



# Annual Comprehensive Financial Report

for the  
Fiscal Year Ending  
June 30, 2021



On approach into Leesburg Executive Airport



**TOWN OF LEESBURG, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FISCAL YEAR ENDED**  
**June 30, 2021**

Prepared by the  
Department of Finance  
and Administrative Services

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**TOWN OF LEESBURG, VIRGINIA  
FINANCIAL REPORT**

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# **INTRODUCTORY SECTION**

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December 9, 2021

Honorable Mayor, Members of Town Council, and  
Residents of the Town of Leesburg:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the Town of Leesburg (the Town) for the fiscal year ended June 30, 2021. This report is designed to fairly present the financial position of governmental activities, business-type activities, and each major fund of the Town in all material respects, and to demonstrate compliance with applicable finance-related legal and contractual requirements. The ACFR includes all disclosures necessary to enable the reader to gain an understanding of the financial affairs of the Town. The Management's Discussion and Analysis (MD&A) section of the ACFR summarizes the Town's financial position, and activities for the fiscal year ended June 30, 2021.

The Department of Finance and Administrative Services has prepared this report in accordance with the following standards:

- Accounting principles generally accepted in the United States of America (GAAP) which are uniform minimum standards and guidelines for financial accounting and reporting;
- Governmental accounting and financial reporting statements, interpretations, and technical bulletins issued by the Governmental Accounting Standards Board (GASB);
- Uniform financial reporting standards for counties, cities, and towns issued by the Commonwealth of Virginia's Auditor of Public Accounts (APA); and
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance, UG).

Responsibility for the accuracy of the data and the completeness and fairness of the information presented in the ACFR including disclosures rests with Town management. To the best of our knowledge and belief, the enclosed financial statements, schedules, and tables are complete and accurate in all material respects.

### **Profile of the Town**

The Town is located in the Virginia Piedmont between the foothills of the Blue Ridge Mountains and the Potomac River, 35 miles northwest of Washington, D.C. The Town covers approximately 12 square miles, with elevations ranging from 275 feet to 425 feet above sea level.

Leesburg was established in 1758 as the seat of newly created Loudoun County. Until the latter half of the 20th century, Leesburg remained a small country town, serving the needs of surrounding farms.

Following the opening of Washington Dulles International Airport on the eastern edge of Loudoun County in 1962, both the county and town began to experience the rapid growth that has characterized the region since then. The completion of the Dulles Greenway Toll Road in 1995, providing easy access to the entire Washington, D.C., Metropolitan area, further fueled that growth.

Today, the Town of Leesburg is the largest town in the Commonwealth of Virginia, with a population of 48,250 according to the 2020 Census. Leesburg remains the center of government for Loudoun County, with the Loudoun County Courthouse and the county's main administrative offices located in downtown. The Town sits on the border between the now-suburban eastern part of the county and the rural west, offering residents and visitors the best of both worlds.

Leesburg's historic downtown is one of the best preserved and most recognizable in Virginia and is home to a robust selection of shops, restaurants, and live music venues. Outside of downtown, Leesburg boasts an impressive and diverse array of business districts and shopping centers, including the Village at Leesburg and the Leesburg Premium Outlets.

Located on the southern edge of town, the Leesburg Executive Airport is the second busiest general aviation airport in Virginia. The airport is a less congested option to Dulles Airport for private business jets and the recently opened customs clearance facility is already attracting more international flights. Despite the increased business traffic, Leesburg Executive Airport remains a popular home base for recreational flyers, with four flight schools operating at the facility.

Leesburg offers residents a variety of housing choices, ranging from downtown apartments and condominiums to large estate homes. The Town's proximity to Washington, D.C., growing arts and music scene, abundant outdoor recreational opportunities, and Loudoun County's excellent public schools ensure that Leesburg will continue to grow for many years into the future. Leesburg has been recognized by the following media outlets in the recent years:

- #1 Best Small City in Virginia (#12 in the Nation) by WalletHub
- #2 Best Place to Raise a Family in Virginia by HomeSnacks
- #5 Best Cities for Families in the U.S. by Livability.com
- #7 Best Place for Young Families in Virginia by NerdWallet

### **Overview of Town Government**

The Town has operated under the council-manager form of government since 1962. The Town Council is the governing body of the Town and is empowered by the Town Charter to make Town policy. Six of the seven Town Council members are elected at-large for four-year overlapping terms and the Mayor, also a member of Council, is elected for a two-year term.

The Council appoints the Town Manager who is the chief executive officer of the Town. The Town Manager serves at the pleasure of Council, carries out its policies, directs business procedures, and has the power of appointment and removal of all Town employees except for the Town Council appointed Town Attorney. Duties and responsibilities of the Town Manager include preparation, submission, and administration of the operating and capital budgets, advising Council on the affairs of the Town,

enforcement of the Town Charter and laws of the Town, and direction and supervision of all departments.

The Town Council in its legislative role as the governing body adopts ordinances and resolutions and establishes the general policies of the Town. The Council also sets tax rates, water and sewer rates, and adopts the operating and capital budgets.

The operating departments of the Town include the town manager's office, finance and administrative services (including human resources and information technology), police, public works and capital projects, planning and zoning, plan review, economic development, town attorney, town clerk, parks and recreation, utilities, Balch Library, and airport operations. Each department has a director who reports to the Town Manager, Deputy Town Manager or Director of Finance and Administrative Services.

### **Local Economy Condition and Outlook**

The fiscal state of the Town remains strong. The Town embraces the future with confidence based on a proven financial track record. The Town's successes are shared accomplishments combining skill, experience, and dedication from elected officials, appointed officials, employees, and citizens. Faced with changing resources, especially in federal spending, taxation, and state assistance, the Town must continue to plan and carefully manage its funding sources.

Falling within the Washington, D.C. metropolitan area, the Town's economic and demographic conditions reflect the prevailing conditions of the region. The unemployment rate for Loudoun County was 2.2% in October 2021, reflecting a return to pre-pandemic levels. The rate peaked at 9.9% in April 2020 and has steadily decreased since then. As part of Loudoun County, the Town continues to be well below the Virginia and national rates of unemployment, which can be attributed in large part to Leesburg's close proximity to Washington, D.C. and the federal government and the Town's concentration of local government, healthcare, and high technology employers.

As with other jurisdictions, the Town continues to recover from financial and economic impacts, due to COVID-19. Revenues associated with the restaurant, entertainment, travel, and hospitality industries increased slightly over fiscal year 2020, however, revenues from Recreation programs, Meals Tax and Transient and Occupancy Taxes (hotel tax) are still significantly impacted. Residential property values have continued to increase throughout the COVID-19 Emergency and commercial real estate values have been stable so far. Sales Tax revenues from consumer spending have outperformed estimates and last year's revenues. Investment earnings have plunged due to the Federal Reserve reducing short-term interest rates to the 0% to .25%, and it is anticipated to remain in this range for an extended period based upon comments from members of the Federal Reserve. Federal and state revenues have been flat and are uncertain with the exception of Coronavirus Aid, Relief and Economic Security (CARES) Act funding and the American Rescue Plan Act 2021 (ARPA). ARPA funding at \$5.9 million over two years that will be available for use in Fiscal Years 2022 and 2023 is significantly less than the \$48.6 million that was originally projected due to means testing rules imposed by the US Department of the Treasury and has been allocated to cover Town revenues lost to the pandemic. In planning for a future based on economic uncertainty, the Town needs to communicate to residents, the business community, and the workforce the following: 1) how it is going to operate in the future, especially over the next four fiscal years; 2) what services will be provided and at what levels; and 3) what type of organization it will be. The Town continues to

address these concerns and the fiscal year 2022 budget answered these questions by adhering to a long-range financial sustainability plan that balanced services, capital investments, and debt service funding with taxpayer affordability, while setting aside reserves for emergencies.

The fiscal year 2021 budget was adopted based on the Town Council's established strategic goal to achieve long-term budget sustainability in addition to its established strategic focus areas of:

- Emergency Preparedness and Public Safety
- Securing and Leveraging Information Technology
- Servicing the Continued Growth and Development of the Town of Leesburg
- Transportation and Pedestrian Infrastructure
- Enhance Utility Operating Excellence through Innovation, Sustainability and Adoption of Best Practices
- Comprehensive Review of the Town Plan
- Public Outreach and Engagement

The importance of long-term budget sustainability was evident in light of the effects of the severe recession of 2008 on our residents, and its ripple impacts on the federal, state, and local governments and from the effects of the COVID-19 Emergency Pandemic. The Town of Leesburg under the Council's direction has worked its way through the past few years with strategic reductions in costs, increased staff efficiency, and deferral of certain costs while providing Town employees with modest pay increases. During this time, the Council has provided the policy leadership that has allowed the Town to maintain most services with limited service level impacts and stabilized real estate tax rates while maintaining a healthy financial position in accordance with the Town's fiscal policies. As a result of the adherence to that philosophy, the Town has achieved its long-term goal of maintaining a 20% unassigned general fund balance. This fiscal discipline was rewarded in April 2016 with Triple A ratings from Moody's, Fitch and Standard & Poor's credit rating agencies, and has been affirmed by all three major rating agencies with stable outlooks. These ratings were reaffirmed during the pandemic.

### **COVID-19 Impact and Response**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was declared a pandemic by the World Health Organization, and resulted in the declaration of a state of emergency for the Commonwealth of Virginia on March 12, 2020, and a national emergency on March 13, 2020. The Council confirmed the declaration of a local emergency on March 18, 2020. Throughout fiscal year 2021, federal, state and local jurisdictions lifted some restrictions, allowing, in some situations, pre-pandemic activities to resume, however, a full recovery has not been realized and the Town continues to take affirmative actions including an employee vaccination mandate.

The COVID-19 outbreak and measures implemented to contain its spread altered business operations and citizen behavior in a manner that negatively affected the global and local economies including the Town of Leesburg. The COVID-19 measures requiring the curtailing of restaurants and retail activities continued to impact the Town's consumer sensitive revenues such as recreation center fees, meals tax, and lodging tax. Although there were some increases in revenue over fiscal year 2020, the impact of COVID-19 has continued. The Town is monitoring the revenue impacts as the country

continues to experience the impact of COVID-19 and various strains of the virus that have arisen since the initial virus.

It is difficult to predict the full impact of the outbreak on the Town's economy and operations. The Town expects the outbreak to have an overall negative impact on its financial performance for fiscal year 2021 and potentially fiscal year 2022. The Town has updated departmental procedures to enhance the safety of employees and citizens while continuing to provide essential services. In the current fiscal year, the Town has identified savings in every department to help offset the decline in revenues. Recruiting for staff vacancies, especially in police, technically skilled positions and at utilities plants has made continued hiring freezes unnecessary. The Town has incorporated reductions in the fiscal year 2022 expenditures budget sufficient to offset estimates for reduced revenue streams most affected by the COVID-19 outbreak including parks and recreation fees, business licenses (BPOL), meals and beverages taxes, transient occupancy taxes (hotel taxes), and investment earnings. The Town will continue to closely monitor the financial effects of the pandemic on current and future budgets. The severity of the impacts on fiscal year 2022 will depend on improving or worsening of pandemic conditions throughout the remaining months of the fiscal year.

There can be no assurance that the executive orders issued to mitigate the effects of COVID-19 will not be extended for a longer duration, or that additional executive orders and mandates will not be issued in order to continue to mitigate the effects of the pandemic. Furthermore, actions taken by the Town to mitigate the spread of COVID-19 in its buildings could have a negative impact on the Town's financial performance. All of the short-term and long-term impacts of the COVID-19 pandemic on the economies of the United States, the Commonwealth, and the Town cannot be determined at this time.

The Town is closely monitoring the global, national, regional, and local economic impacts of the COVID-19 Emergency Pandemic. Due to the evolving nature of the COVID-19 Emergency, the federal, state and local responses thereto, and uncertainties as to how long the number of new cases of COVID-19 will continue to increase, how long before businesses can fully reopen to the public and the public's willingness to return to in-person commerce, the effectiveness and timeliness of the federal stimulus, and its impact on consumer confidence, the Town cannot predict the extent or duration of the outbreak or what impact it may have on the Town's economy and the Town's financial conditions and operations. In developing its projections for the fiscal year ended June 30, 2021 and for the fiscal year ended June 30, 2022, Town staff elected to use a conservative scenario from information and forecasts prepared by a variety of economists and regional information sources including the Town's own internal tracking metrics.

Reports containing Fiscal Year 2021 and Fiscal Year 2022 forecasts have been prepared by Town staff and presented to Town Council each quarter with updated forecasts containing comparisons to the Town's original budget and previous forecasts. Past forecasts and presentations may be found on the [Town Council Agendas website](https://portal.laserfiche.com/Portal/Browse.aspx?id=44420&repo=r-165d21d4) at: <https://portal.laserfiche.com/Portal/Browse.aspx?id=44420&repo=r-165d21d4>. The most recent forecast was presented at the October 25, 2021 Town Council Work Session and may be found at the site listed above. All forecasts are based upon the best information available to the Town staff at the time of the presentation and may be subject to substantial uncertainty. The Town staff is pursuing a flexible strategy of responding to conditions as the circumstances surrounding the COVID-19 Emergency evolve by cutting expenditures or by restoring previously reduced expenditures as actual results require or permit. Town staff will continue to monitor the impacts of the COVID-19

Emergency on Town finances and operations, and expects to provide quarterly updates to the Town Council which will be available to the public on the Town's website: <https://www.leesburgva.gov/> on the Town Council's agendas page.

At their regular meeting on June 9, 2020, Town Council accepted the Town of Leesburg's allocation of Federal CARES Act of 2020 funding totaling \$4,797,036. Leesburg has been allocated a second round of \$4,797,036 in CARES Act funding, and has accepted and appropriated that funding in Resolution 2020-094 adopted September 8, 2020. The Town has awarded CARES funding grants to nonprofit organizations in the community and as business stimulus grants to for-profit businesses within the Town under the provisions and restrictions of the CARES Act. Funds not distributed to businesses and nonprofits in Leesburg, have been allocated to offsetting the Town's own first responder and COVID-19 response efforts. Details of the awards may be found on the Town's website at: <https://portal.laserfiche.com/Portal/Browse.aspx?id=44420&repo=r-165d21d4> on the September 8, 2020 agenda. The information found at these locations are as of the date they were posted and are not retroactively updated and as such are subject to subsequent changes and later Town Council decisions. Such changes will be posted <https://www.leesburgva.gov/> on the Town Council's agendas page.

### **Financial Condition**

The Town Government continues to be in very sound financial condition as demonstrated by the financial statements and schedules included in this ACFR. Within the context of a fiscally prudent budget, the Town has maintained its level of services except for the temporary closure of facilities (Ida Lee Park Recreation Center and Thomas Balch Library) as mandated by the Governor of Virginia under the COVID-19 Emergency. As such, Leesburg has continued to provide services to its residents and taxpayers, achieved many programmatic goals, and enhanced the quality of life of the residents of the Town. The Town's management is seeing gradual, but steady economic improvement from the Covid 19 emergency and is cautiously optimistic that it will continue as government and businesses adapt and vaccinations rates improve.

The need to keep stable real estate tax rates continued to exert pressure on maintaining services at existing levels, and maintaining capital promises made to the residents. Keeping existing programs funded and addressing the continuing demands of the community is a challenge during the budgeting process. In an effort to meet these demands, management has developed the following initiatives for the next two years:

- Successfully carry out the Council's policies on long-term budget stability.
- Set and achieve high standards for customer service for all departments.
- Continued focus on employee productivity and operational efficiency to maintain or reduce costs in the face of increased service demands and the COVID-19 Emergency Pandemic.
- Accelerate the application of technology as financially feasible to improve access to Town services, to improve communication with all residents, and to enable increased remote working and service delivery opportunities in compliance with social distancing demands.
- Continued emphasis on an organizational culture that focuses on improving the quality of life for our residents and businesses.
- Focus federal grant revenues and other one-time funding sources into capital projects and other one-time spending programs.

The Town's investment policy is limited by the Virginia Security for Public Deposits Act in utilizing depositories that have been qualified for investments by the Commonwealth of Virginia. Accordingly, deposits were either insured by the Federal Deposit Insurance Corporation (FDIC) or highly collateralized. Funds are invested in cash and cash equivalents with maturities planned to coincide with cash needs. Idle funds available for longer periods of time are invested in the State-maintained Local Government Investment Pool (LGIP), the State Non-Arbitrage Pool (SNAP), the VACo/VML Virginia Investment Pool (intermediate-term, high quality bonds) and Liquidity Pool. These investments fund General Fund and Utilities Fund operations and are the most affected by the Federal Reserve's actions. The Town's investments set aside to fund the future costs of retired employee health insurance, known as Other Post-Employment Benefits or OPEB, are governed by separate state statutes and a separate Town policy that allows for the investment of long-term assets in high quality bonds and equities. The Town's OPEB assets are invested in a Town Council authorized independent trust where the assets are held by US Bank as trustee and managed by PFM, Inc. with the expectation that the assets will generate market-based returns with low fees. These investments have continued to perform at or above the assumed return rates of 7% through the COVID-19 emergency

### **Budgetary Accounting and Internal Controls**

The Town's budget is prepared on the basis of funds which are fiscal and accounting entities with a self-balancing set of accounts recording cash and other financial resources, combined together with all related liabilities and residual equities or balances, and changes therein. The funds are separated for the purpose of carrying on specific activities in accordance with regulations, restrictions, and limitations.

The types of funds maintained by the Town include governmental funds (General Fund, Capital Projects Fund, and a Special Revenue Fund), a fiduciary fund (Other Post Employment Trust Fund), an internal service fund (Health Care Self-insurance Fund), a fiduciary fund (Thomas Balch Library Endowment Trust Fund), and a proprietary fund (Utilities Fund). All governmental and proprietary funds are subject to appropriation by the Town Council. The Town maintains budgetary controls designed to monitor compliance with expenditure limitations contained in annual budget appropriations approved by the Town Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by department within the General Fund. The Town Manager has authority to amend or transfer appropriations between departments. The Town also maintains an encumbrance recording system as one technique for accomplishing budgetary control. Open encumbrances for the General Fund are reported as assigned in the fund balance at the end of the year. The Capital Projects Fund and the NVTAs Special Revenue Fund balances are committed for scheduled projects and have been reported as committed in the fund balances at the end of the fiscal year.

Town management is responsible for establishing and maintaining internal controls designed to ensure the assets of the Town are protected from loss, theft or misuse. The cost of an internal control should not exceed the benefit to be derived and therefore, internal controls are intended to provide reasonable, but not absolute, assurance that the financial statements are free of any material misstatements. The Department of Finance and Administrative Services is always reviewing and assessing the soundness and adequacy of the Town's financial systems and internal controls to ensure the strongest possible structure has been established and maintained.

## Other Information

Independent Audit. Section 2-161 of the *Town Code* requires an annual audit of the financial affairs of the Town by a qualified and competent certified public accountant. Further, 15.2-2511 of the *Code of Virginia* requires an annual audit be performed by independent certified public accountants. Audits must be performed in accordance with auditing standards generally accepted in the United States of America and the standards set forth in the Government Accountability Office's *Government Auditing Standards*. In addition, the auditor must conduct the compliance examinations required by the Single Audit Act Amendments of 1996, the related Uniform Guidance, and the *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. The Town Council has selected the accounting firm of Brown, Edwards and Company, LLP to perform these audit services. The accounting firm's reports are presented in the financial section and the compliance section of this report.

Certificate of Achievement for Excellence. The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Town a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. The GFOA awards a certificate to governmental units that exemplify excellence in financial reporting and conform to stringent reporting requirements promulgated by that association and various authoritative bodies.

To earn a Certificate of Achievement, an ACFR must be clear, thorough, and understandable. The report must be efficiently organized, employ certain standardized terminology and formatting conventions, minimize ambiguities and potentials for misleading inference, enhance understanding of current generally accepted accounting theory, and demonstrate a constructive "spirit of full disclosure".

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues the 32-year tradition of conforming to the Certificate of Achievement Program requirements and standards. We are submitting this ACFR to GFOA to determine its eligibility for another certificate for fiscal year 2021.

For the Fiscal Year ended June 30, 2020, the Town won the coveted "Triple-Crown" of GFOA awards, winning awards for its Comprehensive Annual Financial Report, Budget and Capital Improvement Program document and its first ever Popular Annual Financial Report (PAFR). Only a very few local governments win all three awards in a given year.

