The Board of Supervisors is the legislative and policy setting body for the County government, oversees general governmental operations, and is responsible for appropriating funds for the various County departments and agencies.

The strategic priorities of the 2020-2023 Board are focused on open spaces and environment; connecting Loudoun, collective bargaining; equitable communities; and economic development.

The Board of Supervisors appoints a County Administrator to act as the Board's agent in the operation of departments and agencies. The Board also appoints a County Attorney, along with advisory boards, commissions and committees that provide opportunities for county residents to be directly involved in local government. Other elected County officials include the School Board, Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff and Treasurer. The judges of the Circuit Court, General District Court, and the Juvenile and Domestic Relations District Court are elected by the state legislature.

## LOUDOUN COUNTY ELECTION DISTRICTS



The map above represents the 2022 election district map that was updated through the local redistricting process based on the 2020 U.S. Decennial Census. The 2024-2027 Board of Supervisors will take office in January 2024. Learn more at [loudoun.gov/redistricting](https://loudoun.gov/redistricting).

# LOUDOUN'S ECONOMY

Founded in 1757 and covering 520 square miles, Loudoun County is a growing, dynamic county of more than 400,000 people. Loudoun is known for its beautiful scenery, rich history, healthy diversity of expanding business opportunities, comfortable neighborhoods, and high quality public services.

The sixth fastest growing county in the United States between 2000 and 2010, with its population increasing 84 percent, Loudoun County's economy reflects the relative stability, high income and low unemployment characteristics of the Washington, D.C. region. The county's key industries include data centers, information and communications technology, federal government contracting, aerospace and defense, aviation and logistics, health innovation technology, and agriculture and rural business.

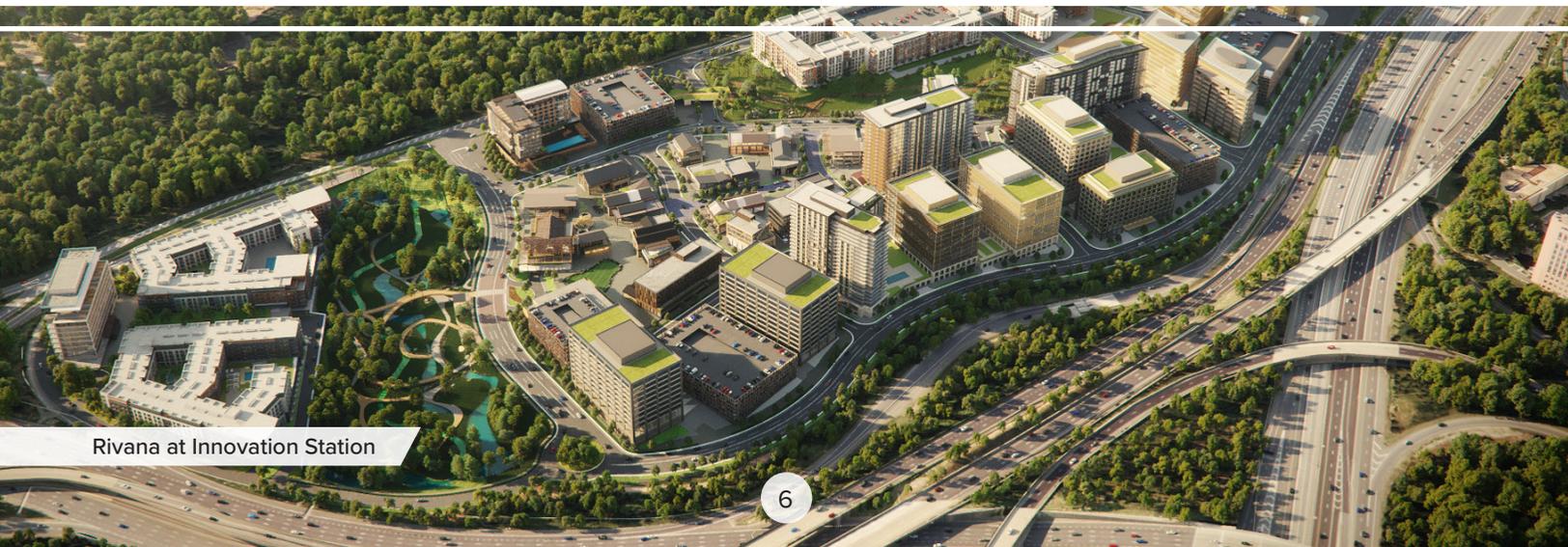
Between 2010 and 2020, Loudoun County continued to be one of the fastest growing counties, increasing by another 39 percent. The County's economy continues to grow and is responsible for a considerable share of Northern Virginia's job growth during the past few years. In FY22, Loudoun Economic Development was recognized as Economic Development Organization of the Year for 2021 by the International Economic Development Council.

Loudoun Economic Development celebrated 165 businesses opening or expanding in the county in FY 2023, representing 5,703 jobs created or retained and \$10.17 billion in new commercial investment.

Highlights of the year include:

- Rivana at Innovation Station received the unanimous approval from the Board of Supervisors for the formation of a Community Development Authority, which propels this game-changing Metro development closer to realization.

- United Airlines is expanding at Dulles International Airport, announcing 1,100 jobs. United officials cited the addition of Silver Line service to the airport as they celebrated the addition of several new direct international flights in the fall of 2022.
- AsiaComAmericas, a win associated with Economic Development's international recruitment strategy, is adding office space in Sterling along with 20 new jobs. AsiaCom provides managed IT services for global businesses.
- The overall champion of the 2022 Loudoun Innovation Challenge for her InfusenClip product, Robyn James was selected for a booth scholarship at the 70th annual PGA Show after winning the "Share Your Story" competition.
- Good Spirit Farm Winery, a family-owned, winery, garden, guest house, and gathering space, opened on 42 acres near Round Hill.
- Nationally prominent HVAC service company R.E. Michel renewed a 11,500-square-foot lease for their training headquarters.
- A new team focused on supporting small and minority-owned businesses was announced and a new signature program, called Launch Loudoun, was rolled out.
- Cybersecurity company Fortreum grew from a home office to co-working space to a dedicated office space in Lansdowne, with a high-profile ribbon cutting attended by Governor Glenn Youngkin.
- Catocin Metal Finishing, a metal plating company serving the aerospace, telecommunications, electronics, medical, and defense industries, opened in Purcellville with a \$1.9 million investment.
- With the assistance of a grant from the Board of Supervisors, Lovettsville Cooperative Market opened with over 1,200 member-owners and 70 local vendors.