Acknowledgements. This report was prepared by the professional staff of the Department of Finance and Administrative Services. The staff's hard work, dedication and continuing efforts to improve the quality of this report directly benefit all who read and use it. Special recognition goes to Diane Starkey, Controller; Willis Felegie, Accounting Manager; Carrie Curry, Staff Accountant; Emily Adams, Accounting Associate; Lisa Haley, Deputy Director of Finance and Administrative Services; and Cole Fazenbaker, Budget Officer for their technical expertise, teamwork, review, and dedicated service in the preparation of this ACFR.

This ACFR reflects the commitment of the Town Council and management to the residents and taxpayers of Leesburg and the financial community to provide information in conformance with the highest standards of financial accountability.

Sincerely,

A handwritten signature in blue ink, appearing to read 'KJD', with a horizontal line extending to the right from the top of the 'D'.

Kaj H. Dentler  
Town Manager

A handwritten signature in black ink, reading 'Clark G. Case' in a cursive style.

Clark G. Case  
Director of Finance and Administrative Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

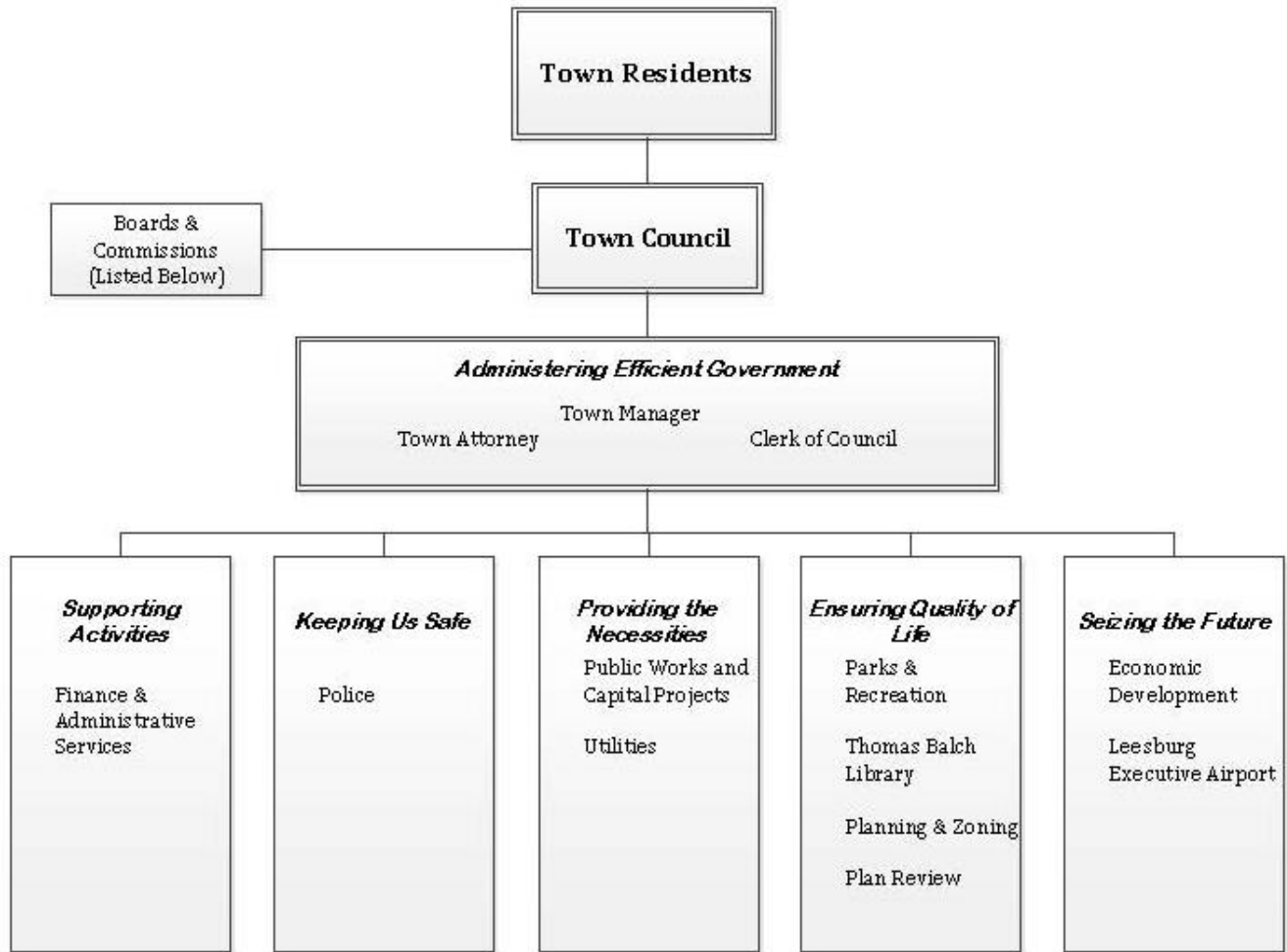
**Town of Leesburg  
Virginia**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morrill*

Executive Director/CEO



- |  |                                 |  |                                 |
|--|---------------------------------|--|---------------------------------|
| Airport Commission                     | Board of Architectural Review   | Board of Zoning Appeals                | Commission on Public Arts       |
| Environmental Advisory Commission      | Economic Development Commission | Technology & Communications Commission | Thomas Balch Library Commission |
| Parks & Recreation Advisory Commission | Planning Commission             | Standing Residential Traffic Committee | Tree Commission                 |
| Diversity Commission                   |                                 |  |                                 |

**TOWN OF LEESBURG, VIRGINIA**  
**DIRECTORY OF PRINCIPAL OFFICIALS**

**TOWN COUNCIL**

Kelly Burk, Mayor  
Fernando “Marty” Martinez, Vice Mayor  
Suzanne Fox  
Kari Nancy  
Ara Bagdasarian  
Zach Cummings  
Neil Steinberg

**TOWN OFFICIALS**

Kaj Dentler ..... Town Manager  
Keith Markel..... Deputy Town Manager  
Chris Spera ..... Town Attorney  
Eileen Boeing ..... Clerk of Council  
Gregory C. Brown ..... Police Chief  
Renee LaFollette..... Director of Public Works and Capital Projects  
Amy Wyks..... Director of Utilities  
Rich Williams..... Director of Parks and Recreation  
Susan Berry-Hill..... Director of Planning and Zoning  
William Ackman ..... Director of Plan Review  
Scott Coffman..... Director of Airport  
Russell Seymour..... Director of Economic Development  
Alexandra Gressitt..... Director of Balch Library  
Clark Case ..... Director of Finance and Administrative Services  
Jakub Jedrzejczak ..... Director of Information Technology  
Joshua Didawick..... Director of Human Resources  
Betsy Arnett..... Public Information Officer

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of Town Council  
Town of Leesburg, Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Leesburg, Virginia (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements as a whole. The introductory, other supplementary information, and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021, on our consideration of the Town's 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 the Town's 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 the Town's internal control over financial reporting and compliance.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
December 9, 2021

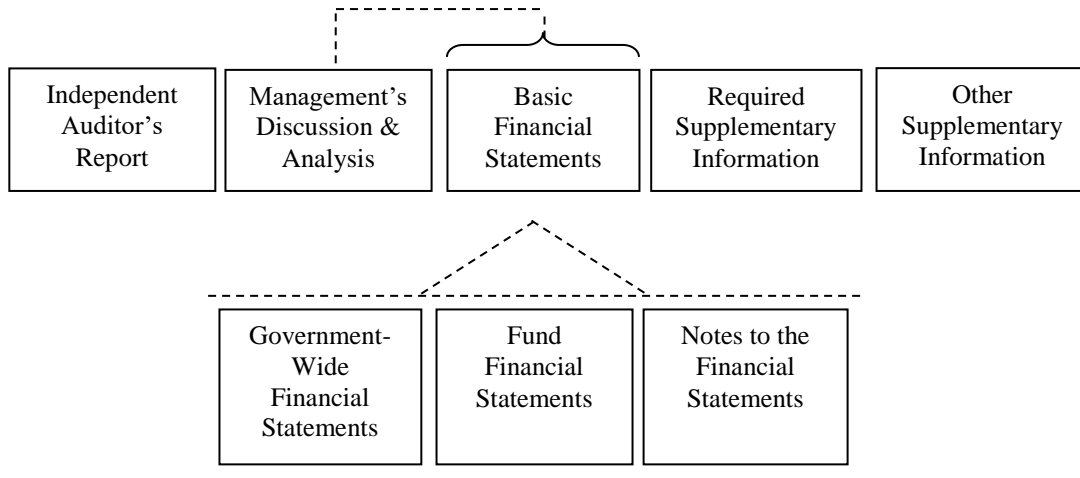
**TOWN OF LEESBURG  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
June 30, 2021**

The Town of Leesburg, Virginia (Town) presents the following Management’s Discussion and Analysis (MD&A) as an overview of the Town’s financial position and activities for the fiscal year ended June 30, 2021. Readers are encouraged to read this discussion and analysis and the letter of transmittal from the Town Manager and the Director of Finance and Administrative Services in conjunction with the Town’s basic financial statements and related notes, which are also contained in this Annual Comprehensive Financial Report (ACFR).

**USING THE FINANCIAL SECTION OF THIS ACFR**

This ACFR consists of four sections: Introductory, Financial, Statistical, and Compliance. As the following chart shows, the financial section of this report has four components – *Management’s Discussion and Analysis* (this section), *Basic Financial Statements*, *Required Supplementary Information*, and *Other Supplementary Information*.

**COMPONENTS OF THE FINANCIAL SECTION**



The Town’s financial statements present two perspectives of the Town’s finances, one for the Town as a whole (government-wide) and the second based on the fund financial statements. The government-wide Financial Statements provide information on an accrual basis and focus on both long-term and short-term information concerning the Town’s overall financial condition. The Fund Financial Statements provide information on a current financial resource basis only and focus on the individual parts of Town government, reporting the Town’s current operations in more detail than in the government-wide statements. Both perspectives (government-wide and individual funds) allow the user to address relevant financial questions, broaden the basis of comparison (year to year or government to government) and enhance the Town’s accountability.

**GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the Town, as a whole, using accounting methods similar to private-sector companies. Specifically, the Statement of Net Position (Exhibit 1) and the Statement of Activities (Exhibit 2), report information about the Town’s assets, liabilities, deferred outflows and inflows of resources, and activities using the accrual basis of accounting. Revenues are recorded and presented in these financial statements in the year in which they are earned, and expenses are recognized in the period in which they were incurred, regardless of when cash is received or paid.

(Continued)

The Town's net position represents the residual amount of cumulative assets, deferred outflows of resources over present liabilities and deferred inflows of resources as of the fiscal year ended June 30, 2021. The revenues and expenses for the current fiscal year are the principal factors affecting the change in the Town's net position, as shown in Exhibit 2. The Town's net position is one way to measure the Town's financial health, as increases or decreases in net position are one indicator of whether its financial position is improving or declining. Further analysis can be achieved by comparing the changes in the revenue, expenses, assets and liabilities to the prior year ACFR's Statement of Activities and Statement of Net Position. Other financial reports as well as nonfinancial factors need to be considered, such as changes in the Town's property tax base, the condition of the Town's infrastructure, the Town's overall budget and capital improvement program in order to assess the overall financial health of the Town.

The Statement of Net Position and the Statement of Activities include the following:

Governmental activities: Most of the Town's basic services are reported in the General Fund including general government; public safety; community development; parks and recreation; library; airport, and public works. Combined with capital improvement projects, accounted for in the Northern Virginia Transportation Authority (NVTVA) and Capital Projects Fund, these funds comprise the majority of the Town's governmental activities. These types of activities are financed primarily by property taxes, other local taxes, charges for services, and federal and state grants.

Business-type activities: The Town charges fees to users to cover all, or a significant portion, of the costs for water and sewer services in the Utilities fund and premiums to cover self-insurance costs in the Internal-service Fund. As such, these services are reported as a business-type activity in the ACFR showing results of activities as self-supporting operations.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide additional information about the Town's most significant funds within the government, as compared to the Government-wide Financial Statements that focus on the Town as a whole. The basis of accounting and the required presentation of related financial statements in the ACFR are based upon each type of fund.

The Town has three types of funds:

Governmental Funds – The Town has three major governmental funds, the General Fund, the Capital Projects Fund, and the NVTVA Special Revenue Fund. Accounting for the basic governmental services, the General Fund is the largest of the governmental funds and functions as the main operating fund of the Town. The Capital Projects Fund accounts for the daily operations of the Division of Capital Projects in the Department of Public Works & Capital Projects including the design, architecture and construction of major capital projects and helps provide control over the resources that have been segregated for those projects. The Special Revenue Fund is used to account for revenue from the NVTVA which is utilized for approved street and road upgrades. The Other Governmental Special Revenue Fund is a non-major governmental fund established for the purchase of collections and to support special library programs for the Thomas Balch Library.

These funds are accounted for under the current financial resource basis of accounting which focuses on (1) how cash and other financial assets can readily be converted to cash flow and (2) how the balances remaining at year-end are available for expenditures. Consequently, the governmental fund statements provide a detailed short-term view that assists the reader in understanding the financial resources available to be spent in the near future to support the Town's operations.

(Continued)

## **FUND FINANCIAL STATEMENTS (Continued)**

The Balance Sheet (Exhibit 3) and the Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit 5) do not encompass the long-term focus. Additional information is presented in the form of reconciliations (Exhibits 4 and 6) to help explain the difference between these individual governmental fund statements and the government-wide statements. These reconciliations present information related to noncurrent assets such as capital assets and noncurrent liabilities such as bonds payable, compensated absences, other postemployment benefits, and deferred outflows/inflows of resources and the changes in these balances.

Proprietary Funds – The Town has two proprietary funds for fiscal year 2021 comprised of one enterprise fund, the Utilities Fund to account for water and sewer services, and one internal service fund, Healthcare Self-insurance. Both the enterprise fund and the internal service fund operate in a manner similar to private business enterprises, where costs are recovered primarily through user charges or fees. However, the funds are distinguished by the type of user – external versus internal. Whereas an enterprise fund is used to account for any activity for which a fee is charged to external users for goods or services, an internal service fund is used to account for the provision of goods or services by one department to another department.

Proprietary fund financial statements provide both short-term and long-term financial information in the Statement of Net Position (Exhibit 8), the Statements of Revenues, Expenses and Changes in Net Position (Exhibit 9) along with the Statement of Cash Flows (Exhibit 10). These financial statements are prepared under the accrual basis of accounting. Because these proprietary fund statements are prepared on the same basis of accounting as the government-wide statements, no additional information is needed for reconciliation to the government-wide statements. Instead, the totals of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position from Exhibits 8 and 9 are presented in the business type column on the Statement of Net Position (Exhibit 1), and the proprietary fund revenues and expenditures are similarly summarized in the Statement of Activities (Exhibit 2).

Fiduciary Fund – The Other Postemployment Benefits (OPEB) Trust Fund is the Town’s fiduciary fund. The fund accumulates resources to cover health and life insurance costs for retired employees. All of the economic resources associated with the operations of the fund are presented in the Statement of Net Position (Exhibit 11) and the Statement of Changes in Net Position (Exhibit 12). Unlike the proprietary funds, fiduciary funds are not required to report a statement of cash flows.

## **FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2021**

The Town’s fiscal policy provides a framework for measuring the impact of services against fiscal guidelines established by the Town Council and Town Manager. These guidelines are designed to promote the fiscal well-being of the Town through management objectives to maximize efficiencies in accounting, financial reporting, safeguarding assets, budgeting revenues and expenses, risk management and planning for the use of debt, and cash and reserve funds in order to link long-term financial planning goals with day-to-day operations. Fiscal policy thereby serves as a tool to increase the Town’s ability to shield itself from fiscal crises and to enhance short-term and long-term credit availability while helping to achieve and maintain the highest credit and bond ratings possible.

(Continued)

## **FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2021 (Continued)**

Total net position of the Town on a government-wide basis is \$520.6 million at June 30, 2021 of which \$344.5 million is attributable to the Town's governmental activities and \$176.0 million to business type activities (Exhibit 1). The government-wide total net position that is unrestricted is \$64.5 million, of which \$21.3 million is unrestricted for governmental activities and \$43.2 million is unrestricted for business-type activities. The Statement of Activities (Exhibit 2) presents all the factors attributed to the \$17.9 million or 3.4 percent increase in the Town's net position from \$502.6 million in fiscal year 2020 to \$520.6 in fiscal year 2021. This increase of \$17.9 million is due to an increase of \$5.9 million in governmental activities and an increase of \$12.0 million in business-type activities. The increases in governmental net position were largely the combined net results of federal and state grant funding related to the COVID-19 emergency and management actions to reduce spending largely through vacant positions, refinancing debt, and cutting operating expenditures. The improvement in business type activities net position were primarily due from the net effects of net operating revenues exceeding expenditures as capital improvements were delayed and one-time installation and connections charges from large, new, commercial, utilities customers.

Total fund balance of the Town's Governmental Funds is \$56.1 million at June 30, 2021 of which \$39.4 million is attributable to the Town's General Fund; \$15.4 million is attributable to the Town's Capital Projects Fund; \$65 thousand is attributable to NVTA Special Revenue Fund; and \$1.3 million is attributable to Other Non-major Governmental Funds (Exhibit 3). The Governmental Funds total fund balance that is unassigned is \$23.3 million. The Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit 5) presents all the factors attributed to the \$13.2 million increase in the total fund balance from \$42.8 million, as stated, in fiscal year 2020. This increase of \$13.2 million is due to an increase of \$12.9 million in the fund balance of the General Fund, an increase of \$0.1 million in the Capital Projects Fund and \$0.2 million in Other Non-major Government Funds. The increase in General Fund balance is due to the factors mentioned above about unassigned fund balance combined with a one-time transfer into General Fund from Capital Projects Fund of gasoline tax funding that is used primarily to fund transit services accounted for in General Fund.

The total net position of the Town's Enterprise Funds is \$176.7 million of which \$176.0 million is attributable to the Town's Utilities Fund and \$0.7 million is attributable to the Town's Internal Service Fund at June 30, 2021 (Exhibit 8). The Utilities Fund's unrestricted net position is \$43.2 million and the Internal Service Fund's unrestricted net position is \$0.7 million. The Statement of Revenue, Expenses and Changes in Net Position (Exhibit 9) presents all the factors attributed to the Utilities Fund's \$11.5 million or 7.0 percent increase from \$165.2 million in fiscal year 2020 to \$176.7 million in fiscal year 2021. This increase in net position were due to \$6.7 million in capital contributions from assets pledged by developers to the Town, \$4.6 million in net operating income and the net effect of non-operating items largely due to one-time installation and connection fees pledged to future expansion of the utilities system. The decrease in net position of \$0.5 million or 42.5 percent from \$1.2 million in 2020 to \$0.7 million in 2021 for the Internal Service Fund, which resulted from premiums for employee and retiree health insurance not fully covering health insurance expenditures, which was a planned draw down of self-insurance fund balance accumulated after several years of better than expected health insurance costs.

(Continued)

# FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

## Statement of Net Position

Table 1 below summarizes and compares the Statement of Net Position (Exhibit 1) for the Town as of June 30, 2021 and 2020.

**Table 1**  
**Summary Statement of Net Position**  
**Comparison as of June 30, 2021 and 2020 (\$ in Thousands)**

	Governmental Activities		Business-Type Activities		Total Reporting Entity	
	2021	2020	2021	2020	2021	2020
<b><u>Assets and Deferred Outflows of Resources</u></b>						
Current and Other Assets	\$ 127,067	\$ 76,003	\$ 54,146	\$ 52,034	\$ 181,213	\$ 128,037
Capital Assets, net	366,263	368,895	189,011	180,383	555,274	549,278
<b>Total Assets</b>	<b>493,330</b>	<b>444,898</b>	<b>243,157</b>	<b>232,417</b>	<b>736,487</b>	<b>677,315</b>
Deferred Outflows of Resources	11,099	10,425	4,459	4,255	15,558	14,680
<b>Total Assets and Deferred Outflow of Resources</b>	<b>504,429</b>	<b>455,323</b>	<b>247,616</b>	<b>236,672</b>	<b>752,045</b>	<b>691,995</b>
<b><u>Liabilities and Deferred Inflows of Resources</u></b>						
Current Liabilities	26,640	14,432	9,218	4,105	35,858	18,537
Long-term Liabilities	73,000	81,158	60,029	67,506	133,029	148,664
<b>Total Liabilities</b>	<b>99,640</b>	<b>95,590</b>	<b>69,247</b>	<b>71,611</b>	<b>168,887</b>	<b>167,201</b>
Deferred Inflows of Resources	60,257	21,088	2,337	1,085	62,594	22,173
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>159,897</b>	<b>116,678</b>	<b>71,584</b>	<b>72,696</b>	<b>231,481</b>	<b>189,374</b>
<b><u>Net Position</u></b>						
Net Investment in Capital Assets	309,534	316,442	132,795	121,945	442,329	438,387
Restricted	13,689	10,973	-	-	13,689	10,973
Unrestricted	21,309	11,230	43,237	42,031	64,546	53,261
<b>Total Net Position</b>	<b>\$ 344,532</b>	<b>\$ 338,645</b>	<b>\$ 176,032</b>	<b>\$ 163,976</b>	<b>\$ 520,564</b>	<b>\$ 502,621</b>

Total net position for the Town's governmental activities increased approximately \$5.9 million or 1.7 percent, to \$344.5 million. This net increase is comprised predominantly of an increase in Unrestricted Net Position of \$10.1 million. In comparison, net position for business-type activities increased approximately \$12.0 million to \$176.0 million when compared to the opening balance of \$164.0 million. This increase is comprised predominantly of an increase in Net Investment in Capital Assets of \$10.9 Million.

The General Fund is the main operating fund of the Town; its total fund balance increased significantly to \$39.4 million from \$26.4 million for fiscal year 2020 (Exhibit A-1). Of this total, the unassigned fund balance was \$23.3 million, an increase of \$8.8 million from \$14.5 million or 37.9% from fiscal year 2020. In comparison, at the end of fiscal year 2020, the unassigned fund balance was \$14.5 million, equal to 55.8 percent of total General Fund expenditures of \$26.4 million. The Assigned Fund Balance Designated for Future Years' Expenditures increased \$0.5 million as a result of an increase in the amount of open purchase orders and contractual expenses carried over to fiscal year 2022.

The Capital Projects Fund accounts for financial resources to be used for the acquisition and/or construction of Town infrastructure including facilities, streets, curbs, sidewalks, and other capital projects. As of June 30, 2021, the Capital Projects fund balance was \$15.4 million (Exhibit 3) compared to \$15.3 million in 2020. Fund balances are used in conjunction with a variety of revenues to begin, continue and complete projects included in the six-year capital improvements program. Unassigned fund balance for fiscal year 2021 was \$0 since all funding was fully committed to future projects and the Town has moved to the use of a line of credit for funding projects whereas unassigned fund balance for fiscal year 2020 was a deficit of \$1.8 million due to contract commitments on capital projects that were not fully funded.

The NVTA fund accounts for financial resources awarded to the Town for transportation projects including construction of streets and other required infrastructure to handle the transportation needs of the Town. As of June 30, 2021 the NVTA total fund balance was \$0.07 million which was restricted for commitments related to projects approved for construction.

(Continued)

## Statement of Activities

Table 2 summarizes and compares the Statement of Activities (Exhibit 2) for the Town for the fiscal years ended June 30, 2021 and 2020.

**Table 2**  
**Summary of Statement of Activities**  
**Comparison for the years ended June 30, 2021 and 2020 (\$ in Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Reporting Entity</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>						
<b>General Revenues:</b>						
Property Taxes	\$ 19,155	\$ 17,555	\$ -	\$ -	\$ 19,155	\$ 17,555
Other Local Taxes	23,007	22,023	-	-	23,007	22,023
Other	4,126	4,401	528	1,467	4,654	5,868
<b>Program Revenues:</b>						
Charges for Services	5,146	5,566	28,104	30,307	33,250	35,873
Operating Grants and Contributions	15,427	8,651	-	-	15,427	8,651
Capital Grants and Contributions	10,098	14,187	520	6,474	10,618	20,661
<b>Total Revenues</b>	<b>76,959</b>	<b>72,383</b>	<b>29,152</b>	<b>38,248</b>	<b>106,111</b>	<b>110,631</b>
<b>EXPENSES</b>						
Legislative	285	306	-	-	285	306
Executive	3,477	2,639	-	-	3,477	2,639
Legal	1,094	1,281	-	-	1,094	1,281
Parks and Recreation	7,093	7,721	-	-	7,093	7,721
Finance	6,376	6,754	-	-	6,376	6,754
Balch Library	482	515	-	-	482	515
Planning and Zoning	1,967	2,156	-	-	1,967	2,156
Public Works	21,333	21,168	-	-	21,333	21,168
Public Safety	13,742	14,497	-	-	13,742	14,497
Plan Review	1,494	1,447	-	-	1,494	1,447
Airport	1,668	1,703	-	-	1,668	1,703
Townwide	5,485	84	-	-	5,485	84
Interest	2,013	2,643	-	-	2,013	2,643
Water and Sewer	-	-	21,657	22,970	21,657	22,970
<b>Total Expenses</b>	<b>66,509</b>	<b>62,914</b>	<b>21,657</b>	<b>22,970</b>	<b>88,166</b>	<b>85,884</b>
<b>Change in Net Position before transfers</b>	<b>10,450</b>	<b>9,469</b>	<b>7,495</b>	<b>15,278</b>	<b>17,945</b>	<b>24,747</b>
Transfers in (out)	(4,562)	1,421	4,562	(1,421)	-	-
<b>Increase (Decrease) in Net Position</b>	<b>5,888</b>	<b>10,890</b>	<b>12,057</b>	<b>13,857</b>	<b>17,945</b>	<b>24,747</b>
<b>Net Position, Beginning of Year</b>	<b>338,645</b>	<b>327,755</b>	<b>163,975</b>	<b>150,118</b>	<b>502,619</b>	<b>477,873</b>
<b>Net Position, End of Year</b>	<b>\$ 344,533</b>	<b>\$ 338,645</b>	<b>\$ 176,032</b>	<b>\$ 163,975</b>	<b>\$ 520,564</b>	<b>\$ 502,620</b>

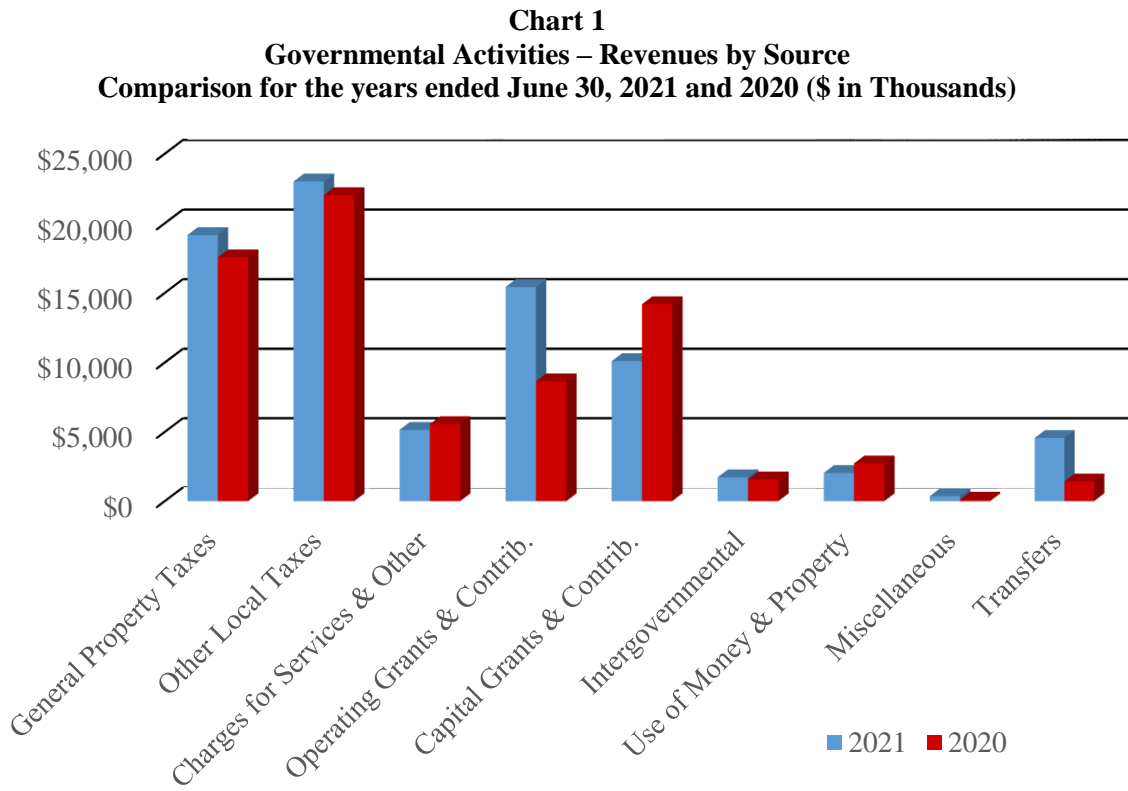
## Governmental Activities

As shown in Table 2 above, total revenue for the Town's governmental activities was \$77.0 million for fiscal year 2021 compared to \$72.4 million for fiscal year 2020. Table 2 also indicates total expenses for governmental activities for fiscal year 2021 were \$66.5 million, compared to \$62.9 million in fiscal year 2020. The increase in revenues were mainly due to an increase in Property Tax Revenue of \$1.6 million and an increase in Operating Grants and Contributions of \$6.7 million, due primarily to CARES funding. The increase in expenses is predominantly due to an increase in Town-wide expenses of \$5.4 million. The expenses included CARES grants issued to local business owners in the amount of \$4.4 million.

(Continued)

**Governmental Activities (Continued)**

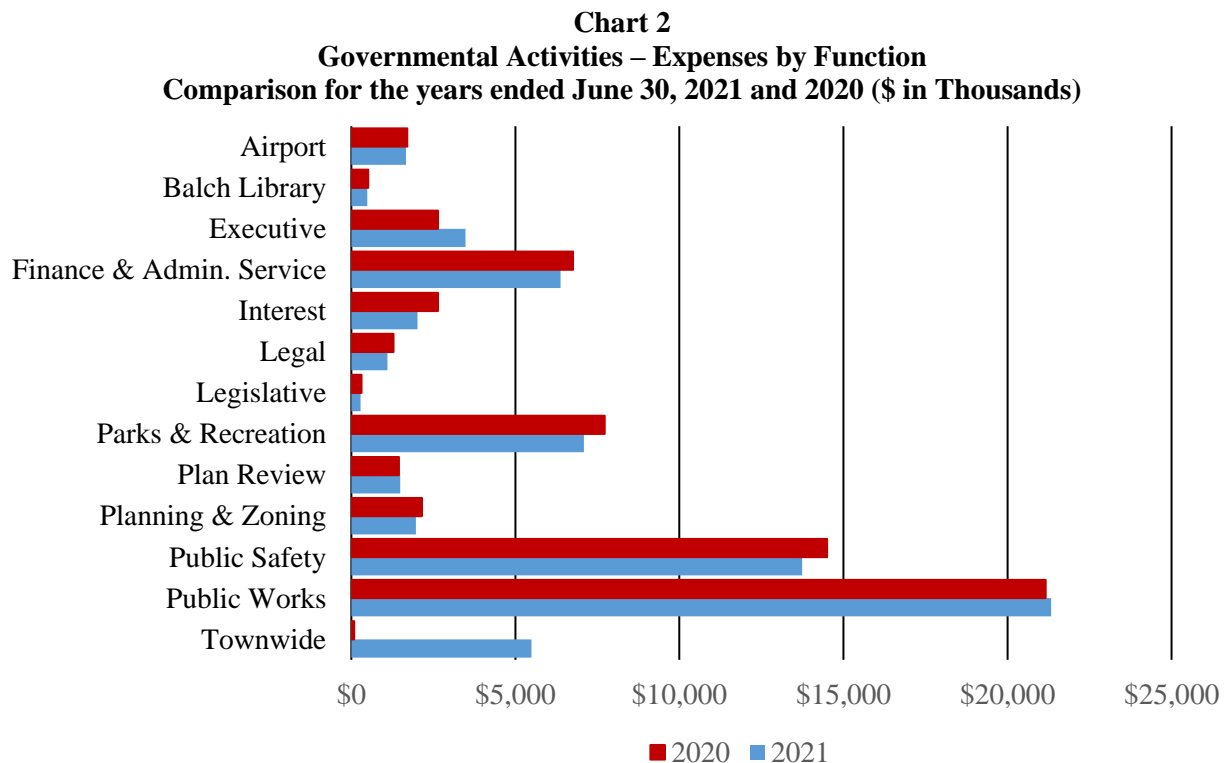
Chart 1 below shows the sources of all governmental revenue for fiscal years 2021 and 2020:



Taxes constitute the largest source of Town revenue totaling approximately \$42.2 million, with general property taxes of \$19.2 million in 2021 and \$17.6 in 2020 (Table 2). As of fiscal year 2020, Loudoun County began billing and collecting local property taxes including real estate and personal property. As a result of aligning practices with Loudoun County, the Town began to concentrate more specifically collection procedures for older tax balances and commercial taxes. Other local taxes, \$23.0 million in 2021 and \$22.0 million in 2020, are generated through business and occupational licenses and consumption based taxes such as taxes on meals, sales and use, cigarettes and utilities. As local governments continue to recover from the impact of COVID-19, fiscal year 2021 did not have an opportunity to realize a full recovery in the local revenues that are generated from Charges for Services. The Town saw a decrease of \$0.5 million in the Charges for Services from \$5.6 million in 2020 to \$5.1 million in 2021.

## Governmental Activities (Continued)

Chart 2 below illustrates total expenses by function.



Public Works was the Town’s largest function with the Town’s cost of service totaling \$21.3 million or 20.1 percent of total expenses. With the on-going uncertainty of revenue due COVID-19, the Town has taken an aggressive stance on monitoring and controlling expenses. In fiscal year 2021, most program expenses were less than those incurred in fiscal year 2020, with the exception of the Townwide expenses, which were \$5.4 million over fiscal year 2020. That increase was due to CARES expenditures associated with the grant. The largest expense included were grants to local business owners, which totaled \$4.4 million. There were slight decreases in Finance and Administration Services, Parks & Recreation and Public Safety of \$0.4 million, \$0.6 million and \$0.7 million respectively. Those decreases were mainly due to management’s continued efforts to control expenses, position vacancies and a travel freeze.

Table 3 below illustrates that general revenue, primarily in the form of taxes, charges for services and state aid, is essential to providing support for the services offered by the Town. These governmental activities generate revenue that assists in offsetting the cost of these services. Table 3 presents the total cost of services and the net cost after fees generated by the activities and allowances for program-specific governmental aid as an integral part of the Town’s governmental activities. The Town generates charges for services primarily from fees for parks and recreation memberships and classes, public safety fines, zoning fees and permits. The Town utilizes grants and contributions primarily for public safety, airport, and public works as much as possible. After recognizing the total revenue from these fees, grants, and contributions of \$30.7 million in 2021, the net cost of governmental activities was \$35.8 million, compared to total costs of \$66.5 million. In 2020, the Town recognized revenue from fees, grants and contributions of \$28.4 million with a net cost of governmental activities of \$34.5 million.

(Continued)

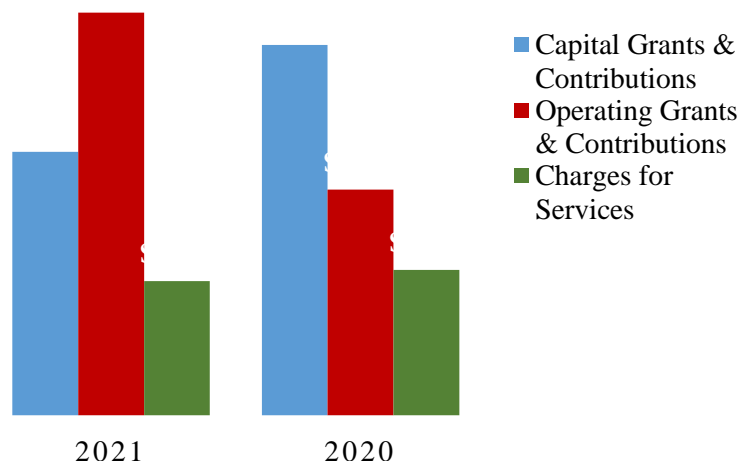
**Governmental Activities (Continued)**

**Table 3**  
**Net Cost of Governmental Activities**  
**Comparison for the years ended June 30, 2021 and 2020 (\$ in Thousands)**

<u>Function:</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Legislative	\$ 285	\$ 306	\$ 285	\$ 306
Executive	3,477	2,639	378	1,722
Legal	1,094	1,281	1,094	1,281
Parks & Recreation	7,093	7,721	3,915	4,398
Finance & Admin. Services	6,376	6,754	6,376	6,754
Balch Library	482	515	482	515
Planning & Zoning	1,967	2,156	459	1,697
Public Works	21,333	21,168	7,235	1,200
Public Safety	13,742	14,497	5,277	12,835
Plan Review	1,494	1,447	1,494	414
Airport	1,668	1,703	1,346	662
Townwide	5,485	84	5,485	84
Interest	2,013	2,643	2,013	2,643
<b>Totals</b>	<b>\$ 66,509</b>	<b>\$ 62,914</b>	<b>\$ 35,839</b>	<b>\$ 34,511</b>

Chart 3 below shows a comparison of program revenue and the three main components: Charges for Services, Operating Grants and Contributions and Capital Grants and Contributions. Revenue from Charges for Services decreased by \$.4 million, program revenue for Operating Grants and Contributions increased \$6.8 million and Capital Grants and Contributions decreased \$4.1 million. The increase in Operating Grants & Contributions was due CARES Funding. The decrease in Capital Grants and Contributions was mainly due to lower capital projects spending in 2021 due to COVID-19 disruptions, since grants revenue is recognized on transportation grants as projects are completed and the revenue is earned.

**Chart 3**  
**Governmental Activities – Program Revenue**  
**Comparison for the years ended June 30, 2021 and 2020 (\$ in Thousands)**



(Continued)

## **Business-type Activities**

Table 2 summarizes the business-type activities for 2021 and indicates the Utilities Fund Government-wide Net Position increased by \$12.0 million of which \$4.6 million was generated by net income from operations, \$3.6 million from one-time installation and connection fees restricted for expansion of the utilities system, and \$6.7 million from assets pledged to the Town by developers. The Statement of Revenue, Expenses and Changes in Net Position (Exhibit 9) details operating and non-operating income and expense factors, as well as capital grants, contributions and transfers for fiscal year 2021 for both the Utilities Fund and the Internal Service Self Insurance Fund.

Business-type activities are generally intended to be self-supporting as fees are established to recover the costs associated with providing the service. Exhibit 8 presents the Statement of Net Position for the Utilities Fund and the Internal Service Self Insurance Fund. In fiscal year 2021, the Utilities Fund's total assets, deferred outflows of resources, liabilities, and deferred inflows of resources were \$243.1 million, \$4.5 million, \$69.3 million and \$2.3 million, respectively. Total Net Position for fiscal year 2021 was \$176.0 million of which \$43.2 million is unrestricted. In fiscal year 2021, the Internal Service Fund's total assets and liabilities were \$1.7 million and \$0.9 million, respectively. Total net position for fiscal year 2021 was \$0.7 million, all of which was unrestricted. This reduction was a planned draw down of Self Insurance Fund balance due to several years of better than expected health insurance costs.

Utilities fees were generated by Charges for Services including water and sewer fixed charges and usage fees, penalties, service charges, and other user fees. Operating revenue for the Utilities Fund for fiscal year 2021 was \$24.5 million compared to \$24.1 million for fiscal year 2020.

Total operating expenses decreased \$0.9 million to \$19.9 million in fiscal year 2021. When combined with the \$.4 million increase in operating revenue the Utilities Fund recognized operating income of \$4.6 million for fiscal year 2021. Non-operating revenues and expenses resulted in a net increase of \$2.3 million. The \$12.0 million increase in net position is mainly due to Capital Contributions of \$6.7 million, one-time installation and connection fees, and an efficient operation, which allows for 28% of net income to total operating revenue.

## **FINANCIAL ANALYSIS OF THE TOWN'S GOVERNMENTAL FUNDS**

The Town uses fund accounting on a current financial resources basis for its governmental funds in compliance with GASB standards. The focus of the Town's governmental funds is to provide information on five financial elements: near-term assets and liabilities, current inflows and outflows, and fund balances of expendable resources. Such information is useful in assessing the Town's financing requirements.

The Town has three major governmental funds: the General Fund, Capital Projects Fund, and NVTA Special Revenue Fund with fund balances of \$39.4 million, \$15.4 million, and \$0.07 million respectively. With a fund balance of \$1.3 million for the non-major fund, the governmental funds total fund balance of \$56.1 million for fiscal year 2021 (Exhibit 3) is an increase \$13.2 million from \$42.8 million in 2020. The increase in total fund balance is mainly due to management's control over expenses due to the uncertainty of revenues due to COVID-19.