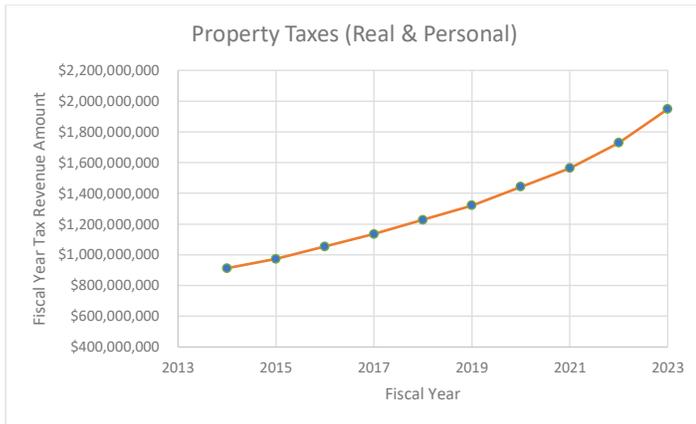


Rivana at Innovation Station

# TAXES

The County's largest revenue source is property tax revenue. Fiscal Year 2023 was another year of revenue and tax base growth, with a property tax revenue increase of approximately \$254.6 million from Fiscal Year 2022. Property tax includes real property and personal property. Real property is assessed annually at 100% fair market value, with the date of value being January 1. The increase in real property and personal property taxes was a result of growth in assessment values. The revaluation of current commercial and residential properties, new construction of commercial properties, and revenues derived from personal property taxes on computer equipment were the main factors driving the increase.

In April 2023, the Board of Supervisors set the calendar year 2023 real property tax rate at \$0.875 per \$100 of assessed value, \$0.015 lower than the previous rate of \$0.89 for calendar year 2022. The increase in real and property values, due to growth in assessment values, enabled the County to decrease the real property tax rate while still providing sufficient revenue to support Loudoun County Public Schools and County Government operations that continue to feel the impact of the County's sustained population growth. Over the past decade, as the assessed real property tax values appreciate, the Board has reduced the property tax rates.



Top Ten Tax Payers			
Rank	Business Name	Assessed Value	% of Taxable Assessed Value
1	Digital Loudoun 3 LLC	\$ 2,373,649,220	1.05%
2	C1 Northern Virginia- Sterling V LLC	\$ 915,485,610	0.70%
3	Digital Loudoun Pkway Ctr North LLC	\$ 742,962,760	0.57%
4	Equinix LLC	\$ 664,816,920	0.51%
5	Aligned Energy Data Centers IAD Propco LLC	\$ 647,657,820	0.49%
6	Kaveh Ventures LLC	\$ 624,016,710	0.48%
7	QTS Shellhorn LLC	\$ 594,680,440	0.45%
8	NTT Global Data Centers VA LLC	\$ 568,738,550	0.43%
9	C1 Northern Virginia- Sterling IX LLC	\$ 479,496,170	0.37%
10	Fox Properties LLC	\$ 466,817,060	0.36%

# LOUDOUN COUNTY GOVERNMENT BY THE NUMBERS

The general county government consists of 30 departments organized into functional areas:

## GENERAL GOVERNMENT ADMINISTRATION

- 587 employees
- AAA bond rating
- 100% major computer availability
- 99% of public inquiries resolved within 48 business hours
- 978,187 sq. ft. office space leased & owned



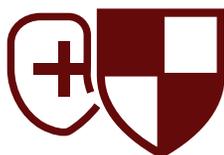
## HEALTH & WELFARE

- 824 employees
- 144,995 senior meals provided
- 2,940 residents in the Medical Reserve Corps
- 1,100 households receiving assistance to meet their basic needs
- 59,326 companion service hours delivered to older and/ or adults with disabilities
- 1,329 children served by early intervention developmental services
- 19 group homes
- 1 homeless shelter
- 1 transition shelter
- 1 youth shelter



## PUBLIC SAFETY

- 1,701 employees
- 1,681 volunteers
- 11:17 minutes average response time for emergency calls
- 25,816 emergency medical incidents responded
- 8,269 fire incidents
- 21 fire & rescue stations
- 5 sheriff stations
- 212,000 sq. ft. jail space
- 1 animal shelter



## JUDICIAL ADMINISTRATION

- 206 employees
- 5,364 criminal cases concluded
- 16,081 civil cases concluded
- 40,207 deed book recordings
- 252,799 sq. ft. court space



## PUBLIC WORKS

- 140 employees
- 1 landfill
- 8 recycling drop-off centers



## PARKS, RECREATION & CULTURE

- 875 employees
- 2,156,262 people visiting county recreation, community and senior centers
- 9,006 adults participating in adult sports leagues
- 52,294 children participating in youth sports
- 452,990 library program attendees
- 10 libraries
- 3 recreation centers
- 5 senior centers
- 7 community centers
- 3 respite centers
- 55 parks; 4,237 acres



## COMMUNITY DEVELOPMENT

- 340 employees
- 1,199 residential building permits
- 1,087 new structures completed after January 1 of tax year
- 233 subdivision applications submitted
- 98% of available affordable dwelling unit rentals filled
- 2,376 commercial building permits
- 159,571 building code inspections performed
- 5,705 jobs recruited or retained
- 119 commuter buses



The County's financial performance is measured each year against the County's adopted budget. The Board of Supervisors is required to adopt a final budget no later than the date on which the fiscal year begins, July 1. The annual budget serves as the foundation for the County's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual Budget and Appropriations Resolution and adopted in the budget by the Board of Supervisors. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund. Management control is maintained at the department level within each organizational unit.

# FUND BALANCE & NET POSITION

## GOVERNMENT WIDE

The Government wide Statement of Net Position, along with the Statement of Activities, answers the question of whether the County is better or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to a private-sector company. All revenues and expenses are taken into account, regardless of when cash is received or paid.