(Continued)

**FINANCIAL ANALYSIS OF THE TOWN'S GOVERNMENTAL FUNDS (Continued)**

Table 4 is an excerpt from the Balance Sheet (Exhibit 3) and illustrates the components of the Town's governmental fund balances as of June 30, 2021 and 2020.

**Table 4**  
**Governmental Fund Balances**  
**Comparison for the years ended June 30, 2021 and 2020 (\$ in Thousands)**

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b>Non-Spendable</b>			
Lease deposit	\$ 167	\$ 165	\$ 2
Inventory	6	32	(26)
Prepaid Expenses	221	24	197
<b>Restricted</b>			
Balch Library	1,267	1,055	212
Parks and Recreation	65	51	14
NVTA	51	65	(14)
Police	147	132	15
Proffers	8,493	6,082	2,411
Gas Tax	2,971	2,971	-
Parking-in-lieu	390	380	10
Esummons	307	285	22
<b>Committed</b>			
Capital Projects - Road	1,692	5,323	(3,631)
Capital Projects - Storm Drainage	15	890	(875)
Capital Projects - General Governmental	1,169	1,573	(404)
Capital Projects - Airport	237	256	(19)
Capital Projects - Parks and Recreation	316	-	316
<b>Assigned</b>			
Debt Service Reserve	9,754	9,420	334
Other Reserves	35	11	24
Designated for Future Years	5,460	1,461	3,999
<b>Unassigned</b>	<b>23,299</b>	<b>12,637</b>	<b>10,662</b>
<b>Total Fund Balances</b>	<b>56,062</b>	<b>42,813</b>	<b>13,249</b>

(Continued)

## FINANCIAL ANALYSIS OF THE TOWN'S GOVERNMENTAL FUNDS (Continued)

The General Fund is the main operating fund of the Town; its total fund balance increased during fiscal year 2021 by 32.8 percent or \$13.0 million to \$39.4 million (Exhibit 5). Of this total, the Unassigned Fund Balance was \$23.3 million (Exhibit 3) or 59.2 percent of the total General Fund. In comparison, at the end of fiscal year 2020, the unassigned fund balance was \$14.4 million or 54.8 percent the total General Fund total fund balance. The assigned fund balance designated for future years increased by \$0.5 million as a result of encumbered expenses related to the resumed pre-COVID activity.

The Capital Projects Fund accounts for financial resources to be used for the acquisition and/or construction of Town infrastructure including facilities, streets, curbs, sidewalks, and other capital projects. As of June 30, 2021, the Capital Projects fund balance was \$15.4 million (Exhibit 3) compared to \$15.3 million in 2020. Fund balances are used in conjunction with a variety of revenues to begin, continue and complete projects included in the six-year capital improvements program. Unassigned fund balance for fiscal year 2020 was a deficit of \$1.8 million and unassigned fund balance for fiscal year 2021 was \$3.5 million, for a net change of \$5.3 million predominantly due to the Town's use of a line of credit to just in time finance capital construction, so project commitments open at year end were fully funded.

The NVTA fund accounts for financial resources awarded to the Town for transportation projects including construction of streets and other required infrastructure to handle the transportation needs of the Town. As of June 30, 2021 the NVTA total fund balance was \$0.07 million which was restricted for commitments related to projects approved for construction.

### BUDGETARY HIGHLIGHTS

#### General Fund

Table 5 provides a comparison of original budget, final amended budget, and actual revenues and expenditures of the General Fund.

**Table 5**  
**Condensed Budgetary Comparison**  
**Year ended June 30, 2021 (\$ in Thousands)**

	<b>Fiscal Year 2021</b>		
	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
<b><u>Revenues:</u></b>			
Taxes	\$ 33,194	\$ 33,194	\$ 33,827
Intergovernmental	15,276	24,723	25,104
Other	10,418	10,467	7,645
<b>Total Revenues</b>	<b>58,888</b>	<b>68,384</b>	<b>66,576</b>
<b><u>Expenditures:</u></b>			
Expenditures	60,890	73,455	58,489
<b>Deficiency of Revenue under Expenditures</b>	<b>(2,002)</b>	<b>(5,071)</b>	<b>8,087</b>
<b><u>Other Financing Sources:</u></b>			
Transfers, net	1,202	1,260	4,630
Use of fund balance	800	2,742	-
Issuance of debt	-	-	202
<b>Total Revenues</b>	<b>2,002</b>	<b>4,002</b>	<b>4,832</b>
<b>Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ (1,069)</b>	<b>\$ 12,919</b>

(Continued)

## **BUDGETARY HIGHLIGHTS (Continued)**

### **General Fund (Continued)**

General Fund revenues came in lower than the budget by \$1.8 million. Revenues collected exceeded budget projections for General Property Taxes, Permits/Fees/Licenses, Miscellaneous and Intergovernmental by \$0.9 million, \$0.4 million, \$.009 million and \$0.4 million, respectively (Exhibit 7). General property taxes, including personal property taxes came in over budget by \$0.9 million. Due to the transition of the personal property tax billing to Loudoun County, the Town has budgeted conservatively, but COVID-19 emergency resulted in significant vehicle sales increases in 2021, particularly in used vehicles and increased real estate values in the Leesburg area, which were beyond projections.

Once the original budget is adopted by the Town Council, the operating budget can be amended in one of two ways: First, the Town Manager has the authority to reallocate money within a fund. Second, the Town Council must authorize any changes to a fund's overall appropriation once it has been approved. During the year, budget amendments could be classified in the following key categories:

- Amendments to accommodate the reduction in anticipated revenues due to the fiscal impact of the COVID-19 pandemic
- Amendments for operating and capital projects that were incomplete in the prior fiscal year, and subsequently re-appropriated in the new fiscal year.
- Amendments for supplemental appropriation for new projects, and/or change orders for prior approved projects.
- Amendments for transfers and adjustments to support revised priorities and to adjust to changing condition of the COVID-19 emergency.

The original budgeted expenditures increased by \$7.7 million for fiscal year 2021 (Exhibit 7). This increase is a result of appropriation of Town-wide expenditures for capital projects, use of Cares Act funding to reimburse the Town for the cost of public safety salaries and the transfer of gasoline tax into the General Fund for support of transit services that are budgeted and paid from General Fund and not from the Capital Projects Fund.

(Continued)

## CAPITAL ASSETS AND LONG-TERM DEBT

### Capital Assets

Table 6 provides information on the changes in the capital assets of the governmental activities and the business-type activities as of June 30, 2021 and 2020.

**Table 6**  
**Capital Assets**  
**Comparison as of June 30, 2021 and 2020 (\$ in Thousands)**

	Governmental Activities			Business-Type Activities		
	2021	2020	Change	2021	2020	Change
Land	\$ 64,219	\$ 62,873	\$ 1,346	\$ 1,577	\$ 1,577	\$ -
Buildings and improvement	87,138	87,099	39			-
Water and sewer plant	-	-	-	125,194	116,201	8,993
Water and sewer lines	-	-	-	151,772	149,689	2,083
Equipment and software	12,422	11,318	1,104	5,363	4,456	907
Vehicles	7,193	6,324	869	3,511	3,053	458
Infrastructure and street	310,215	295,063	15,152	-	-	-
Hangars	6,057	6,057	-	-	-	-
Terminals	6,678	6,678	-	-	-	-
Runway	16,570	16,570	-	-	-	-
Construction in progress	21,607	33,784	(12,177)	4,541	2,633	1,908
<b>Total Capital Assets</b>	<b>532,099</b>	<b>525,766</b>	<b>6,333</b>	<b>291,958</b>	<b>277,609</b>	<b>14,349</b>
Accumulated depreciation and amortization	(165,836)	(156,872)	(8,964)	(102,947)	(97,227)	(5,720)
<b>Total Capital Assets, Net</b>	<b>\$ 366,263</b>	<b>\$ 368,894</b>	<b>\$ (2,631)</b>	<b>\$ 189,011</b>	<b>\$ 180,382</b>	<b>\$ 8,629</b>

The Town's Governmental Activities Capital Assets (net of accumulated depreciation and amortization) as of June 30, 2021 and 2020 amounted to approximately \$366.3 million and \$368.9 million, respectively. The net decrease in capital assets (including additions, retirements, depreciation and amortization) was \$2.6 million for governmental activities. The decrease can be attributed to lower project completions than the net reduction from depreciation. The COVID-19 emergency made major construction projects face delays and overruns that led to projects having to be rebid.

The Business-type Activities Capital Assets (net of accumulated depreciation and amortization) as of June 30, 2021 amounted to approximately \$189.0 million for the Utilities Fund compared to \$180.4 million in 2020. The increase is predominantly due to Utilities Fund completing a major rebuild of its waste water treatment dryer facility capital project.

The Town Council approved Fiscal Year 2019 – 2025 Capital Improvement Program (CIP) is a six-year, \$232.4 million program of public improvements for the Town including \$94.0 million in streets and highways improvements, \$30.7 million in general government improvements, \$1.8 million in storm drainage improvements, \$16.2 million in airport improvements, \$10.1 million in parks improvements, \$69.0 million in water and sewer improvements, and \$10.3 million for associated administrative costs. Additional information pertaining to the Town's capital assets can be found in Note 6 of the notes to the financial statements.

(Continued)

## Long-term Debt

The Town's current bond ratings are as follows:

- Moody's Investors Services, Inc. Aaa
- Standard and Poor's AAA
- Fitch Credit Rating Services AAA

The Town's legal limit for outstanding general obligation debt is 10.0 percent of total assessed real property within the Town, which was \$8.3 billion in fiscal year 2020 and remains unchanged in fiscal year 2021. The Town's total long-term obligations of \$53.2 million as of June 30, 2021 and \$51.5 million as of June 30, 2020, are well within the limits set by the Constitution of the Commonwealth of Virginia. Revenue bonds are not included in calculating the legal limit.

Table 7 summarizes the Town's outstanding long-term bonded debt.

**Table 7**  
**Outstanding Long-Term Bonded Debt**  
**Comparison as of June 30, 2021 and 2020 (\$ in Thousands)**

	Governmental Activities			Business-Type Activities		
	2021	2020	Change	2021	2020	Change
General Obligation Bonds	\$ 53,154	\$ 51,508	\$ 1,646	\$ 57,779	\$ 60,268	\$ (2,489)
Revenue Bonds	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 53,154</b>	<b>\$ 51,508</b>	<b>\$ 1,646</b>	<b>\$ 57,779</b>	<b>\$ 60,268</b>	<b>\$ (2,489)</b>

Outstanding long-term debt for governmental activities as of June 30, 2021 is \$60.7 million reflecting an increase of \$4.0 million from fiscal year 2020. Outstanding long-term debt for business activities decreased from \$61.0 million as of June 30, 2020 to \$58.6 million as of June 30, 2021 (see Note 6).

In making debt decisions, the Town adheres to the following as part of its Council Approved Fiscal Policy:

- The Town will not fund current operations from the proceeds of borrowed funds and will confine long-term borrowing and capital leases to capital improvement projects, or equipment that cannot be financed from current financial resources.
- The goal of the Town is to finance at least 25 percent of the cost of capital improvements (in excess of proffers) from non-debt resources.
- The Town will, when financing capital improvements or other projects or equipment by issuing bonds or entering capital leases, repay the debt within a period not to exceed the expected useful life of the project or equipment. Debt related to equipment ancillary to a construction project may be amortized over a period less than that of the predominant project.
- The Town is cognizant of its higher than average debt burden and will continue to offset its impact through rapid payback. An average payback of at least 60 percent in ten years will be maintained, except for projects with a known revenue stream. The Town's current amortization will retire over 85% of debt within 10 years.

(Continued)

## **Long-term Debt (Continued)**

- The Town will annually calculate target debt ratios. The Town’s debt capacity will be maintained within the following predominately goals:
  - Debt service expenditures as a percentage of general fund expenditures will not exceed 15 percent. For fiscal year 2020, this percentage was 13.7 percent. For fiscal year 2021 this percentage was 7.44 percent due to a COVID-19 related restructuring and refinancing of the General Fund debt service. It will return to prior levels in fiscal years 2022 and beyond and the restructuring savings were reserved for use in fiscal years 2022 and 2023 by Town Council.
  - Bonded debt (General Obligation Debt) of the Town will not exceed 2.5 percent of the total assessed value of taxable property in the Town. For fiscal year 2021, this percentage was 1.27 percent.
  - The Town will follow a policy of full disclosure in every annual financial report and financing official statement/offering document. The Town has a Council approved policy of complying with all continuing disclosure requirements under SEC Rule 15c2-12.
- The Town will maintain good communications about its financial condition with bond holders and credit rating institutions.

Additional information relative to the Town’s long-term debt can be found in Note 6 of the notes to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

### **Economic Factors**

- Unemployment rates are not maintained on a town basis. The 2.2 percent unemployment rate for the County of Loudoun in October 2021, according to the Virginia Employment Commission, is decreased from the 4.8 percent rate in October 2020. This rate compares to Virginia’s rate of 3.0 percent and the national rate of 6.6 percent as of October 2021. Loudoun County’s unemployment rate peaked in April 2020 at 9.9 percent due to the COVID-19 pandemic and has steadily declined since then.
- The Town’s population was estimated by the US Census Bureau in 2020 to be 54,488. The actual 2020 US Census Bureau official count was 48,250. Other towns in Loudoun County saw similar overestimates in population growth due the Census Bureau’s flawed methodology, which tied town growth to county growth. Population estimates for the last ten years are provided in the statistical section of this report at Table 17.
- Per capita personal income is not kept on a town basis. However, the County of Loudoun’s per capita personal income for 2020 was \$84,374, according to the U.S. Bureau of Economic Analysis. Based on household income, Loudoun County was ranked the wealthiest county in the nation in 2021.
- The Town government’s full-time equivalency (FTE) employment increased in fiscal year 2021 by 5.0 FTE positions to a total of 380.5. Workforce numbers by department for the last ten years are provided in the statistical section of this report at Table 19.

(Continued)

## **Fiscal Year 2022 Budget and Rates**

- For fiscal year 2022, the adopted budget for the General Fund is \$65.4 million, an increase of \$2.8 million or 4.5 percent, over fiscal year 2021. Revenues are comprised predominately of general taxes at 54.6 percent, intergovernmental assistance at 21.0 percent, other financing sources at 9.8 percent, charges for services at 8.0 percent, use of money & property at 2.9 percent, and other miscellaneous revenue at 3.7 percent.
- In fiscal year 2022, the Town continues to prioritize its services. In the General Fund, the public works department accounts for \$15.3 million and public safety accounts for \$15.5 million or 23.4 and 23.7 percent of the budgeted expenditures respectively.
- Tax rate for real property for tax year 2021 remained unchanged at 18.4¢ per \$100 of assessed value. The personal property tax rate remained unchanged at \$1.00 per \$100 of assessed value. Detail on the tax rates is provided in Table 10 of the statistical section of this report.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our elected officials, residents, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to the Director of Finance and Administrative Services, 25 West Market Street, Leesburg, Virginia 20176, telephone (703) 771-2720, or visit the Town's website at [www.leesburgva.gov](http://www.leesburgva.gov).

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# **BASIC FINANCIAL STATEMENTS**

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## TOWN OF LEESBURG, VIRGINIA

## STATEMENT OF NET POSITION

June 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and cash equivalents (Note 2)	\$ 69,586,501	\$ 48,888,869	\$ 118,475,370
Receivables, net (Note 3)			
Property taxes	10,441,762	-	10,441,762
Utility taxes	127,205	-	127,205
Local taxes	2,284,307	-	2,284,307
Trade and other accounts	646,064	4,691,385	5,337,449
Due from other governments (Note 4)	40,799,841	-	40,799,841
Inventories	6,425	528,488	534,913
Prepaid items and deposit	387,823	37,594	425,417
Restricted cash (Note 2)	2,786,689	-	2,786,689
Capital assets (Note 5)			
Nondepreciable	85,825,641	6,118,362	91,944,003
Depreciable, net	280,437,347	182,892,642	463,329,989
	<u>493,329,605</u>	<u>243,157,340</u>	<u>736,486,945</u>
Total assets			
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions (Notes 11 and 12)	6,676,453	1,774,753	8,451,206
Deferred outflows related to other postemployment benefits (Notes 9, 10, and 12)	3,255,967	865,511	4,121,478
Deferred loss on refunding of debt	1,166,620	1,819,226	2,985,846
	<u>11,099,040</u>	<u>4,459,490</u>	<u>15,558,530</u>
Total deferred outflows of resources			
<b>LIABILITIES</b>			
Accounts payable	3,952,071	2,226,192	6,178,263
Due to other governments	147,230	-	147,230
Accrued payroll and other expenses	2,065,921	526,864	2,592,785
Accrued liabilities – other	392,603	-	392,603
Accrued interest	869,457	925,827	1,795,284
Retainage payable	76,953	172,039	248,992
Performance bonds	1,208,320	9,000	1,217,320
Reserve for proffers	4,597,017	-	4,597,017
Unearned revenue (Note 3)	3,450,303	-	3,450,303
Customer deposits	99,566	1,153,148	1,252,714
Insurance and benefit claims	955,625	-	955,625

(Continued)

The Notes to Financial Statements are an integral part of this Statement.

## TOWN OF LEESBURG, VIRGINIA

## STATEMENT OF NET POSITION

June 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
<b>LIABILITIES (Continued)</b>			
Noncurrent liabilities			
Due within one year (Note 6)			
Compensated absences	\$ 2,164,098	\$ 621,946	\$ 2,786,044
Note payable	1,099,169	2,896	1,102,065
Bonds payable	5,559,664	3,580,336	9,140,000
Due in more than one year (Notes 6)			
Compensated absences	803,912	192,903	996,815
Note payable	3,436,463	10,849	3,447,312
Bonds payable	47,594,524	54,198,809	101,793,333
Net pension liability (Notes 11 and 12)	17,129,132	4,553,313	21,682,445
Other postemployment benefits (Notes 9, 10, and 12)	4,036,671	1,073,039	5,109,710
Total liabilities	<u>99,638,699</u>	<u>69,247,161</u>	<u>168,885,860</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension plan (Notes 11 and 12)	302,365	80,376	382,741
Deferred inflows related to other postemployment benefits (Notes 9, 10, and 12)	8,227,644	2,187,096	10,414,740
Deferred gain on refunding of debt	129,069	70,076	199,145
Grants (Note 3)	42,773,834	-	42,773,834
Property taxes (Note 3)	8,824,714	-	8,824,714
Total deferred inflows of resources	<u>60,257,626</u>	<u>2,337,548</u>	<u>62,595,174</u>
<b>NET POSITION</b>			
Net investment in capital assets	309,533,766	132,795,226	442,328,992
Restricted			
Restricted for capital projects	12,423,240	-	12,423,240
Restricted for Balch Library	1,266,577	-	1,266,577
Unrestricted	<u>21,308,737</u>	<u>43,236,895</u>	<u>64,545,632</u>
Total net position	<u>\$ 344,532,320</u>	<u>\$ 176,032,121</u>	<u>\$ 520,564,441</u>

The Notes to Financial Statements are an integral part of this Statement.

TOWN OF LEESBURG, VIRGINIA

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
Legislative	\$ 284,782	\$ -	\$ -	\$ -	\$ (284,782)		\$ (284,782)
Executive	3,476,734	-	615,674	-	(2,861,060)		(2,861,060)
Legal	1,094,510	-	-	-	(1,094,510)		(1,094,510)
Parks and recreation	7,093,510	3,172,606	4,500	-	(3,916,404)		(3,916,404)
Finance and administrative services	6,375,565	-	-	-	(6,375,565)		(6,375,565)
Balch Library	482,434	-	-	-	(482,434)		(482,434)
Planning and zoning	1,967,412	299,752	-	-	(1,667,660)		(1,667,660)
Public works	21,333,317	72,114	3,928,356	10,098,336	(7,234,511)		(7,234,511)
Public safety	13,741,579	293,768	1,196,462	-	(12,251,349)		(12,251,349)
Plan review	1,493,857	1,208,102	-	-	(285,755)		(285,755)
Airport	1,667,720	99,390	223,137	-	(1,345,193)		(1,345,193)
Townwide	5,484,709	-	9,458,419	-	3,973,710		3,973,710
Interest	2,013,094	-	-	-	(2,013,094)		(2,013,094)
Total governmental activities	66,509,223	5,145,732	15,426,548	10,098,336	(35,838,607)		(35,838,607)
Business-type activities:							
Utilities	21,657,431	28,103,698	-	520,097		\$ 6,966,364	6,966,364
Total business-type activities	21,657,431	28,103,698	-	520,097		6,966,364	6,966,364
Total government	\$ 88,166,654	\$ 33,249,430	\$ 15,426,548	\$ 10,618,433	(35,838,607)	6,966,364	(28,872,243)
General Revenues:							
Taxes:							
General property taxes, including penalties					19,155,387	-	19,155,387
Other local taxes:							
Communication sales and use					7,993,969	-	7,993,969
Meals					5,540,382	-	5,540,382
Business and occupational licenses					4,031,292	-	4,031,292
Utility					1,488,711	-	1,488,711
Cigarette					616,040	-	616,040
Other local taxes					3,336,541	-	3,336,541
Intergovernmental, non-categorical aid					1,725,059	-	1,725,059
Use of money and property					2,039,440	83,482	2,122,922
Miscellaneous					361,665	445,051	806,716
Transfers					(4,562,156)	4,562,156	-
Total general revenues and transfers, net					41,726,330	5,090,689	46,817,019
Change in net position					5,887,723	12,057,053	17,944,776
Net position, beginning,					338,644,597	163,975,068	502,619,665
Net position, ending					\$ 344,532,320	\$ 176,032,121	\$ 520,564,441

The Notes to Financial Statements are an integral part of this statement.

## TOWN OF LEESBURG, VIRGINIA

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2021**

	General	Capital Projects Fund	NVT A	Other Governmental Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash, cash equivalents, and investments	\$ 37,537,959	\$ 29,332,899	\$ -	\$ 1,271,183	\$ 68,142,041
Receivables (net of allowance for doubtful accounts)					
Property taxes, including penalties	10,441,762	-	-	-	10,441,762
Utility taxes	127,205	-	-	-	127,205
Local taxes	2,284,307	-	-	-	2,284,307
Accounts	416,519	-	-	-	416,519
Due from other governments	6,937,111	1,402,433	32,460,297	-	40,799,841
Lease deposit	166,729	-	-	-	166,729
Inventory	6,425	-	-	-	6,425
Prepaid items	221,094	-	-	-	221,094
Restricted cash	1,488,900	-	1,297,789	-	2,786,689
	<u>\$ 59,628,011</u>	<u>\$ 30,735,332</u>	<u>\$ 33,758,086</u>	<u>\$ 1,271,183</u>	<u>\$ 125,392,612</u>
Total assets					
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 2,267,529	\$ 1,568,410	\$ 86,285	\$ 4,606	\$ 3,926,830
Due to other governments	96,047	4,588	46,595	-	147,230
Retainage payable	-	76,953	-	-	76,953
Accrued payroll	2,065,921	-	-	-	2,065,921
Accrued liabilities – other	392,603	-	-	-	392,603
Customer deposits	99,566	-	-	-	99,566
Performance bonds	1,208,320	-	-	-	1,208,320
Reserve for proffers	100,777	4,496,240	-	-	4,597,017
Unearned revenue	3,450,303	-	-	-	3,450,303
	<u>9,681,066</u>	<u>6,146,191</u>	<u>132,880</u>	<u>4,606</u>	<u>15,964,743</u>
Total liabilities					
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Grants	-	9,214,077	33,559,757	-	42,773,834
Property taxes	10,591,973	-	-	-	10,591,973
	<u>10,591,973</u>	<u>9,214,077</u>	<u>33,559,757</u>	<u>-</u>	<u>53,365,807</u>
Total deferred inflows of resources					

(Continued)

The Notes to Financial Statements are an integral part of this statement.

TOWN OF LEESBURG, VIRGINIA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021

	General	Capital Projects Fund	NVT A	Other Governmental Fund	Total Governmental Funds
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (Continued)</b>					
<b>FUND BALANCES</b>					
Nonspendable					
Lease deposit	\$ 166,729	\$ -	\$ -	\$ -	\$ 166,729
Inventory	6,425	-	-	-	6,425
Prepaid costs	221,094	-	-	-	221,094
Restricted					
Thomas Balch Library Endowment Fund	-	-	-	1,266,577	1,266,577
NVT A	-	-	65,449	-	65,449
Parks and recreation (Symmington)	50,521	-	-	-	50,521
Police	146,600	-	-	-	146,600
Proffers	-	8,493,436	-	-	8,493,436
Gas tax	2,970,810	-	-	-	2,970,810
Parking in lieu	389,595	-	-	-	389,595
Esummons	306,829	-	-	-	306,829
Committed					
Capital Projects – general government	-	1,169,478	-	-	1,169,478
Capital Projects – parks and recreation	-	316,085	-	-	316,085
Capital Projects – streets and highways	-	1,692,280	-	-	1,692,280
Capital Projects – storm drainage	-	14,845	-	-	14,845
Capital Projects – airport	-	237,468	-	-	237,468
Assigned					
Debt service reserve	9,753,620	-	-	-	9,753,620
Other reserves	35,190	-	-	-	35,190
Expenditures designated for future years	2,008,173	3,451,472	-	-	5,459,645
Unassigned	23,299,386	-	-	-	23,299,386
<b>Total fund balances</b>	<b>39,354,972</b>	<b>15,375,064</b>	<b>65,449</b>	<b>1,266,577</b>	<b>56,062,062</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 59,628,011</b>	<b>\$ 30,735,332</b>	<b>\$ 33,758,086</b>	<b>\$ 1,271,183</b>	<b>\$ 125,392,612</b>

The Notes to Financial Statements are an integral part of this statement.

## TOWN OF LEESBURG, VIRGINIA

**RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2021**

**Total fund balances – governmental funds** \$ 56,062,062

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Governmental capital assets	\$ 532,098,949	
Less accumulated depreciation and amortization	(165,835,961)	
Net capital assets		366,262,988

Deferred revenue represents amounts that were not available to fund current expenditures and, therefore, is not reported as revenue in the governmental funds.

1,767,259

Financial statement elements related to other postemployment benefits and pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows related to:		
Pensions	6,676,453	
Other postemployment benefits	3,255,967	
Deferred inflows related to:		
Pensions	(302,365)	
Other postemployment benefits	(8,227,644)	
Net pension liability	(17,129,132)	
Other postemployment benefit liability	(4,036,671)	(19,763,392)

For debt refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources.

Deferred loss on refunding of debt	1,166,620	
Deferred gain on refunding of debt	(129,069)	
		1,037,551

Internal service funds are used by management to charge the costs of services provided to other departments or funds.

693,139

Long-term liabilities, including interest payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.

Bonds payable	(53,154,188)	
Note payable	(4,535,632)	
Compensated absences	(2,968,010)	
Interest payable	(869,457)	(61,527,287)

**Net position of governmental activities** **\$ 344,532,320**

The Notes to Financial Statements are an integral part of this statement.

## TOWN OF LEESBURG, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2021**

	General	Capital Projects Fund	NVTA	Other Governmental Fund	Total Governmental Funds
<b>REVENUES</b>					
General property taxes	\$ 18,814,097	\$ -	\$ -	\$ -	\$ 18,814,097
Other local taxes	15,012,966	-	-	-	15,012,966
Permits, fees, and licenses	1,607,244	-	-	-	1,607,244
Fines and forfeitures	252,776	-	-	-	252,776
Use of money and property	2,050,266	(10,826)	-	-	2,039,440
Charges for services	3,285,712	-	-	-	3,285,712
Contributions and proffers	319,188	1,980,706	-	46,250	2,346,144
Miscellaneous	129,480	-	-	232,185	361,665
Intergovernmental	25,104,481	1,462,062	2,468,952	-	29,035,495
Total revenues	<u>66,576,210</u>	<u>3,431,942</u>	<u>2,468,952</u>	<u>278,435</u>	<u>72,755,539</u>
<b>EXPENDITURES</b>					
Current					
Legislative	266,202	-	-	-	266,202
Executive	3,087,773	-	-	-	3,087,773
Legal	1,073,543	-	-	-	1,073,543
Finance and administrative services	6,158,087	-	-	-	6,158,087
Public safety	13,243,794	-	-	-	13,243,794
Public works	14,255,891	-	-	-	14,255,891
Parks and recreation	5,939,831	-	-	-	5,939,831
Balch Library	457,314	-	-	8,666	465,980
Planning and zoning	1,942,018	-	-	-	1,942,018
Plan review	1,490,510	-	-	-	1,490,510
Airport	737,823	-	-	-	737,823
Townwide	5,484,709	-	-	-	5,484,709
Capital projects	-	6,915,345	2,468,952	43,631	9,427,928
Debt service					
Principal	2,469,961	-	-	-	2,469,961
Interest and fiscal charges	1,881,416	-	-	-	1,881,416
Debt issuance costs	-	507,390	-	-	507,390
Total expenditures	<u>58,488,872</u>	<u>7,422,735</u>	<u>2,468,952</u>	<u>52,297</u>	<u>68,432,856</u>
Excess (deficiency) of revenues over expenditures	<u>8,087,338</u>	<u>(3,990,793)</u>	<u>-</u>	<u>226,138</u>	<u>4,322,683</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital lease proceeds	202,011	749,251	-	-	951,262
Loan proceeds	-	1,750,000	-	-	1,750,000
Issuance of debt	-	4,243,039	-	-	4,243,039
Issuance of refunding debt	-	8,610,000	-	-	8,610,000
Premium on bonds	-	1,174,178	-	-	1,174,178
Payments to escrow for refunding	-	(9,380,000)	-	-	(9,380,000)
Transfers in	6,093,703	1,464,000	-	-	7,557,703
Transfers out	(1,464,000)	(4,502,514)	-	(14,191)	(5,980,705)
Total other financing sources (uses), net	<u>4,831,714</u>	<u>4,107,954</u>	<u>-</u>	<u>(14,191)</u>	<u>8,925,477</u>
Net change in fund balances	<u>12,919,052</u>	<u>117,161</u>	<u>-</u>	<u>211,947</u>	<u>13,248,160</u>
Fund balances, beginning	<u>26,435,920</u>	<u>15,257,903</u>	<u>65,449</u>	<u>1,054,630</u>	<u>42,813,902</u>
Fund balances, ending	<u>\$ 39,354,972</u>	<u>\$ 15,375,064</u>	<u>\$ 65,449</u>	<u>\$ 1,266,577</u>	<u>\$ 56,062,062</u>

The Notes to Financial Statements are an integral part of this statement.

## TOWN OF LEESBURG, VIRGINIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2021**

<b>Net change in fund balances – total governmental funds</b>	\$	13,248,160
Reconciliation of amounts reported for governmental activities in the Statement of Activities:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
Expenditure for capital assets	\$ 9,531,634	
Book value of assets disposed	(146,671)	
Less depreciation and amortization expense	(9,739,720)	
Excess of depreciation and amortization over capital outlay		(354,757)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		
Donated capital assets		3,862,276
The transfer of capital assets from governmental activities to an enterprise fund are reported as transfers out in the government-wide statement of activities.		
		(6,139,154)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in deferred revenue		341,290
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayments of the principal on long-term debt consumes the current financial resources of governmental funds. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Debt issued or incurred:		
Issuance of debt, loan and capital lease proceeds	(15,554,301)	
Bond premiums	(1,174,178)	
Payments to escrow for refunding	9,380,000	
Principal retired on:		
General obligation debt and notes payable	2,469,961	
		(4,878,518)
Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Employer pension contributions	2,320,693	
Pension expense	(3,441,759)	
		(1,121,066)
Governmental funds report employer other postemployment benefit contributions as expenditures. However, in the Statement of Activities the cost of these benefits earned, net of employer contributions, is reported as other postemployment benefit expense.		
Employer other postemployment contributions	116,100	
Other postemployment benefits income	1,070,991	
		1,187,091
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Accrued interest	6,498	
Compensated absences	(120,901)	
Amortization of premiums and deferred charges on refundings	299,438	
Changes in premiums and deferred charges due to refundings	69,775	
		254,810
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds are reported with governmental activities and business-type activities in the Statement of Activities.		
Net revenue (expense) of internal service funds	(512,409)	
		(512,409)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>5,887,723</b>

The Notes to Financial Statements are an integral part of this statement.

## TOWN OF LEESBURG, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL – GENERAL FUND  
Year Ended June 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
General property taxes	\$ 17,833,600	\$ 17,833,600	\$ 18,814,097	\$ 980,497
Other local taxes	15,360,000	15,360,000	15,012,966	(347,034)
Permits, fees, and licenses	1,174,750	1,174,750	1,607,244	432,494
Fines and forfeitures	542,000	542,000	252,776	(289,224)
Use of money and property	2,767,755	2,814,744	2,050,266	(764,478)
Charges for services	5,533,615	5,533,615	3,285,712	(2,247,903)
Contributions	310,000	311,696	311,696	-
Proffers	51,000	51,000	7,492	(43,508)
Miscellaneous	39,300	39,300	129,480	90,180
Intergovernmental	15,276,138	24,723,464	25,104,481	381,017
Total revenues	<u>58,888,158</u>	<u>68,384,169</u>	<u>66,576,210</u>	<u>(1,807,959)</u>
<b>EXPENDITURES</b>				
Current				
Legislative	273,254	286,860	266,202	20,658
Executive	2,285,483	3,303,229	3,087,773	215,456
Legal	977,427	1,188,668	1,073,543	115,125
Finance and administrative services	6,722,046	6,754,121	6,158,087	596,034
Public safety	15,107,467	14,242,290	13,243,794	998,496
Public works	14,519,394	15,402,772	14,255,891	1,146,881
Parks and recreation	7,720,030	7,185,444	5,939,831	1,245,613
Balch Library	554,579	545,440	457,314	88,126
Planning and zoning	2,085,905	2,047,627	1,942,018	105,609
Plan review	1,527,877	1,552,197	1,490,510	61,687
Airport	839,878	840,711	737,823	102,888
Townwide expenditures	(236,000)	6,621,769	5,484,709	1,137,060
Debt service				
Principal	6,431,792	6,431,792	2,469,961	3,961,831
Interest and fiscal charges	2,081,381	2,160,520	1,881,416	279,104
Total expenditures	<u>60,890,513</u>	<u>68,563,440</u>	<u>58,488,872</u>	<u>10,074,568</u>
Excess (deficiency) of revenues over expenditures	<u>(2,002,355)</u>	<u>(179,271)</u>	<u>8,087,338</u>	<u>8,266,609</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	2,831,998	2,831,998	6,093,703	3,261,705
Transfers out	(1,630,000)	(1,572,188)	(1,464,000)	108,188
Proceeds from capital lease	-	-	202,011	202,011
Use of fund balance	800,357	2,742,741	-	(2,742,741)
Total other financing sources (uses), net	<u>2,002,355</u>	<u>4,002,551</u>	<u>4,831,714</u>	<u>829,163</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,823,280</u>	<u>\$ 12,919,052</u>	<u>\$ 9,095,772</u>

The Notes to Financial Statements are an integral part of this statement.

## TOWN OF LEESBURG, VIRGINIA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2021

	<u>Business-Type Activities – Enterprise Fund Utilities</u>	<u>Governmental Activities Internal Service Self Insurance Fund</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 48,888,869	\$ 1,444,460
Receivables (net of allowance for doubtful accounts):		
Trade and other accounts	4,691,385	229,545
Prepaid expenses	37,594	-
Inventories	528,488	-
	<u>54,146,336</u>	<u>1,674,005</u>
Total current assets		
<b>NONCURRENT ASSETS</b>		
Nondepreciable assets	6,118,362	-
Depreciable assets, net	182,892,642	-
	<u>189,011,004</u>	<u>-</u>
Total noncurrent assets		
	<u>243,157,340</u>	<u>1,674,005</u>
Total assets		
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension plan	1,774,753	-
Deferred outflows related to other postemployment benefits	865,511	-
Deferred loss on refunding	1,819,226	-
	<u>4,459,490</u>	<u>-</u>
Total deferred outflows of resources		
	<u>247,616,830</u>	<u>1,674,005</u>
Total assets and deferred outflows of resources		

(Continued)

The Notes to Financial Statements are an integral part of this statement.

## TOWN OF LEESBURG, VIRGINIA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2021

	<u>Business-Type Activities – Enterprise Fund Utilities</u>	<u>Governmental Activities Internal Service Self Insurance Fund</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 2,226,192	\$ 25,241
Accrued expenses	526,864	-
Accrued interest	925,827	-
Compensated absences	621,946	-
Retainage payable	172,039	-
Note payable	2,896	-
Bonds payable	3,580,336	-
Performance bonds payable	9,000	-
Customer deposits and contingent charges	1,153,148	-
Insurance and benefit claims	-	955,625
Total current liabilities	<u>9,218,248</u>	<u>980,866</u>
<b>NONCURRENT LIABILITIES</b>		
Compensated absences	192,903	-
Net pension liability	4,553,313	-
Net other postemployment benefit liability	1,073,039	-
Note payable	10,849	-
Bonds payable, net	<u>54,198,809</u>	<u>-</u>
Total noncurrent liabilities	<u>60,028,913</u>	<u>-</u>
Total liabilities	<u>69,247,161</u>	<u>980,866</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related pension plan	80,376	-
Deferred inflows related to other postemployment benefits	2,187,096	-
Deferred gain on refunding	<u>70,076</u>	<u>-</u>
Total deferred inflows of resources	<u>2,337,548</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>71,584,709</u>	<u>980,866</u>
<b>NET POSITION</b>		
Net investment in capital assets	132,795,226	-
Unrestricted	<u>43,236,895</u>	<u>693,139</u>
Total net position	<u>\$ 176,032,121</u>	<u>\$ 693,139</u>

The Notes to Financial Statements are an integral part of this statement.

## TOWN OF LEESBURG, VIRGINIA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended June 30, 2021**

	<u>Business-Type Activities – Enterprise Fund Utilities</u>	<u>Governmental Activities Internal Service Self Insurance Fund</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 24,404,030	\$ 4,536,056
Other	67,709	-
Total operating revenues	<u>24,471,739</u>	<u>4,536,056</u>
<b>OPERATING EXPENSES</b>		
Personnel service	8,883,963	-
Contractual services	1,994,510	-
Depreciation and amortization	6,107,131	-
Materials and supplies	1,670,851	-
Continuous charges	1,137,668	-
Claims and settlements	294	-
Internal and other	92,941	-
Risk financing and benefit payments	-	5,048,465
Total operating expenses	<u>19,887,358</u>	<u>5,048,465</u>
Operating income (loss)	<u>4,584,381</u>	<u>(512,409)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest on investments	83,482	-
Rental and other charges	377,342	-
Installation and connection charges	3,699,668	-
Interest and fiscal charges	(1,770,073)	-
Total nonoperating revenues (expenses), net	<u>2,390,419</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>6,974,800</u>	<u>(512,409)</u>
<b>TRANSFERS</b>		
Transfers out	(1,576,998)	-
Total transfers	<u>(1,576,998)</u>	<u>-</u>
Capital contributions	6,659,251	-
Change in net position	12,057,053	(512,409)
Total net position, beginning	<u>163,975,068</u>	<u>1,205,548</u>
Total net position, ending	<u>\$ 176,032,121</u>	<u>\$ 693,139</u>

The Notes to Financial Statements are an integral part of this statement.

## TOWN OF LEESBURG, VIRGINIA

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year Ended June 30, 2021

	<b>Business-Type Activities – Enterprise Fund Utilities</b>	<b>Governmental Activities Internal Service Self Insurance Fund</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 24,237,802	\$ -
Receipts from interfund services provided	-	4,530,590
Claims and benefits paid	-	(5,066,715)
Payments to suppliers for goods and services	(3,964,264)	-
Payments to employees for services	(8,844,608)	-
Net cash provided by (used in) operating activities	<u>11,428,930</u>	<u>(536,125)</u>
<b>NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Transfers out	<u>(1,576,998)</u>	<u>-</u>
Net cash used in noncapital and related financing activities	<u>(1,576,998)</u>	<u>-</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Installation and connection charges	3,699,668	-
Acquisition and construction of capital assets	(8,018,971)	-
Payment to escrow agent for debt refunding	(5,105,000)	-
Proceeds from debt issuance	772,618	-
Premiums from bond refunding	639,038	-
Principal paid on debt	(2,784,799)	-
Proceeds from bond refunding	4,640,000	-
Proceeds from issuance of note payable	9,335	-
Interest and fiscal charges	<u>(2,273,829)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(8,421,940)</u>	<u>-</u>
<b>INVESTING ACTIVITIES</b>		
Interest income	83,482	-
Rental income	<u>377,342</u>	<u>-</u>
Net cash provided by investing activities	<u>460,824</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,890,816	(536,125)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	<u>46,998,053</u>	<u>1,980,585</u>
Ending	<u>\$ 48,888,869</u>	<u>\$ 1,444,460</u>

(Continued)

The Notes to Financial Statements are an integral part of this statement.