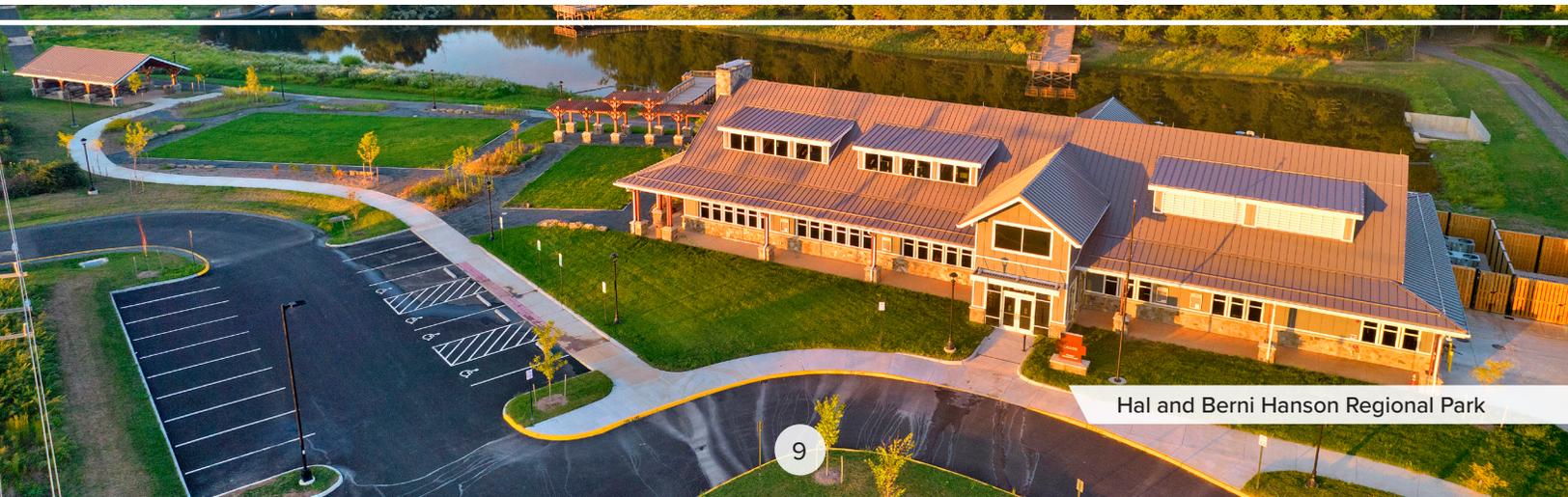
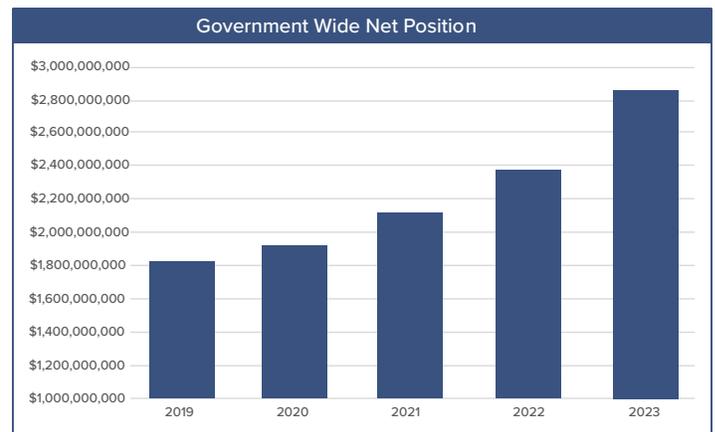
In the Statement of Net Position, the County reports Governmental activities and its Component Unit. All the County's basic services are reported as Governmental activities. Property taxes, other local taxes and state and federal grants finance most of these activities. The Component unit, the Loudoun County School Board, is a separate legal entity. Although legally separate, the County is financially accountable and provides operating and capital funding for the Loudoun County Public Schools.

On a government wide basis, which includes the School Board Component Unit, the County ended FY 2023 with a positive net position of \$2.9 billion. This represents a 20.2% increase over the FY 2022 net position and continues the pattern of growth in net position over the past several years. The largest portion of the Primary Government and Component Units' net position reflects the investment in capital assets, less any related debt used to acquire those long-term assets and are therefore not available for future spending. The investment in capital assets of \$4.9 billion increased by 4.3% over the prior year. The Primary Government and Schools use these capital assets to provide a variety of services to residents. Total liabilities for the Primary Government increased by \$191.4 million, primarily due to an increase in general obligation bonds issued to finance capital projects, increases in pension liabilities, and the implementation of a governmental accounting standard related to information technology

(IT) subscriptions in FY 2023, which now includes liability for the right-to-use subscription assets in the amount of \$51.7 million. Total liabilities increased by \$277.7 million for the schools due to increases in other post-employment benefits and compensated absences, leases and installment purchases related to vehicles, computers and other equipment.

Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governmental entities.

This year, the county adopted a new statement issued by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for governmental accounting and financial reporting among state and local governmental entities. *The GASB Board issued Statement No. 96, Subscription Based Information Technology Arrangements*, increases the usefulness of governments' financial statements by requiring recognition of certain IT subscriptions as assets and liabilities that previously were classified as operating expenditures for subscription fees.



Hal and Berni Hanson Regional Park

# FUND BALANCE & NET POSITION

## GOVERNMENTAL FUNDS

The County presents two kinds of financial statements: the government-wide statements discussed previously, and the fund financial statements.

The Governmental Fund financial statements provide information on a current resource basis only and focus in greater detail on the County's funds, and not the County as a whole. Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and, (2) the balances left at year end that are available for spending. Consequently, the Governmental Funds' statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. As such, long-term assets and liabilities are not included.