## TOWN OF LEESBURG, VIRGINIA

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2021**

	<b>Business-Type Activities – Enterprise Fund Utilities</b>	<b>Governmental Activities Internal Service Self Insurance Fund</b>
<b>RECONCILIATION TO EXHIBIT 8</b>		
Cash and cash equivalents	\$ 48,888,869	\$ -
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 4,584,381	\$ (512,409)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	6,107,131	-
Pension expense, net of contributions	298,005	-
Other postemployment benefit expense, net of contributions	(315,555)	-
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(192,465)	(5,466)
Prepaid expenses	(5,100)	-
Inventories	(23,533)	-
Increase (decrease) in:		
Accounts payable	867,398	23,702
Accrued liabilities	150,140	-
Insurance and benefit claims	-	(41,952)
Customer deposits and contingent charges	(41,472)	-
Net cash provided (used in) by operating activities	\$ 11,428,930	\$ (536,125)
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital contributions	\$ 6,659,251	\$ -
Capital assets included in retainage payable	\$ 172,039	\$ -

The Notes to Financial Statements are an integral part of this statement.

**TOWN OF LEESBURG, VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**June 30, 2021**

	<b>OPEB Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 64,753
Mutual funds-equity	11,012,810
Mutual funds-fixed income	6,441,662
Total assets	17,519,225
<b>NET POSITION</b>	
Net position restricted for other postemployment benefits (OPEB)	\$ 17,519,225

## TOWN OF LEESBURG, VIRGINIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**Year Ended June 30, 2021**

	<u><b>OPEB Trust Fund</b></u>
<b>ADDITIONS</b>	
Employer contributions	<u>\$ 601,045</u>
Total contributions	601,045
<b>INVESTMENT INCOME</b>	
Realized gain on sale of investments	804,310
Interest and dividends earned on investments	276,985
Net increase in fair value of investments	<u>2,400,361</u>
Total additions, net	<u>4,082,701</u>
<b>DEDUCTIONS</b>	
Administrative fees	68,159
Benefit payments	<u>385,904</u>
Total deductions	<u>454,063</u>
Change in net position	3,628,638
Net position, beginning	<u>13,890,587</u>
Net position, ending	<u><u>\$ 17,519,225</u></u>

The Notes to Financial Statements are an integral part of this statement.

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 1. Summary of Significant Accounting Policies**

The financial statements of the Town of Leesburg, Virginia (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units promulgated by the Governmental Accounting Standards Board (GASB). Significant accounting policies of the Town are described below.

**A. Reporting Entity**

The Town is located in the County of Loudoun, Virginia and was incorporated in 1758 under the provisions of the Constitution and general statutes of the Commonwealth of Virginia.

The Town is an incorporated municipal government governed by an elected mayor and six member council. As required by GAAP, these financial statements present the Town and any potential component units, entities for which the Town is considered to be financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit’s Board and either (a) the ability to impose its will on the component unit, or (b) the possibility the component unit will provide a financial benefit to or impose a financial burden on the primary government.

**B. Government-Wide and Fund Financial Statements**

*Government-Wide Financial Statements*

The Statement of Net Position and the Statement of Activities display information on all of the activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Eliminations have been made to minimize the double-counting of internal activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

*Fund Financial Statements*

Separate financial statements are provided for governmental funds and the Town’s proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The Town’s proprietary funds are reported separately in the fund financial statements.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Basis of Presentation – Fund Accounting**

The accounts of the Town are organized on the basis of funds which are considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues and expenditures or expenses, as appropriate. The various funds of the Town are included in the financial statements as follows:

1. Governmental Funds are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.” The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following comprise the Town’s major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. All general tax revenues and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many important activities of the Town, including operation of the Town’s general service departments, street and highway maintenance, public safety, parks and recreation, library, and airport are accounted for in this fund.

Capital Projects Fund – The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets, unless financed through proprietary funds.

Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action. The Town reports the NVTA Fund as a major fund and the Thomas Balch Library Endowment Fund as a nonmajor governmental fund.

2. Proprietary Fund types are used to account for activities which are similar to those often found in the private sector. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, and transfers related to the Town’s business activities are accounted for through a single proprietary fund. The measurement focus is on income determination, financial position, and cash flows.

Enterprise Fund – Enterprise funds are used to finance and account for the acquisition, operation, and maintenance of the Town’s facilities and services, which are supported primarily by user charges. The following comprises the Town’s major enterprise fund:

Utilities Fund – This fund is used to account for the operation and maintenance of the Town’s water system and sanitary sewer system.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Basis of Presentation – Fund Accounting (Continued)**

The Town reports the following internal service fund:

Self Insurance Fund – This fund accounts for the costs associated with providing health insurance benefits to employees of the Town and with managing claims thereto.

Fiduciary Fund – Fiduciary funds (trust and custodial funds) account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. These funds utilize the accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements. The Town's sole fiduciary fund is the Other Postemployment Benefits (OPEB) Trust Fund which accounts for activities of the Town's other postemployment benefits. This fund accumulates resources for health insurance for retired employees.

**D. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the *accrual* basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified* accrual basis of accounting. Revenues are recognized as soon as 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, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures related to compensated absences, and claims and judgments are recorded only when payment is due.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues to fund the program.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure, and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines and forfeitures, charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received, but investment earnings are recorded as earned, since they are measurable and available.

Amounts reported as program revenues include a) charges to customers or applicants for goods, services, or privileges provided, b) operating grants and contributions, and c) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund are charges to customers for commodities and services. Operating expenses for enterprise funds include the cost of commodities and services, administrative expenses and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**E. Budgetary Data**

Budgets are adopted and maintained on the modified accrual basis adjusted for encumbrances. Annual appropriated budgets are adopted for the General Fund. All annual appropriations lapse at fiscal year end to the extent they have not been expended or lawfully encumbered. Project-length financial plans are adopted for the Capital Projects Fund. Budgets for enterprise funds serve as a spending guide for the Town and do not constitute legally binding limitations.

Each year all departments of the government submit requests for appropriation to the Town Manager so a budget may be prepared. The budget is prepared by fund, department, activity, and expenditure and includes information on the past, current year estimates, and requested appropriations for the next fiscal year.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**E. Budgetary Data (Continued)**

Before April 1, the proposed budget is presented to the Town's Council for review. The Town Council holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Town Manager or the revenue estimates must be changed by an affirmative vote of a majority of the Town Council.

Expenditures may not legally exceed budgeted appropriations. The Town Manager has authority to amend or transfer appropriations within the department level. During the year ended June 30, 2021, General Fund supplemental appropriations totaling \$7,673,000 were authorized by Town Council.

**F. Other Significant Accounting Policies**

1. Cash and cash equivalents

The Town considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Cash of individual funds are combined to form a pool of cash and investments. The pool consists primarily of government obligations and two local government investment pools. The government securities are stated at fair value based on quoted market prices and the investment in the local government investment pool is reported at the pool's share price. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on the average balance during the month.

2. Restricted cash

Restricted cash was \$2,786,689 for governmental activities at June 30, 2021 and is comprised of proffer reserves, performance bonds, police forfeitures, and funds to be used for future projects.

3. Investments

Investments are stated at fair value based on quoted market prices for certain investments. Investments in the Virginia Investment Pool are reported at fair value using the Town's net asset value per share in the pool.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**F. Other Significant Accounting Policies (Continued)**

4. Property taxes

Real estate and personal property taxes are assessed annually by Loudoun County, Virginia (the "County"), for all property of record as of January 1. Real estate taxes are billed and collected by the County and remitted to the Town. Real estate taxes are levied annually on January 1 and are due in semi-annual installments on June 5 and December 5. Personal property taxes are levied annually on January 1 and are due in semi-annual installments on May 5 and October 5.

Collections of real estate and personal property taxes between July 1 and August 31 of the subsequent fiscal year, classified as delinquent at June 30, are recorded as revenue for the fiscal year then ended. The billings are considered past due after the respective tax billing date; the applicable property is subject to 10% penalty and interest assessed 30 days therefrom.

5. Estimated unbilled revenue

Utilities Fund revenues are estimated at year end for unbilled services rendered. The amounts are determined by estimating services rendered based on past services provided. At June 30, 2021, estimated unbilled services included in accounts receivable and revenue amounted to approximately \$4.5 million.

6. Prepaid items

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 cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

7. Inventory

Inventories are stated at cost using the first-in, first-out method. Inventories of business-type activities are recorded as expenditures when consumed rather than when purchased.

8. Capital assets

Capital assets, which include property and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements or the appropriate enterprise fund within the proprietary statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (\$50,000 or more for infrastructure) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. In implementing GASB 34, the Town identified and included infrastructure assets obtained prior to June 30, 1980.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**F. Other Significant Accounting Policies (Continued)**

8. Capital assets (Continued)

The cost 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 of the government are depreciated and amortized using the straight-line method over the following estimated useful lives:

	<b>Years</b>
Buildings and improvements	15 – 50
Infrastructure	50
Hangars and runways	10 – 50
Vehicles	5 – 12
Streets	50
Terminals	10 – 50
Furniture and equipment	5 – 25
Computer equipment and software	5 – 10
Water and sewer plant	10 – 100
Water and sewer lines	10 – 100

The Town’s Balch Library contains reference material and library books that are not capitalized. Many of these items are irreplaceable and are only available for educational and research purposes.

9. Unearned revenue

Unearned revenue in the governmental funds represents resources that have been received but not yet earned.

10. Inter-fund transactions

Transactions among Town funds that would be treated as revenues and expenditures or expenses if they involved organizations external to the Town government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions, which constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds’ operating statements.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**F. Other Significant Accounting Policies (Continued)**

11. Compensated absences

It is the Town's policy to permit employees to accumulate earned but unused vacation, compensatory, and sick pay benefits. No liability is reported for unpaid accumulated sick leave. All vacation and compensatory pay is accrued when earned in government-wide and proprietary financial statements. For governmental fund types, the amount of accumulated unpaid vacation and compensatory leave which is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations. The General Fund is responsible for paying the liability for compensated absences for general government employees and has been used in prior years to liquidate the governmental funds' liability.

12. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

13. Bond premiums and discounts

Bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bond discounts, net of amortization, are presented as reductions to the face amount of bonds payable on the accompanying Statement of Net Position. Bond premiums, net of amortization, are presented as an increase to the face amount of bonds payable on the accompanying Statement of Net Position. The actual amounts of bond premiums are presented in the schedule in Note 6, Long-Term Debt.

14. Performance bonds

The General Fund and Utility Fund each report a liability for performance bonds. The Town requires contractors or developers to provide the Town with a performance bond (safety bond) in order to guarantee that the value of the work will not be lost in the case of an event that permits the contractor/developer from completing the project. Upon completion of the work and satisfactory inspection, the performance bond is refunded to the contractor/developer.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**F. Other Significant Accounting Policies (Continued)**

15. Reserve for proffers

The Capital Projects Fund reports a liability for proffers related to schools and fire and rescue. The Commonwealth of Virginia grants localities the ability to seek voluntary proffers from developers to offset costs for infrastructure and public services generated by development through the rezoning process. The Town's most common proffered cash contributions are those to offset future capital costs associated with schools, fire and rescue, parks and recreation, specific transportation improvements, and/or general transportation improvements. Revenue from proffers is recognized by the Town as proffer projects are completed for schools and fire and rescue. All other proffers are recognized as revenue when received.

16. Deferred outflows/inflows of resources

In addition to assets, the statements that present net position reports a separate section for deferred outflows of resources. These items represent a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statements that present net position reports a separate section for deferred inflows of resources. These items represent an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until then.

The Town has the following items that qualifies for reporting as deferred inflows or outflows:

- Deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Due to the relationship with outstanding debt, these deferred outflows and inflows are included in the calculation of net position, net investment in capital assets.
- Contributions subsequent to the measurement date for pensions and OPEB; these will be applied to the net pension or OPEB liability in the next fiscal year.
- Differences between projected and actual earnings on pension and OPEB plan investments. These differences will be recognized in pension or OPEB expense over the closed five year period and may be reported as a deferred outflow or inflow as appropriate.
- Changes in proportion and differences between employer contributions and the proportionate share of employer contributions, resulting from participation in cost-sharing OPEB plans, are reported as deferred outflows or inflows as appropriate.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**F. Other Significant Accounting Policies (Continued)**

16. Deferred outflows/inflows of resources (Continued)

- Governmental funds report unavailable revenue from property taxes and other receivables not collected within the availability period. These amounts are recognized as an inflow of resources in the period they become available.
- Tax collections or governmental grants received before the period in which they are eligible for use are shown as a deferred inflow.
- Differences between expected and actual experience for economic/demographic factors and changes of assumptions in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.

17. Pension and other postemployment benefits (OPEB)

For purposes of measuring all financial statement elements related to pension and OPEB plans, information about the fiduciary net position of Town's plans and the additions to/deductions from the Town's plans net fiduciary positions have been determined on the same basis as they were reported by the Virginia Retirement System (VRS) and the Town. 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.

18. Fund balances

In the fund financial statements, governmental funds report classifications of fund balance as follows:

*Nonspendable fund balance* – amounts not in a spendable form or are required to be maintained intact (such as prepaid items, inventory, and the principal of a permanent fund that is legally or contractually required to be maintained intact).

*Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, creditors, or laws and regulations of other governments) or by law through constitutional provisions or enabling legislation.

*Committed fund balance* – amounts constrained to specific purposes by the Town Council. To be reported as committed, amounts cannot be used for any other purpose unless the Town Council adopts an ordinance to add, remove, or change the constraint.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**F. Other Significant Accounting Policies (Continued)**

18. Fund balances (Continued)

*Assigned fund balance* – amounts constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed. Amounts can be assigned by the Town Manager. Use of these funds are approved by Town Council resolution.

*Unassigned fund balance* – residual balance of the General Fund which has not been restricted, committed, or assigned to specific purposes within the General Fund.

The Town will consider the use of restricted, committed, or assigned funds prior to the use of unassigned fund balance.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Capital Projects Fund. Encumbrances outstanding at year end are reported as reservations in the appropriate category of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. General Fund encumbrances totaling approximately \$2 million have been classified as assigned fund balance. Capital Projects Fund encumbrances totaling approximately \$3.4 million have been classified as committed fund balance.

19. Net position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The caption “Net Investment in Capital Assets” consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets also includes an adjustment for deferred outflows or inflows related to gains or losses associated with debt issuances or refundings. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

20. Use of estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 2. Deposits and Investments**

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”), Section 2.2-4400 et. seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and, depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or its agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes; bankers’ acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP), and the VML/VACO Investment Pool.

Custodial credit risk (deposits)

This is the risk, in the event of a bank failure, the Town’s deposits may not be returned to the Town. The Town requires all deposits to comply with the Virginia Security for Public Deposits Act. At year end, none of the Town’s deposits are exposed to custodial credit risk.

**Investment Policy**

Investments

The Town’s investment policy targets the following objectives, in order of priority: legality, safety, liquidity, and yield. The Director of Finance and Administrative Services for the Town is responsible for administering its investments and ensuring compliance with the Town’s policies and statutory requirements.

In accordance with the laws of the Commonwealth and Town policy, investments authorized to be held by the Town are:

*1. Treasury Securities*

Bonds, notes, and bills issued by the United States Treasury maturing within five years of the date of purchase, or certificates representing ownership of treasury bond principal or coupons payable within five years.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 2. Deposits and Investments (Continued)**

**Investment Policy (Continued)**

Investments (Continued)

2. *Agency Securities*

Fixed rate obligations issued and guaranteed as to principal and interest by the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation, maturing within five years of the date of purchase.

3. *Prime Commercial Paper*

Commercial paper maturing within 270 days of the day of purchase with at least two of the following ratings: (i) at least P-1 or higher by Moody's; (ii) A-1 or higher by Standard & Poor's; or, (iii) at least F-1 by Fitch Ratings provided that the issuing corporation has a net worth of at least \$50 million and its long-term debt has received at least two of the following ratings: (i) at least A by Moody's; (ii) at least A by Standard & Poor's; or (iii) at least F-1 by Fitch Ratings.

4. *Certificates of Deposit*

Certificates of deposit maturing within one year and issued by domestic banks that have received at least two of the following ratings: (i) at least rated P-1 by Moody's; (ii) at least A-1 by Standard & Poor's; or (iii) at least F-1 by Fitch Ratings.

5. *Bankers' Acceptances*

Bankers' acceptances maturing within 180 days rated P-1 or higher by Moody's and A-1 or higher by Standard & Poor's, provided the issuer is a major domestic bank or the domestic office of an international bank rated AA or higher by Moody's and Standard & Poor's.

6. *Commonwealth of Virginia and Virginia Local Government Obligations*

General obligations, insured obligations, or revenue bonds secured by debt service reserve funds not subject to annual appropriation rated AA or higher by Moody's or Standard & Poor's.

7. *Repurchase Agreements*

Repurchase agreements collateralized by securities approved for investment herein, provided that the counterparty is rated A or better by Moody's and Standard & Poor's and the collateral is held by an independent third-party.

8. *Open-End Investment Funds*

Open-end investment funds registered under the Securities Act of the Commonwealth or the Federal Investment Company Act of 1940, provided they invest only in securities approved for investment herein.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 2. Deposits and Investments (Continued)**

**Investment Policy (Continued)**

Investments (Continued)

9. *Virginia Local Government Investment Pool (LGIP)*

The LGIP is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The carrying value of the position of the LGIP is the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset value of \$1 per share in accordance with GASB 79. The LGIP has been assigned an “AAAm” rating by Standard & Poor’s.

10. *Independent U.S. Bank – OPEB Trust*

The Independent U.S. Bank – OPEB Trust included the OPEB Trust plan totaling \$17,519,225. The Trust is used for funding the Other Postemployment Benefit (OPEB). Additional details concerning this Trust are discussed further in Note 9.

11. *Virginia State Non-Arbitrage Program (SNAP)*

Investment in the Virginia State Non-Arbitrage Program (SNAP) is used to assist in avoiding arbitrage penalties enacted with the Tax Reform Act of 1986. Sections 2.2-4700 through 2.2-4705 of the *Code of Virginia*, the Government Non-Arbitrage Investment Act authorizes the Virginia Treasury Board to provide assistance to the Commonwealth of Virginia, counties, cities, and towns in the Commonwealth, and to their agencies, institutions and authorities of any combination of the foregoing (“Virginia governments”) in the management of and accounting for their bond funds, including, without limitation, bond proceeds, reserves, and sinking funds, and the investment thereof. The Virginia SNAP has been assigned an “AAAm” rating by Standard & Poor’s. The SNAP Fund is managed to maintain a dollar-weighted average portfolio maturity of 90 days or less, seeks to maintain a constant net value (NAV) per share of \$1, and is stated at amortized cost in accordance with GASB 79. The Commonwealth of Virginia’s Treasury Board has contracted with PFM Asset Management, LLC, M&T Bank, and U.S. Bank, N.A. to provide professional services and regulating oversight to the SNAP Program.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 2. Deposits and Investments (Continued)**

**Investment Policy (Continued)**

Investments (Continued)

*12. Federally Insured Certificates of Deposit (CDARS)*

Federally insured certificates of deposit issued through the Certificates of Deposit Account Registry Service (CDARS) by financial institutions located in the United States, provided that:

- a. The funds are initially invested by the Town through a financial institution that is participating in CDARS and that is located and doing business in Virginia.
- b. The financial institution in Virginia receives reciprocal deposits from customers of other financial institutions in an amount equal to the funds initially invested by the Town; and
- c. Each such certificate of deposit is issued in an amount that is eligible for full FDIC insurance coverage for up to a maximum total of \$50 million in qualified investments held.

*13. Virginia Municipal League and Virginia Association of Counties (VML/VACo) – Investment Pool*

VML/VACo’s pooled investment program is used by local governments to invest assets they expect to hold longer than one year. Participants are invested in high-quality corporate and government securities with an average duration of one to two years. At year end, the Town has \$48,346,472 with the VML/VACo Investment Pool.

**Credit Risk**

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2021 the Town’s investments in LGIP, SNAP, and the VML/VACo stable NAV liquidity pool are rated “AAAm.” The Town’s investment in the VML/VACo 1-3 Year High Quality Bond Fund is rated ‘AA+f/S1. All credit ratings presented in this paragraph are Standard & Poor’s ratings. The Town does not have a policy that addresses investment credit risk.

**Interest Rate Risk**

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting exposure to fair value losses arising from increasing interest rates and to comply with the laws of the Commonwealth, the Town’s policy limits the investment of funds to investments with a stated maturity of no more than five years from the date of purchase.

	<b>Fair Value</b>	<b>Less Than 1 Year</b>
LGIP	\$ 21,380,863	\$ 21,380,863
U.S. Bank OPEB Trust	17,519,225	17,519,225
VML/VACo Investment Pool	48,346,472	48,346,472

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 2. Deposits and Investments (Continued)**

**Interest Rate Risk (Continued)**

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2021:

- Money markets and mutual funds in the amount of \$17,519,225 are valued using quoted market prices (Level 1 inputs).

Investments	\$ 87,246,560
Deposits	<u>51,534,724</u>
Total deposits and investments	<u>\$ 138,781,284</u>
Reconciliation of deposits and investments	
Exhibit 1:	
Cash and cash equivalents	\$ 118,475,370
Cash and cash equivalents, restricted	<u>2,786,689</u>
Total Exhibit 1 deposits and investments	<u>121,262,059</u>
Exhibit 11:	
Investments	<u>17,519,225</u>
Total Exhibit 11 deposits and investments	<u>17,519,225</u>
Total Exhibits deposits and investments	<u>\$ 138,781,284</u>

Restricted cash and cash equivalents consists of grant funds received in advance for capital projects.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**Note 3. Receivables**

Receivables at June 30, 2021, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Internal Service Fund</u>	<u>Utilities Fund</u>	<u>Totals</u>
Property taxes, including penalties	\$ 10,691,762	\$ -	\$ -	\$ 10,691,762
Utility taxes	127,205	-	-	127,205
Local taxes	2,284,307	-	-	2,284,307
Accounts	500,209	229,545	4,766,385	5,496,139
Gross receivables	13,603,483	229,545	4,766,385	18,599,413
Less allowance for uncollectable accounts	333,690	-	75,000	408,690
Net receivables	<u>\$ 13,269,793</u>	<u>\$ 229,545</u>	<u>\$ 4,691,385</u>	<u>\$ 18,190,723</u>

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable and unearned revenue reported in the general fund was as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Second half real estate billed in advance	\$ 7,771,939	\$ 7,771,939
Second half personal property billed in advance	1,052,775	1,052,775
Delinquent property taxes receivable	1,767,259	-
Prepaid property taxes	-	453,938
Other	-	2,996,365
	<u>\$ 10,591,973</u>	<u>\$ 12,275,017</u>

The NVTA Fund reported unearned revenue of \$33,559,757 in connection with funding from NVTA for various projects the Town has ongoing.

The Capital Projects Fund reported unearned revenue of \$9,214,077 in connection with funding from Loudoun County for various projects the Town has ongoing.

The General Fund reported unearned revenue of \$2,964,173 in connection with the American Rescue Plan Act for COVID-19 related costs. The General Fund also reported unearned revenue of \$15,408 associated with the Virginia Stormwater Management Program (“VSMP”) permits for which the Department of Environmental Quality (“DEQ”) has already provided the Town funding to cover the cost associated with the permit review and inspections for VSMP. The remaining balance consists of \$453,938 in prepaid taxes and \$16,784 in grants.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 4. Due from Other Governments**

At June 30, 2021, amounts due from other governments were as follows:

**General Fund:**

County of Loudoun:	
Real estate taxes	\$ 5,013,332
Local sales taxes	1,096,418
Personal property taxes	220,637
Public service corporations	121,110
CARES grant	38,812
Traffic fines	16,023
Other	13,216
	6,519,548
County of Fairfax:	
Gang task force	1,835
Commonwealth of Virginia:	
Other taxes and grants	7,848
Car rental tax	33,175
Virginia Department of Aviation	35,578
Communication sales and use	248,436
	325,037
Federal Government:	
Department of Aviation	32,123
Department of Justice	3,811
	35,934
Other:	
Cigarette tax	54,757
Total general fund	6,937,111

**Capital Projects Fund:**

Commonwealth of Virginia:	
Virginia Department of Transportation	478,571
Virginia Department of Aviation	4,728
	483,299

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 4. Due from Other Governments (Continued)**

**Capital Projects Fund: (Continued)**

Federal Government:

Department of Environmental Quality	\$ 801,344
Department of Aviation	65,790
	867,134

Due from Loudoun County:

Rescue	52,000
	1,402,433

Total capital projects fund	1,402,433
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**Northern Virginia Transportation Authority Fund:**

Northern Virginia Transportation Authority	32,460,297
	40,799,841

Total governmental activities	\$ 40,799,841
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NVTA funding

The Town is awarded funding for various transportation projects by the NVTA. Funding is appropriated by the NVTA and the Town is eligible to draw down such funds as expenditures are incurred. The Town is also awarded Local Distribution Funds from the NVTA based on 30% of NVTA monthly revenue. These funds are distributed to Loudoun County to be distributed to the Town. In addition to the 30% funding, the Town also has in place an agreement with the NVTA for work being done on the East Market (Rt. 7) and Battlefield Interchange. This project is funded by the NVTA and managed by the VDOT.

As of June 30, 2021, the Town has recorded \$32,460,297 as Due from Other Governments with a corresponding deferred inflow of resources to track funding, as required by the NVTA. The project will be funded by the NVTA and other sources of funding including federal Regional Surface Transportation (“RSTP”) funds. The funding flows directly from the NVTA to the VDOT for the project; however, since the project results in infrastructure assets belonging to the Town, the funding is recorded in the Town’s financial statements.

This project is expected to be completed during fiscal year 2022. Upon completion, the receivable and deferred revenue associated with the NVTA funding will be reversed and an entry will be made to record the value of the Town’s portion of the asset (the Town will not own 100% of the asset), along with a corresponding contributed capital contribution.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 5. Capital Assets**

Capital asset activity for the year ended June 30, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated or amortized:					
Land	\$ 62,873,342	\$ 1,345,405	\$ -	\$ -	\$ 64,218,747
Construction in progress	33,784,191	3,631,177	(15,808,474)	-	21,606,894
	<u>96,657,533</u>	<u>4,976,582</u>	<u>(15,808,474)</u>	<u>-</u>	<u>85,825,641</u>
Total capital assets, not being depreciated or amortized					
Capital assets, being depreciated or amortized:					
Buildings and improvements	87,098,737	39,663	-	-	87,138,400
Furniture and equipment	7,227,198	332,923	1,012,719	(250,247)	8,322,593
Computer equipment and software	4,090,998	44,602	-	(36,500)	4,099,100
Vehicles	6,324,175	1,504,738	-	(636,062)	7,192,851
Infrastructure	83,889,776	1,709,948	89,585	-	85,689,309
Streets	211,173,550	4,785,454	8,567,016	-	224,526,020
Hangars	6,057,289	-	-	-	6,057,289
Runways	16,569,753	-	-	-	16,569,753
Terminals	6,677,993	-	-	-	6,677,993
	<u>429,109,469</u>	<u>8,417,328</u>	<u>9,669,320</u>	<u>(922,809)</u>	<u>446,273,308</u>
Total capital assets being depreciated or amortized					
Less accumulated depreciation and amortization for:					
Buildings and improvements	(38,526,622)	(2,000,431)	-	-	(40,527,053)
Furniture and equipment	(5,675,016)	(556,159)	-	235,055	(5,996,120)
Computer equipment and software	(3,059,168)	(269,383)	-	36,500	(3,292,051)
Vehicles	(3,548,766)	(510,598)	-	504,583	(3,554,781)
Infrastructure	(28,478,688)	(1,693,499)	-	-	(30,172,187)
Streets	(56,746,088)	(4,034,860)	-	-	(60,780,948)
Hangars	(2,994,813)	(181,404)	-	-	(3,176,217)
Runway	(14,674,638)	(345,560)	-	-	(15,020,198)
Terminals	(3,168,580)	(147,826)	-	-	(3,316,406)
	<u>(156,872,379)</u>	<u>(9,739,720)</u>	<u>-</u>	<u>776,138</u>	<u>(165,835,961)</u>
Total accumulated depreciation and amortization					
Total capital assets being depreciated or amortized, net	<u>272,237,090</u>	<u>(1,322,392)</u>	<u>9,669,320</u>	<u>(146,671)</u>	<u>280,437,347</u>
Governmental activities capital assets, net	<u>\$ 368,894,623</u>	<u>\$ 3,654,190</u>	<u>\$ (6,139,154)</u>	<u>\$ (146,671)</u>	<u>\$ 366,262,988</u>

(Continued)

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**Note 5. Capital Assets (Continued)**

Depreciation and amortization expense was charged to functions/programs of the governmental activities as follows:

Governmental activities:		
Legislative	\$	11,573
Executive		276,632
Finance and administrative services		183,417
Public safety		396,073
Parks and recreation		1,025,711
Planning and zoning		2,284
Balch Library		10,880
Public works		6,915,682
Airport		917,468
		9,739,720
Total depreciation and amortization expense – governmental activities	\$	9,739,720

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Business-type activities:					
Capital assets, not being depreciated or amortized:					
Land	\$ 1,577,329	\$ -	\$ -	\$ -	\$ 1,577,329
Construction in progress	2,633,325	4,912,335	(1,617,173)	(1,387,454)	4,541,033
Total capital assets, not being depreciated or amortized	4,210,654	4,912,335	(1,617,173)	(1,387,454)	6,118,362
Capital assets, being depreciated or amortized:					
Water and sewer plant	116,201,114	1,497,778	7,494,773	-	125,193,665
Water and sewer lines	149,688,695	2,083,163	-	-	151,771,858
Furniture, equipment and software	4,455,938	1,008,666	261,554	(363,174)	5,362,984
Vehicles	3,052,642	551,221	-	(92,306)	3,511,557
Total capital assets being depreciated or amortized	273,398,389	5,140,828	7,756,327	(455,480)	285,840,064
Less accumulated depreciation and amortization for:					
Water and sewer plant	(43,236,551)	(2,409,340)	-	-	(45,645,891)
Water and sewer lines	(50,604,041)	(2,827,968)	-	-	(53,432,009)
Furniture, equipment and software	(1,923,823)	(639,504)	-	318,670	(2,244,657)
Vehicles	(1,462,425)	(230,319)	-	67,879	(1,624,865)
Total accumulated depreciation and amortization	(97,226,840)	(6,107,131)	-	386,549	(102,947,422)
Total capital assets being depreciated and amortized, net	176,171,549	(966,303)	7,756,327	(68,931)	182,892,642
Business-type activities capital assets, net	\$ 180,382,203	\$ 3,946,032	\$ 6,139,154	\$ (1,456,385)	\$ 189,011,004

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 6. Long-Term Debt**

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and for refunding of general obligation bonds. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary fund if they are expected to be repaid from proprietary fund revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the Town.

Outstanding long-term debt at June 30, 2021 includes the following bond issues:

*General Obligation Bonds:*

\$24,800,000 2014 General Obligation and Refunding Bonds, due in annual installments of \$85,000 to \$2,140,000 through January 2044, plus interest at 2.00% to 5.00%.	\$ 19,960,000
\$46,975,000 2015 General Obligation and Refunding Bonds, due in annual installments of \$360,000 to \$3,765,000 through January 2037, plus interest at 2.00% to 5.00%.	38,475,000
\$11,185,000 2016 VRA Refunding Bonds, due in annual installments of \$180,000 to \$1,085,000 through November 2040, plus interest at 2.710% to 5.125%.	11,185,000
\$25,500,000 maximum drawdown 2019 Series A General Obligation Bond Anticipation Note, due June 13, 2024, plus interest at 2.561% due monthly.	4,417,314
\$32,500,000 maximum drawdown 2019 Series B General Obligation Bond Anticipation Note, due June 13, 2024, plus interest at 2.561% due monthly.	2,269,038
\$12,260,000 2019 Series General Obligation Refunding Bonds, due in semi-annual installments of \$271,000 to \$1,319,900 through January 2039, plus interest at 2.25% to 5.00%.	11,425,000
\$13,250,000 2020 Series General Obligation Refunding Bonds, due in semi-annual installments of \$55,000 to \$3,015,000 through June 2035, plus interest at 1.25% to 5.00%.	13,250,000
Plus unamortized premiums, net	9,951,981
	110,933,333

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 6. Long-Term Debt (Continued)**

*Notes Payable from Capital Leases and Direct Borrowings:*

\$555,988 Equipment Financing, due in semi-annual installments of \$55,845 through January 2023, including interest at 2.11%.	\$ 229,300
\$1,750,000 Capital Asset Replacement, due in semi-annual installments of \$343,000 to \$359,000 through January 2026, plus interest at 1.46%.	1,750,000
\$1,253,561 Equipment Financing, due in semi-annual installments of \$134,965 through January 2024, including interest at 2.73%.	772,445
\$1,036,390 Equipment Financing, due in semi-annual installments of \$109,220 through January 2025, including interest at 1.93%.	837,035
\$960,597 Equipment Financing, due in semi-annual installments of \$99,068 through January 2026, including interest at 1.13%.	<hr style="width: 100%;"/> 960,597
Total notes payable	<hr style="width: 100%;"/> 4,549,377
Total long-term debt	<hr style="width: 100%;"/> \$ 115,482,710

The gross amount of the Town's capital assets acquired under capital leases is \$3,839,004.

Current year refunding of debt

In December 2020, the Town issued general refunding obligation bonds totaling \$13,250,000 for the purpose of refunding \$14,485,000 of outstanding series 2011A bonds and portions of series 2014B, 2015, and 2019 Refunding. The proceeds were placed in trust with an escrow agent to fund all future debt service payments. As a result, the refunded bonds are considered to be defeased, and the liability has been removed from the Town's long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next fifteen years by \$996,040, resulting in an economic gain of \$1,051,301.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 6. Long-Term Debt (Continued)**

The allocation of debt to business-type and governmental activities net of premiums is as follows:

<u>Description</u>	<u>Business-Type Activities</u>	<u>Governmental Activities</u>	<u>Total</u>
Bonded long-term debt:			
2014 General obligation & refunding	\$ 10,850,000	\$ 9,110,000	\$ 19,960,000
2015 General obligation & refunding	28,095,000	10,380,000	38,475,000
2016 VRA refunding	3,769,367	7,415,633	11,185,000
2019 Series A General obligation	-	4,417,314	4,417,314
2019 Series B General obligation	2,269,038	-	2,269,038
2019 General obligation & refunding	3,305,000	8,120,000	11,425,000
2020 Restructuring	4,640,000	8,610,000	13,250,000
Total bonds payable	52,928,405	48,052,947	100,981,352
Plus:			
Unamortized premiums	4,850,740	5,101,241	9,951,981
Notes payable from capital leases and direct borrowings:			
Equipment financing	13,745	2,785,632	2,799,377
Capital asset replacement	-	1,750,000	1,750,000
Total notes payable	13,745	4,535,632	4,549,377
Total	<u>\$ 57,792,890</u>	<u>\$ 57,689,820</u>	<u>\$ 115,482,710</u>

The following is a summary of long-term liability activity of the Town for the year ended June 30, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 46,496,653	\$ 12,853,039	\$ (11,296,745)	\$ 48,052,947	\$ 5,559,664
Unamortized premiums	5,011,399	1,174,178	(1,084,336)	5,101,241	-
Notes payable from capital leases and direct borrowings	2,387,586	2,701,262	(553,216)	4,535,632	1,099,169
Compensated absences	2,847,109	2,196,845	(2,075,944)	2,968,010	2,164,098
Governmental activities long-term liabilities	<u>\$ 56,742,747</u>	<u>\$ 18,925,324</u>	<u>\$ (15,010,241)</u>	<u>\$ 60,657,830</u>	<u>\$ 8,822,931</u>

(Continued)

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**Note 6. Long-Term Debt (Continued)**

Annual requirements to amortize long-term debt and related interest payments for governmental activities are as follows:

<b>Year Ending June 30,</b>	<b>Bonded Obligations</b>		<b>Notes Payable from Capital Leases and Direct Borrowings</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2022	\$ 5,559,664	\$ 1,941,501	\$ 1,099,169	\$ 65,772	
2023	5,463,985	1,637,682	1,110,490	54,114	
2024	9,389,520	1,362,730	1,012,842	34,065	
2025	4,231,530	1,113,630	759,569	17,327	
2026	3,836,732	904,572	553,562	6,891	
2027-2031	14,201,516	2,196,696	-	-	
2032-2036	5,370,000	464,313	-	-	
	<u>\$ 48,052,947</u>	<u>\$ 9,621,124</u>	<u>\$ 4,535,632</u>	<u>\$ 178,169</u>	
	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Business-type activities:					
Bonds payable	\$ 55,405,586	\$ 5,412,618	\$ (7,889,799)	\$ 52,928,405	\$ 3,580,336
Unamortized premiums	4,862,424	639,038	(650,722)	4,850,740	-
Notes payable from capital leases and direct borrowings	5,460	9,335	(1,050)	13,745	2,896
Compensated absences	742,447	639,086	(566,684)	814,849	621,946
Business-type activities long-term liabilities	<u>\$ 61,015,917</u>	<u>\$ 6,700,077</u>	<u>\$ (9,108,255)</u>	<u>\$ 58,607,739</u>	<u>\$ 4,205,178</u>

Government activities' compensated absences, pension liabilities, and other post-employment liabilities are generally liquidated by the general fund.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**Note 6. Long-Term Debt (Continued)**

Annual requirements to amortize long-term debt and related interest payments for business-type activities are as follows:

<b>Year Ending June 30,</b>	<b>Bonded Obligations</b>		<b>Notes Payable from Capital Leases and Direct Borrowings</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 3,580,336	\$ 2,033,663	\$ 2,896	\$ 180
2023	3,546,016	1,839,968	2,938	139
2024	5,731,832	1,662,317	2,980	97
2025	3,358,469	1,489,089	3,022	54
2026	3,353,268	1,321,781	1,909	16
2027-2031	13,798,484	4,142,482	-	-
2032-2036	13,060,000	2,402,006	-	-
2037-2041	6,170,000	486,150	-	-
2042-2046	330,000	24,288	-	-
	<u>\$ 52,928,405</u>	<u>\$ 15,401,744</u>	<u>\$ 13,745</u>	<u>\$ 486</u>

The legal debt margin for the Town mandated by the Commonwealth of Virginia is \$831 million, which is computed based upon 10% of the assessed value on real estate subject to taxation.

**Note 7. Interfund Transfers**

	<b>Transfer In</b>		
	<b>General</b>	<b>Capital Projects</b>	<b>Total</b>
<b>Transfer out</b>			
General	\$ -	\$ 1,464,000	\$ 1,464,000
Capital projects	4,502,514	-	4,502,514
Other governmental	14,191	-	14,191
Utility	1,576,998	-	1,576,998
	<u>\$ 6,093,703</u>	<u>\$ 1,464,000</u>	<u>\$ 7,557,703</u>

The transfer from the Utilities Fund to the General Fund is for general administrative services performed by the general government.

The transfers from the General Fund to the Capital Projects Fund is for project management costs by Town staff and a budgeted PAYGO contribution.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**Note 7. Interfund Transfers (Continued)**

The transfer from the Capital Projects Fund to the General Fund is to reimburse the General Fund for general administrative services performed by the general government.

The Town also had a \$6,139,154 transfer of capital assets from General Fund's Construction in Progress into Utilities Fund (see Note 5).

The transfer to General Fund from Thomas Balch Library is to reimburse the General Fund for administrative services for the Thomas Balch Library Endowment Fund.

**Note 8. Commitments and Contingent Liabilities**

Federal and state-assisted programs

The Town has received proceeds from several federal and state grant programs. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes any required refunds will be immaterial. Based on past experience, no provision has been made in the accompanying financial statements for the refund of grant monies.

Construction commitments

At June 30, 2021, the Town was contractually obligated for \$2,749,621 to complete various construction projects within the Town. The funds for these improvements are expected to come from fund balance reserves, the issuance of debt, federal, and state funding.

Litigation

Various claims and lawsuits are pending against the Town. It is the opinion of management, after consulting with legal counsel, that the potential loss, if any, on all claims and lawsuits will not materially affect the Town's financial position due to adequate insurance coverage.

The Town has appropriated certain amounts in anticipation of the purchase of parcels.