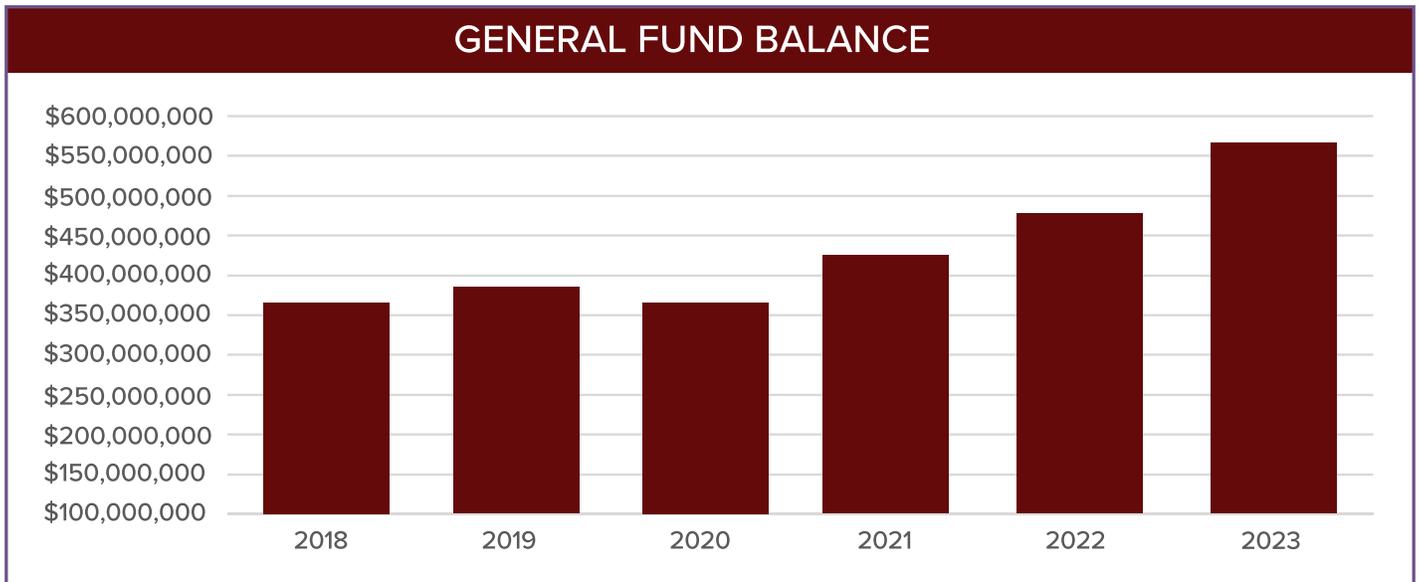
Loudoun's general fund balance has been increasing over time and is both positive and available. This indicates a healthy trend and strong fiscal condition which serves to support the County's AAA bond ratings and provides sufficient carry-over funds for cash flow purposes. Carryover funds eliminate the need for short-term borrowing between the start of the fiscal year and the receipt of revenue from taxes. The general fund balance increased by \$88.6 million in 2023 from prior year. The increased assessment values for both real and personal property, and reduced expenditures related to personnel vacancies and contractual

services, contributed to the ending fund balance. The total general fund balance is \$562.1 million of which \$172.2 million was unassigned and available to meet the County's current and future needs.

The County recognized tax revenue increases primarily from commercial, real and personal property. The decrease in the availability of new and used vehicles led to an increase in vehicle prices, which in turn increased their valuation for tax purposes. In addition, the increased capacity of existing data centers led to a rise in tax revenue from the centers' use of computer equipment.

In addition to the General Fund, the County has 26 special revenue funds reported in the ACFR as Non-Major Governmental Funds. A Special Revenue Fund is a fund established to collect revenue for a specific project or purpose and provides an extra level of accountability and transparency to taxpayers and others that the funds are being used for their intended purpose. Please refer to the ACFR, Other Supplementary Information, for details on these Special Revenue Funds.

The non-major governmental fund balance increased by \$27.2 million compared to the prior year. Funds set aside by the Board of Supervisors for the purpose of funding affordable housing and an increase in the sale of affordable dwelling units contributed \$12 million to the fund balance increase.



# FUND BALANCE & NET POSITION

## GOVERNMENTAL FUNDS

Governmental fund balances are listed in five categories:

- **Non-Spendable:** funds that cannot be spent because they are not in spendable form or are required legally or contractually to remain intact.
- **Restricted:** funds to be used only for a specific purpose based on constraints placed on the funds by external parties, legislation or constitutional provision.
- **Committed:** funds to be used only for a specific purpose based on constraints placed by formal action of the Board of Supervisors.
- **Assigned:** funds the government designates to be used for a specific purpose.

- **Unassigned:** residual fund balance available for any purpose. At the end of each fiscal year, the unassigned fund balance is available for appropriation by the Board to be used for one-time expenditures.

The County maintains a fiscal reserve in the committed portion of fund balance equal to no less than 10% of the County and Component Unit, Schools' General Fund operating revenues. In FY 2023, the fiscal reserve increased by \$28.8 million to a total of \$285.2 million. In FY 2023, the Governmental Fund reflected a total fund balance of \$1.61 billion. Capital projects reported a fund balance of \$741.7 million and debt service \$38.1 million. The general fund, capital projects and debt service fund balance increased by \$88.6 million, \$78.5 million, and \$2.9 million respectively from the prior fiscal year.

### Governmental Funds Financial Analysis of Fund Balance Fiscal Year 2023

	General	Capital Projects	Debt Service	Non-Major Governmental	Total
Non-Spendable	\$ 1,155,627	\$ -	\$ -	\$ -	\$ 1,155,627
Restricted	-	281,336,408	-	200,003,422	481,339,830
Committed	334,867,830	379,669,476	-	40,415,035	754,952,341
Assigned	53,870,258	80,687,160	38,112,365	26,587,270	199,257,053
Unassigned	172,186,574	-	-	-	172,186,574
<b>Total Fund Balances</b>	<b>\$ 562,080,289</b>	<b>\$ 741,693,044</b>	<b>\$ 38,112,365</b>	<b>\$ 267,005,727</b>	<b>\$ 1,608,891,425</b>

<b>FY 2022</b>					
<b>Total Fund Balances</b>	<b>\$ 473,467,279</b>	<b>\$ 663,172,415</b>	<b>\$ 35,180,704</b>	<b>\$ 239,841,254</b>	<b>\$ 1,411,661,652</b>
<b>FY 2022 to FY2023 Comparison</b>	<b>\$ 88,613,010</b>	<b>\$ 78,520,629</b>	<b>\$ 2,931,661</b>	<b>\$ 27,164,473</b>	<b>\$ 197,229,773</b>



# FISCAL YEAR 2023 FINANCIAL RESULTS: GENERAL FUND SUMMARY

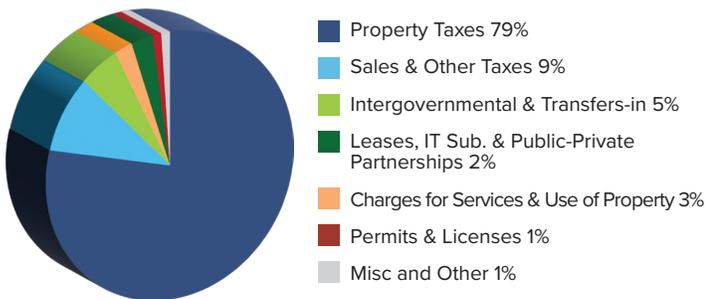
The General Fund is the primary tax and operating fund for County Governmental Activities used to account for all County revenues and expenditures which are not accounted for in other funds, and which are used for the general operating functions of County agencies.

The charts shown here report only on the General Fund and are presented on a current financial resource, non-GAAP basis. More detailed GAAP basis financial statements can be found in the County's ACFR in the Required Supplementary Information.

## General Fund Revenues

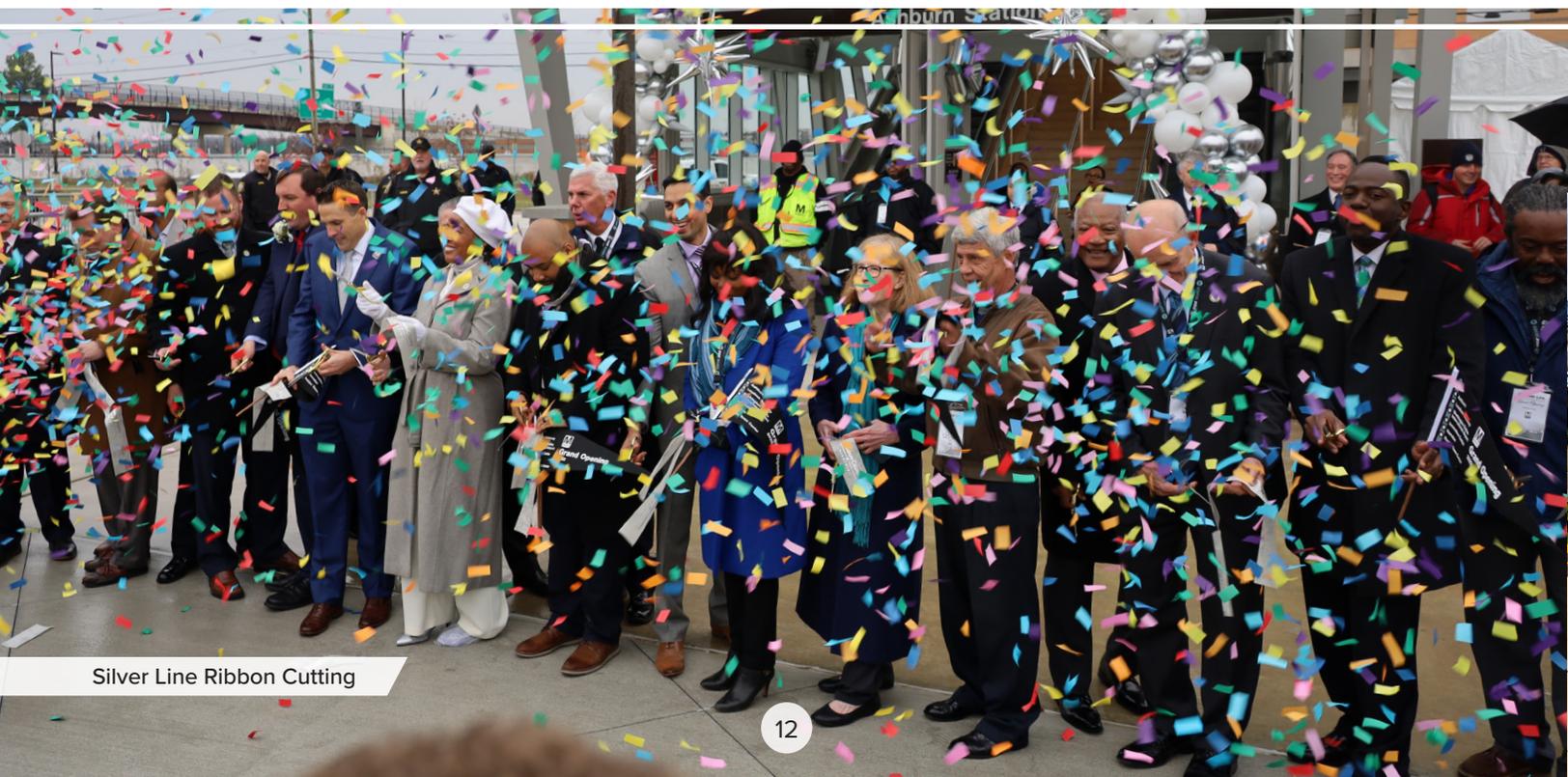
Seventy nine percent of the County's General Fund revenues and other financing sources come from property taxes on real and personal property. General Fund revenues in FY 2023 were \$2.4 billion representing a 13% increase from 2022.

### FY 2023 REVENUES & OTHER FINANCING SOURCES BY TYPE



For FY 2023, actual tax revenues, transfers-in, leases and other revenues exceeded the amended budget amounts by \$157.3 million. Transfers-in are identified as transfers for the purpose of moving funds into the General Fund and are categorized as other financing sources. General property tax and other local tax revenues exceeded the amended budget by \$113 million, due to increases in assessment values of data centers and vehicles in addition to sales and use tax from businesses.

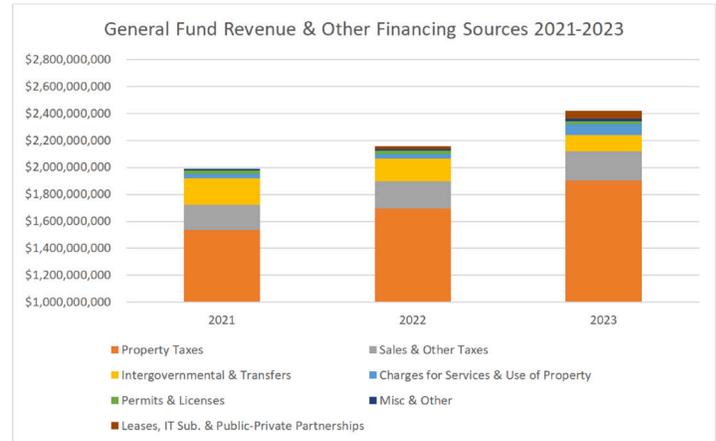
Intergovernmental revenues fell short of the amended budget by \$47.2 million, due to the receipt of grant funds, prior to meeting eligibility requirements for programs such as pandemic recovery activities and broadband initiatives which were budgeted upon receipt, but not expended prior to fiscal year end. Interest market rate increases resulted in higher revenues derived from use of money and property which exceeded the budget by \$33.5 million. Lease, IT subscriptions and public-private partnership inflows totaled \$61.1 million, however these were offset with outflows as required by accounting standards GASB Statements No.87, No.96 and No. 94. Charges for services were \$6.2 million below budget and other miscellaneous revenue, fines and forfeitures, permits and licenses were \$1.4 million below budget.



Silver Line Ribbon Cutting

# FISCAL YEAR 2023 FINANCIAL RESULTS: GENERAL FUND SUMMARY

The County's FY 2023 financial results reflect the implementation of GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements defining an arrangement in which an entity (operator) contracts with the government for the right to provide a public service and collects the fees for providing this service. Implementation of this statement resulted in the County recording \$27,238,448 for Capital Outlay and Other Financing Sources in the Governmental Funds for a parking garage at the Ashburn Metrorail Station.



General Fund Revenue & Other Financing Sources	FY 2023			FY 2022
	Final Budget	Actual	Variance	Actual
General Property Taxes	\$1,814,008,300	\$1,904,234,267	\$90,225,967	\$1,692,001,602
Other Local Taxes	\$190,994,600	\$213,734,420	\$22,739,820	\$205,972,923
Permits and Licenses	\$25,938,724	\$24,350,515	\$(1,588,209)	\$24,729,516
Fines and Forfeitures	\$1,543,300	\$1,729,355	\$186,055	\$1,662,929
Use of Money and Property	\$6,562,683	\$40,079,393	\$33,516,710	\$(3,436,605)
Charges for Services	\$44,819,503	\$38,662,190	\$(6,157,313)	\$35,599,703
Miscellaneous Revenue	\$1,506,378	\$4,324,310	\$2,817,932	\$10,138,204
Recovered Costs	\$10,693,215	\$12,178,989	\$1,485,774	\$9,622,592
Intergovernmental Revenue	\$166,220,241	\$119,010,825	\$(47,209,416)	\$132,389,431
Transfers-in and Sale of Capital assets	\$1,417,723	\$1,562,450	\$144,727	\$1,761,262
Leases, IT Subscriptions, Public-Private Partnerships	-	-	-	-
	-	\$61,148,860	\$61,148,860	\$24,004,811
<b>Total</b>	<b>\$ 2,263,704,667</b>	<b>\$2,421,015,574</b>	<b>\$ 157,310,907</b>	<b>\$2,134,446,368</b>



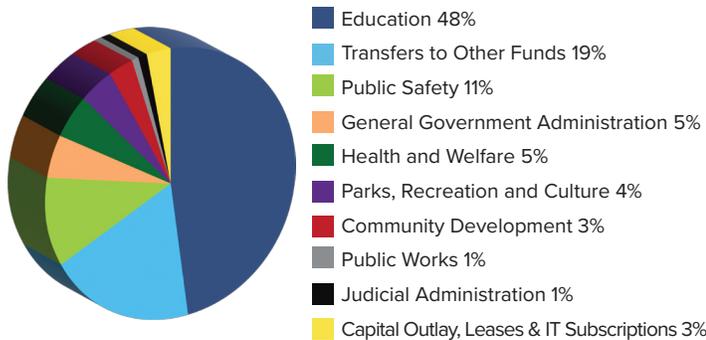
Bus service to Silver Line Metro stations

# FISCAL YEAR 2023 FINANCIAL RESULTS: GENERAL FUND SUMMARY

## General Fund Expenditures

Total expenditures not inclusive of transfers to other funds, support the County’s commitment and highest priority of spending 50% or more on education. The total expenditures and other financing uses, which includes transfers to other funds, indicate 48% of funds spent on education. Transfers to other funds are identified as transfers, for the purpose of moving funds out of the General Fund, and are categorized as other financing uses. Other expenditures reported in the General Fund include public safety 11%, general government 5% and parks and recreation 4%.

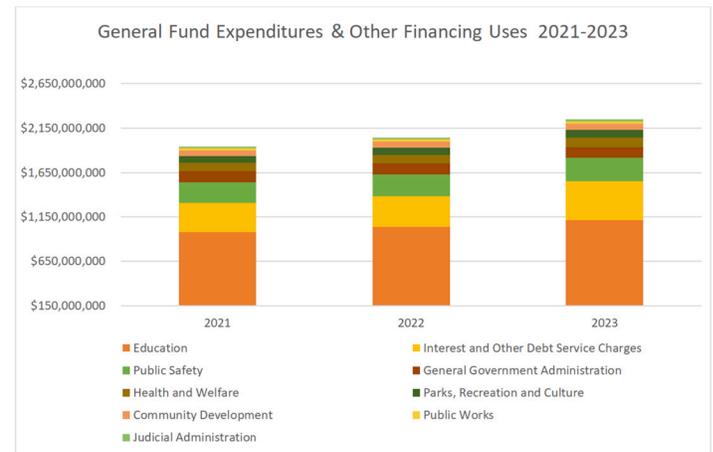
### FY 2023 EXPENDITURES & OTHER FINANCING USES BY ACTIVITY



Actual expenditures and transfers were \$57.8 million, or 2.4%, less than the amended budget amounts. Salaries and benefits realized savings of \$18.6 million from vacancy savings and tight labor market conditions. Due to the tight

labor market and competition for candidates, the County has experienced some challenges in filling vacant positions and many positions are taking longer to hire than originally anticipated. Most of the expenditure savings were in operations and maintenance areas. The areas of operations included contractual services for \$74.1 million less than budgeted due to delays and underspending in ARPA funding, transportation, and mental health and substance abuse contracts. Other charges of \$7.8 million, and materials and supplies of \$6.9 million contributed to expenditure savings. Total expenditures grew by 13% over FY 2022.

Capital outlays for leases and IT subscriptions totaled \$82 million due to the implementation of GASB Statements No. 87, *Leases*; and No. 96, *Subscription Based Information Technology Arrangements*.



General Fund Expenditures & Other Financing Uses	FY 2023			FY 2022
	Final Budget	Actual	Variance	Actual
General Government Administration	\$168,283,248	\$119,093,541	\$49,189,707	\$122,334,437
Judicial Administration	\$27,335,686	\$23,982,821	\$3,352,865	\$20,806,853
Public Safety	\$285,646,297	\$266,989,587	\$18,656,710	\$245,683,769
Public Works	\$36,427,437	\$27,457,923	\$8,969,514	\$25,379,597
Health and Welfare	\$134,599,208	\$107,748,467	\$26,850,741	\$98,987,675
Parks, Recreation and Culture	\$100,034,000	\$84,641,486	\$15,392,514	\$76,894,688
Community Development	\$86,604,814	\$69,116,917	\$17,487,897	\$68,727,968
Capital Outlay, Leases & IT Subscriptions	-	\$82,424,201	(\$82,424,201)	\$33,078,925
Education	\$1,113,494,848	\$1,113,531,198	(\$36,350)	\$1,039,733,320
Transfers to Other Funds	\$437,829,567	\$437,416,423	\$413,144	\$344,707,171
<b>Total</b>	<b>\$2,390,255,105</b>	<b>\$2,332,402,564</b>	<b>\$ 57,852,541</b>	<b>\$2,076,334,403</b>

# CAPITAL IMPROVEMENTS

The County's Capital Improvement Plan (CIP) provides a six-year forecast of the County and School Division's land, facility and equipment needs for each project, and a plan to replace, improve, expand and develop infrastructure, facilities or other large County assets. The plan prioritizes the following key areas:

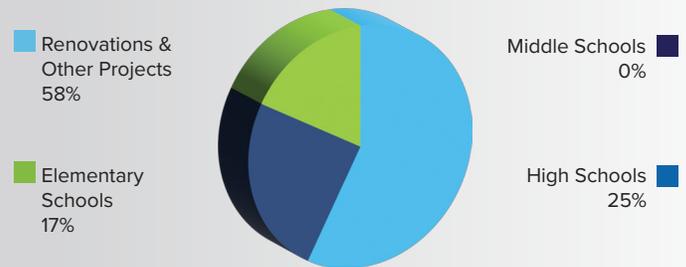
- An efficient and effective transportation network.
- Expanding infrastructure to support education for our children.
- Safe and secure neighborhood activities for our residents.

By the end of FY 2023, the County Government invested approximately \$2 billion in capital assets, while the Component Unit-Schools had \$2.3 billion in capital assets. This represents an increase of \$209.2 million over FY 2022 for the Primary Government, and \$106.9 million for the Component Unit-Schools.

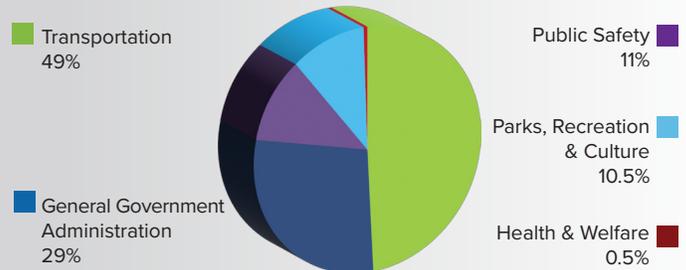
For FY 2023, the County adopted a six-year CIP (FY 2023-FY 2028) which totals \$3.0 billion, and includes transportation projects totaling \$1.09 billion, school construction and renovation projects totaling \$820 million, and county construction projects totaling \$1.12 billion. Funding for the FY 2023 CIP decreased approximately \$115 million from the FY 2022 adopted CIP primarily due to decreases in transportation projects. Transportation projects have typically been the largest portion of the CIP as it pertains to County projects, represented by 49%, general government administration 29%, public safety 11% and health and welfare 0.5%. School CIP projects by type for FY 2023 indicate 58% of the CIP funding being used for renovations and other projects, 17% for elementary schools and 25% for high schools.

County projects, namely health and welfare project funding, increased by \$3.8 million, and parks and recreation project funding increased by \$16.2 million. These increases were offset by decreases in information technology projects of \$35 million, public safety \$18.3 million, transportation projects \$85.7 million. School construction projects also decreased by \$9.8 million. The adopted FY 2023-FY2028 CIP is principally funded with \$942 million in local tax funding, \$52.9 million in proffers, \$38.4 million in landfill fees, \$316.3 million in intergovernmental assistance, and \$1.67 billion in debt financing.

Percentage of School Projects by Type



Percentage of County Projects by Function



As of FY 2023, there were 38 active transportation and transit projects in various phases of design and construction, including segments of Crosstrail Boulevard, Braddock Road, various intersection and interchange improvements, including the Route 7, 9, 15 and 50 corridors, Northstar Boulevard and Shellhorn Road, and pedestrian improvements to Metrorail station areas, which include sidewalks and trails along roads leading to the stations.

Many public safety and parks and recreation projects are in development, including several new and replacement fire and rescue stations, the construction and renovation of the Courts Complex, Dulles South Community Park, Western Loudoun Recreation Center and Fields Farm Park.

County projects completed in FY 2023 include: the Youth Services Center, Lovettsville Community Center replacement, Hal and Berni Hanson Regional Park, Round Hill to Franklin Park Trail, Sterling Community Center and sections of the Crosstrail Boulevard intersection improvements project.

Additional information is available in the FY 2023 Adopted Budget, Volume 2, and can be found on the Loudoun County website at [loudoun.gov/budget](http://loudoun.gov/budget). An interactive map of active and planned projects, as well as project updates, can be found at [loudoun.gov/underconstruction](http://loudoun.gov/underconstruction).

# MAINTAINING OUR AAA STATUS

Loudoun County issues debt in the form of bonds and other financial instruments to help fund capital projects. As the County has experienced near exponential growth over the last two decades, the need for more facilities has grown as well. School and public safety facilities, recreational centers, transportation and construction projects are often funded through the issuance of bonds. While Loudoun County has taken on debt in the creation of these capital improvements, it has done so responsibly and within the confines of good fiscal management.

Loudoun County has a fiscal policy that creates the guidelines for debt issuance. Per that fiscal policy, the County shall not have net debt greater than 3.0% of the estimated market value of taxable property. For FY 2023, the County's debt ratio is only 1.34%, which is positive given the growth challenges incumbent on the County.

Additionally, the County has an annual debt issuance limit of \$250 million which serves as a planning tool to manage how rapidly the county incurs debt. Net debt per capita as a percentage of income is not to exceed 8.0%, and during FY 2023 it was 4.71%. Debt service expenditures as a percentage of governmental fund expenditures should not exceed 10.0%. The County paid \$229.3 million towards its debt, 6.86% of expenditures. At the end of FY 2023, the County had \$2.1 billion in outstanding general obligation bonds, premiums, and financing agreements. This represents a net increase of \$80.9 million from FY 2022.

In May 2023, the County sold \$189.7 million in General Obligation Public Improvement Bonds, Series 2023A, to provide funding for the design, acquisition, construction, renovation and equipping of public schools and public facilities in the County. Also in May 2023, the County sold \$37.2 million of Public Facility Revenue Bonds, Series 2023, through the Economic Development Authority to provide funding for the design, construction and equipping of public schools, public facilities and transportation in the County.

In May 2023, Fitch Ratings, Moody's Investors Service and Standard and Poor's (S&P) Global Ratings affirmed the County's AAA/Aaa/AAA ratings on its general obligation bonds. These are the highest ratings available from each of these firms. The AAA/Aaa/AAA bond ratings allow the County to borrow at competitive interest rates and ensure that our tax revenues are used efficiently.

The rating agencies referenced the following attributes of the County:

- Broad and diverse economy.
- Strong income and wealth levels.
- Strong revenue performance.
- Moderate debt levels relative to resources.
- Stable reserves and liquidity due to proactive management and conservative budgeting practices.



Douglass Community Center Playground

# 2024 AND BEYOND

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To best serve the community, Loudoun County government continues to leverage new technology, design and deliver innovative programs and services, and construct new facilities while preserving the historic nature and natural resources of the county.

## Zoning Ordinance Rewrite

A new zoning ordinance was adopted by the Board of Supervisors in December 2023, completing a nearly four-year process that included extensive public engagement with a broad range of stakeholders. The new Loudoun County Zoning Ordinance, which is more modern and streamlined than the previous ordinance, regulates land use throughout the county and is the primary implementation tool of the land use policies described in the county's Comprehensive Plan. The Comprehensive Plan is a policy document that provides guidance for governmental decision-makers regarding where and how the community will grow over many years.

## LandMARC

In 2023, the county launched its new online land management system, LandMARC (Land Management, Applications, Research, Coordination), which is designed to increase efficiency and transparency for Loudoun businesses and residents. Through an online portal, members of the public are now able to:

- Submit permit, land development and legislative land use applications.
- Submit electronic copies of plans and other required documentation.
- Track the status of applications and land development projects.
- Request pre-application and pre-submission meetings.
- Request inspections.
- Pay application fees.
- Access public records related to permits and plans.

## Attainable Housing

As part of the continuing implementation of the Unmet Housing Needs Strategic Plan, the county's efforts to increase the supply of Attainable Housing will be supported by collaboration among county departments. The affordable housing ombudsman in the Department of Building and Development assists with the development of affordable housing units through the land development process, while the proffer team in the Department of Planning and Zoning helps arrange proffer funding in support of Attainable Housing programs.

## General District Courthouse

The opening of the new General District Courthouse in Leesburg during the fall of 2023 is part of the Courts Complex Expansion project that includes the design and construction of the new 92,000-square-foot courthouse and renovation of existing courts facilities. The project has also created new parking facilities, including the Pennington Garage and accessible parking at the Semones Lot in Leesburg. The next phase of the Courts Complex Expansion project includes the renovation of the existing Loudoun County Courthouse and the historic Valley Bank building.

## Environmental Initiatives

In the fall of 2023, the Board of Supervisors endorsed the Fiscal Year 2024 Environment and Energy Work Plan. The work plan represents a more focused county effort on energy sustainability and the environment. Five initiatives were developed by the commission with the help of staff in the Department of General Services and were informed by public comment and engagement:

- Environmental Justice
- Government by Example
- Natural Resource Protection
- Public Engagement
- Sustainable Energy

The initiatives comprise 21 items, such as the implementation of the County Energy Strategy, studying the possible beneficial use of landfill gas, an energy-equity residential weatherization program, a new watershed management plan, and a study of wildlife corridors in the county to reduce vehicle/deer collisions.

## Water and Wastewater System Improvements

The Board of Supervisors has endorsed the concept of Interconnected Community Systems between the Villages of Waterford and Paeonian Springs for both water and wastewater. The Board also approved the use of \$1.5 million from the Water/Wastewater Fund to further explore interconnected systems and to cover design activities for the Waterford water system. The county also is continuing to assist the community of Howardsville with their wastewater needs. Construction of Phase I of the Howardsville system, including the wastewater collection system, has been completed, and staff have been assisting residents with permitting and design needs required for system connection.



# Loudoun County

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