**Note 9. Other Postemployment Benefits – Local Plan**

**Plan Description and Funding Policy**

The Town participates in the Retiree Healthcare and Life Insurance Benefit Programs which is a single employer benefit plan. Employees hired after April 1, 2016 are no longer eligible for Retiree Healthcare and Life Insurance Benefit Programs. Other postemployment benefits provided by the Town include Medicare health care benefits to retired employees and their dependents provided they satisfy one of the following requirements:

- General and Utilities Employees: Age 65 with 5 or more years of service and retired under the Virginia Retirement System

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 9. Other Postemployment Benefits – Local Plan (Continued)**

**Plan Description and Funding Policy (Continued)**

- Police Officers and Firefighters: Age 60 with 5 or more years of Creditable Service, is no longer in service as a Police Officer or Firefighter and retired under the Virginia Retirement System
- Medically disabled and totally and permanently unable to work

The Town also provides healthcare benefits to the survivors of deceased employees and retired members.

The Town establishes employer contribution rates for plan participants and determines how the Town’s contribution will be funded as part of the budgetary process each year. Employees retiring under the state retirement system with a minimum of 10 years of Town service shall be eligible for supplemental Medicare insurance, in compliance with all state and federal laws. Employees who retire with 20 or more years; at least 15 years but less than 20 years; and at least 10 years but less than 15 years of service will pay 10%, 50%, and 75%, respectively, of the monthly health insurance premiums and supplemental Medicare insurance. Retired employees participating in the plan shall pay all additional premiums for spouse or dependent coverage requested. Employees retiring prior to December 31, 2002, with 20 or more years of service have 100% of their monthly health insurance premiums and supplemental Medicare insurance paid by the Town.

The Town will pay between 25% and 90% of the premium for retirees based on years of service. Employees hired after April 1, 2016 pay 100% of their retiree health insurance premium.

**Employees Covered by Benefit Terms**

As of the July 1, 2021 valuation date, the following employees were covered by the benefit terms of the plan:

	<b>Number</b>
Inactive employees or beneficiaries:	
Retired/beneficiaries	75
LODA recipients	3
Total inactive employees	78
Active plan members	350
Total covered employees	428

**Net OPEB Liability**

The Town’s total net OPEB liability of \$2,925,871 was measured as of June 30, 2021 and was determined by an actuarial valuation performed as of July 1, 2021.

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 9. Other Postemployment Benefits – Local Plan (Continued)**

**Actuarial Assumptions and Other Inputs**

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases, including inflation	3.00%
Healthcare cost trend rates	4.9% initially, grading down to 3.53%
Investment rate of return	7.00%
Retirees' share of benefit-related costs	10%, 50% or 75%

Mortality rates used are based on the mortality improvement (MP2019) scale.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2021.

Changes in assumptions and other inputs reflects change in discount rate due to an updated depletion date projection and change in municipal bond index rate.

**Trust Fund Investments**

Investment decisions for the fund's assets are made by the Town's investment advisor, in accordance with the established and approved investment objectives, risk tolerance, and asset allocation policies set forth in the Town's Trust Authority or by the OPEB Trust Finance Board. The Town established a Finance Board to oversee the plan administration. The advisor monitors the investment to ensure adherence to the adopted policies and guidelines in light of the market and economic conditions, and generally prevailing prudent investment practices. In addition, the advisor reviews, monitors, and evaluates the performance of the investments and its investment agents for the generally accepted evaluation and measurement of such performance. The investment objective of the Fund is to maximize total long-term rate of return with reasonable risk by seeking capital appreciations and, secondarily, principal protection.

Concentrations: There are no investments in any one organization that represent 5 percent or more of the OPEB Trust's fiduciary net position. The investments are in various mixed mutual funds.

Rate of return: For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense was 7.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 9. Other Postemployment Benefits – Local Plan (Continued)**

**Trust Fund Investments (Continued)**

The long-term expected rate of return on OPEB investments was determined using a money-weighted rate in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Rate of Return</b>	<b>Weighted Long-Term Expected Rate of Return</b>
Domestic Equity	39 %	8.78 %	2.45 %
International	21	9.30	1.43
Fixed Income – U.S.	40	4.70	0.88
Total	100.00 %		4.76
	Inflation		2.50
			7.26 %

Discount Rate: The discount rate used to measure the total OPEB liability is 7.00%. The Town’s funding expectations/policy is to contribute the Actuarially Determined Contribution each year, with a minimum amortization (level percentage of payroll) of ten years. On this basis, it is expected that benefits will be paid from the trust until 2065, at which time the trust will be depleted.

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 9. Other Postemployment Benefits – Local Plan (Continued)**

**Changes in Net OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) – (b)</b>
Balances at June 30, 2020	\$ 26,299,153	\$ 13,890,587	\$ 12,408,566
Changes for the year:			
Service cost	519,132	-	519,132
Interest	1,525,699	-	1,525,699
Experience gains (losses)	(3,986,589)	-	(3,986,589)
Contributions – employer	-	601,045	(601,045)
Net investment income	-	3,413,497	(3,413,497)
Assumption changes	(3,526,395)	-	(3,526,395)
Benefit payments	(385,904)	(385,904)	-
Net changes	(5,854,057)	3,628,638	(9,482,695)
Balances at June 30, 2021	\$ 20,445,096	\$ 17,519,225	\$ 2,925,871

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate:** The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower 6.00% or one percentage point higher 8.00% than the current discount rate:

	<b>1.00% Decrease (6.00)%</b>	<b>Current Discount Rate (7.00)%</b>	<b>1.00% Increase (8.00)%</b>
Net OPEB liability	\$ 6,033,062	\$ 2,925,871	\$ 396,425

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**Note 9. Other Postemployment Benefits – Local Plan (Continued)**

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trends:** The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower 2.53% or one percentage point higher 4.53% than the current healthcare cost trend rates:

	<b>1.00% Decrease (2.53)%</b>	<b>Current Healthcare Cost Trend Rates (3.53)%</b>	<b>1.00% Increase (4.53)%</b>
Net OPEB liability	\$ 189,648	\$ 2,925,871	\$ 6,332,476

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the Town recognized OPEB expense of \$(848,536). At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 4,539,510
Changes of assumptions	3,573,475	3,862,654
Net difference between projected and actual earnings on OPEB plan investments	-	1,916,529
Total	\$ 3,573,475	\$ 10,318,693

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 9. Other Postemployment Benefits – Local Plan (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

The Town’s amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Increase (Decrease) to OPEB Expense
2022	\$ (1,913,497)
2023	(1,890,435)
2024	(1,901,363)
2025	(1,911,889)
2026	77,435
Thereafter	794,531

**Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans**

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the Town of Leesburg, Virginia also participates in a cost-sharing benefit plan, described as follows.

**Plan Descriptions**

**Group Life Insurance Program**

All full-time employees of political subdivisions are automatically covered by the VRS Group Life Insurance (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 GLI Program OPEB.

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>.

The GLI is administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple employer, cost sharing plans.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Contributions**

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2019. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2021 Contribution	\$146,962
June 30, 2020 Contribution	\$140,052

**OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB**

The net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liabilities was determined by actuarial valuations as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. The covered employer’s proportion of the net OPEB liability was based on the covered employer’s actuarially determined employer contributions for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

June 30, 2021 proportionate share of liability	\$ 2,183,839
June 30, 2020 proportion	0.13086%
June 30, 2019 proportion	0.12909%
June 30, 2021 expense	\$ 93,075

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)**

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 140,073	\$ 19,615
Changes of assumptions	109,217	45,600
Net difference between projected and actual earnings on OPEB plan investments	65,601	-
Changes in proportion	86,150	30,832
Employer contributions subsequent to the measurement date	146,962	-
Total	\$ 548,003	\$ 96,047

The \$146,962 deferred outflows of resources related to OPEB resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Group Life Insurance Program

<b>Year Ended June 30,</b>	<b>Increase to OPEB Expense</b>
2022	\$ 42,690
2023	61,215
2024	85,044
2025	88,345
2026	25,464
Thereafter	2,236

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Actuarial Assumptions and Other Inputs**

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2019, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.5 – 5.35%
• Locality – hazardous duty employees	3.5 – 4.75%
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.375 – 4.75%
Investment rate of return, net of expenses, including inflation*	GLI: 6.75%

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment rate for GASB purposes of slightly more than the assumed percent above. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be the percent noted above to simplify preparation of OPEB liabilities.

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 11.

**Net OPEB Liabilities**

The net OPEB liability represents the program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2020, net OPEB liability amounts for the VRS OPEB program is as follows (amounts expressed in thousands):

	<b>Group Life Insurance Program</b>
	<hr/>
Total OPEB Liability	\$ 3,523,937
Plan fiduciary net position	1,855,102
Employers’ net OPEB liability (asset)	1,668,835
Plan fiduciary net position as a percentage of total OPEB liability	52.64%

(Continued)

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Net OPEB Liabilities (Continued)**

The total liability is calculated by the VRS actuary and each plan’s fiduciary net position is reported in the VRS financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

**Long-Term Expected Rate of Return**

Group Life Insurance

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

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00 %	4.65 %	1.58 %
Fixed Income	15.00	0.46	0.07
Credit Strategies	14.00	5.38	0.75
Real Assets	14.00	5.01	0.70
Private Equity	14.00	8.34	1.17
MAPS – Multi-Asset Public Strategies	6.00	3.04	0.18
PIP – Private Investment Partnership	3.00	6.49	0.19
Total	100.00 %		4.64
	Inflation		2.50
	*Expected arithmetic nominal return		7.14 %

\* The above allocation provides for a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of 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 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 10. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Discount Rate**

The discount rate used to measure the GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System 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 and the member rate. Through the fiscal year ending June 30, 2020, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2020 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB 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 discount rate:

	<b>1.00% Decrease (5.75)%</b>	<b>Current Discount Rate (6.75)%</b>	<b>1.00% Increase (7.75)%</b>
GLI Net OPEB liability	\$ 2,870,824	\$ 2,183,839	\$ 1,625,942

**OPEB Plan Fiduciary Net Position**

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Payables to the OPEB Plan**

At June 30, 2021, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2021 payroll.

Group Life Insurance	\$	12,519
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(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 11. Defined Benefit Pension Plan**

**Plan Description**

All full-time, salaried permanent employees of the Town, (the “Political Subdivision”) are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System (the System) 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 a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

**Employees Covered by Benefit Terms**

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b>Number</b>
Inactive members or their beneficiaries currently receiving benefits	187
Inactive members:	
Vested inactive members	105
Non-vested inactive members	89
Inactive members active elsewhere in VRS	107
Total inactive members	301
Active members	348
Total covered employees	836

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 11. Defined Benefit Pension Plan (Continued)**

**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 options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Town's contractually required contribution rate for the year ended June 30, 2021 was 9.10% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This 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 pension plan from the political subdivision were \$2,937,586 and \$2,409,743 for the years ended June 30, 2021 and 2020, respectively.

**Net Pension Liability**

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019 rolled forward to the measurement date of June 30, 2020.

**Actuarial Assumptions**

The total pension liability for General Employees and Public Safety employees with Hazardous Duty Benefits in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2019, 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, 2020.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 11. Defined Benefit Pension Plan (Continued)**

**Actuarial Assumptions (Continued)**

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees – Salary increases, including inflation	3.50 – 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 70% of deaths are assumed to be service related. Mortality is projected using the applicable RP-2014 Mortality Table Projected to 2020 with various set backs or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rates at older ages, changed final retirement from 70 to 75; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of services; lowered disability rates, no change to salary scale, increased rate of line of duty disability from 14% to 20% (Largest 10) or 15% (All Others), and decreased discount rate from 7.00% to 6.75%.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rate at older ages; adjusted rates of withdrawal and disability to better fit experience; changes to line of duty rates, no changes to salary scale, and decreased discount rate from 7.00% to 6.75%.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 11. Defined Benefit Pension Plan (Continued)**

**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:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00 %	4.65 %	1.58 %
Fixed Income	15.00	0.46	0.07
Credit Strategies	14.00	5.38	0.75
Real Assets	14.00	5.01	0.70
Private Equity	14.00	8.34	1.17
MAPS – Multi-Asset Public Strategies	6.00	3.04	0.18
PIP – Private Investment Partnership	3.00	6.49	0.19
Total	100.00 %		4.64
	Inflation		2.50
			<u>7.14 %</u>

\* The above allocation provides for a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of 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 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial evaluations, provide a median return of 6.81%.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021**

**Note 11. Defined Benefit Pension Plan (Continued)**

**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 System 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. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in the FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever is greater. From July 1, 2020 on, participating employers 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.

**Changes in Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
Balances at June 30, 2019	\$ 113,360,489	\$ 96,963,572	\$ 16,396,917
Changes for the year:			
Service cost	2,926,714	-	2,926,714
Interest	7,503,239	-	7,503,239
Changes of assumptions	-	-	-
Differences between expected and actual experience	339,942	-	339,942
Contributions – employer	-	2,409,743	(2,409,743)
Contributions – employee	-	1,287,395	(1,287,395)
Net investment income	-	1,851,717	(1,851,717)
Benefit payments, including refunds of employee contributions	(4,402,784)	(4,402,784)	-
Administrative expenses	-	(62,277)	62,277
Other changes	-	(2,211)	2,211
Net changes	6,367,111	1,081,583	5,285,528
Balances at June 30, 2020	\$ 119,727,600	\$ 98,045,155	\$ 21,682,445

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 11. Defined Benefit Pension Plan (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the political subdivision using the discount rate of 6.75%, as well as what the political subdivision's net pension liability (asset) 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>1.00% Decrease (5.75)%</b>	<b>Current Discount Rate (6.75)%</b>	<b>1.00% Increase (7.75)%</b>
Political subdivision's net pension liability	\$ 37,738,336	\$ 21,682,445	\$ 8,399,910

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the political subdivision recognized pension expense of \$4,356,656. At June 30, 2021, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,071,067	\$ 382,741
Change in assumptions	1,500,314	-
Net difference between projected and actual earnings on pension plan investments	2,942,239	-
Employer contributions subsequent to the measurement date	2,937,586	-
Total	\$ 8,451,206	\$ 382,741

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 11. Defined Benefit Pension Plan (Continued)**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The \$2,937,586 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Increase to Pension Expense</u>
2022	\$ 1,349,707
2023	1,805,229
2024	1,042,476
2025	933,467
2026	-
Thereafter	-

**Pension Plan Data**

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Payables to the Pension Plan**

At June 30, 2021, \$249,709 was payable to the Virginia Retirement System for the legally required contributions related to June 2021 payroll.

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 12. Summary of Pension and Other Postemployment Benefits Elements**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>
Deferred outflows of resources – pensions			
Difference between expected and actual experience			
VRS	\$ 846,143	\$ 224,924	\$ 1,071,067
Changes in assumptions			
VRS	1,185,248	315,066	1,500,314
Net difference between projected and actual investment earnings on OPEB plan investments			
VRS	2,324,369	617,870	2,942,239
Employer contributions subsequent to the measurement date			
VRS	2,320,693	616,893	2,937,586
 Total deferred outflows of resources – pensions	 \$ 6,676,453	 \$ 1,774,753	 \$ 8,451,206
 Deferred outflows of resources – OPEB			
Difference between expected and actual experience			
VRS GLI	\$ 110,657	\$ 29,416	\$ 140,073
Change in assumptions			
Local plan	2,823,045	750,430	3,573,475
VRS GLI	86,281	22,936	109,217
Net difference between projected and actual investment earnings on OPEB plan investments			
Local plan	51,825	13,776	65,601
Change in proportionate share			
VRS GLI	68,059	18,091	86,150
Employer contributions subsequent to the measurement date			
VRS GLI	116,100	30,862	146,962
 Total deferred outflows of resources – OPEB	 \$ 3,255,967	 \$ 865,511	 \$ 4,121,478

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 12. Summary of Pension and Other Postemployment Benefit Elements (Continued)**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>
Net pension liability			
VRS	\$ 17,129,132	\$ 4,553,313	\$ 21,682,445
Total net pension liability	\$ 17,129,132	\$ 4,553,313	\$ 21,682,445
Net OPEB liability			
Local plan	\$ 2,311,438	\$ 614,433	\$ 2,925,871
VRS GLI	1,725,233	458,606	2,183,839
Total net OPEB liability	\$ 4,036,671	\$ 1,073,039	\$ 5,109,710
Deferred inflows of resources – pensions			
Difference between expected and actual experience			
VRS	\$ 302,365	\$ 80,376	\$ 382,741
Total deferred inflows of resources – pensions	\$ 302,365	\$ 80,376	\$ 382,741
Deferred inflows of resources – OPEB			
Difference between expected and actual experience			
Local plan	\$ 3,586,212	\$ 953,298	\$ 4,539,510
VRS GLI	15,496	4,119	19,615
Net difference between projected and actual investment earnings on OPEB plan investments			
VRS GLI	1,514,058	402,471	1,916,529
Change in assumptions			
Local plan	3,051,497	811,157	3,862,654
VRS GLI	36,024	9,576	45,600
Change in proportionate share			
VRS GLI	24,357	6,475	30,832
Total deferred inflow of resources – OPEB	\$ 8,227,644	\$ 2,187,096	\$ 10,414,740

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 13. Summary of Pension and Other Postemployment Benefit Expenses/Expenditures**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Pension expense			
VRS	\$ 3,441,758	\$ 914,898	\$ 4,356,656
Total pension expense	<u>\$ 3,441,758</u>	<u>\$ 914,898</u>	<u>\$ 4,356,656</u>
OPEB expense			
Local plan	\$ (670,343)	\$ (178,193)	\$ (848,536)
VRS GLI	<u>73,530</u>	<u>19,545</u>	<u>93,075</u>
Total OPEB expense	<u>\$ (596,813)</u>	<u>\$ (158,648)</u>	<u>\$ (755,461)</u>

**Note 14. Risk Management**

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; Line of Duty Act; and natural disasters. To reduce insurance costs and the need for self-insurance, the Town has joined with other municipalities in the Commonwealth of Virginia in several public entity risk pools that operate as common risk management and insurance programs for member municipalities. Settled claims from these risks did not exceed coverage in the three most recent fiscal years.

Health insurance

Town employees, retirees, and employee dependents are eligible for medical benefits from a health insurance internal-service fund. Funding is provided by charges to Town departments, employees, and retirees. The insurance provider levels the spending for the Town by setting a flat monthly premium based on an actuarial study of the claims paid in the prior 18-month period. The program is supplemented by stop loss protection, which limits the Town's annual liability.

The Town records an estimated liability for indemnity healthcare claims. The following represents the change in the fund's claims liability for 2021.

<u>Year Ended</u>	<u>Beginning Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
June 30, 2019	\$ 922,660	\$ 4,786,629	\$ 4,756,850	\$ 952,439
June 30, 2020	952,439	5,044,168	4,999,030	997,577
June 30, 2021	997,577	4,678,340	4,720,292	955,625

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 15. Operating Leases**

The Town leases various owned airport properties under non-cancelable operating leases. The leases provide for annual rental increases and pass-through of certain maintenance costs. The Town was contracted at June 30, 2021 with seven significant leases expiring at various dates: one in December 2021, one in September 2023, one in May 2024, one in December 2025, one in February 2026, and one in April 2038, and one in May 2046.

<b>Year Ending June 30,</b>	<b>Rental Income</b>
2022	\$ 367,601
2023	321,834
2024	324,517
2025	291,292
2026	266,671
2027-2031	1,196,707
2032-2036	1,227,497
2037-2041	557,418
2042-2046	160,268
	\$ 4,713,805

The Town leases office space for the Town's business incubator under a 60-month agreement which was renewed on May 30, 2021. The lease extension commenced on October 1, 2021 and expires September 30, 2025. Rent expense is reported under the Economic Development Operations Department of the Town.

As of June 30, 2021, the minimum long-term lease commitment is shown below:

<b>Year Ending June 30,</b>	<b>Rental Expense</b>
2022	\$ 324,223
2023	324,223
2024	324,223
2025	324,223
2026	324,223
	\$ 1,621,115

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 15. Operating Leases (Continued)**

The Town is in a fiber use agreement with a telecommunications company for a fifteen-year agreement. The agreement commenced on February 1, 2011 and expires March 30, 2025.

Year Ending June 30,	Use Expense
2022	\$ 68,139
2023	70,191
2024	72,288
2025	42,903
	\$ 253,521

**Note 16. COVID-19 Impact**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The Town’s operations are heavily dependent on the ability to raise taxes, assess fees, and access the capital markets. Additionally, access to grants and contracts from federal and state governments may decrease or may not be available depending on appropriations. The outbreak will have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation has depressed the tax bases and other areas in which the Town received revenue during fiscal year 2021. As such, the Town’s financial condition and liquidity may be negatively impacted for the fiscal year 2022.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude the pandemic will have on the Town’s financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Town is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

**Note 17. New Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following Statements which are not yet effective. The effective dates below are updated based on **Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance** due to the COVID-19 pandemic.

**TOWN OF LEESBURG, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2021**

**Note 17. New Accounting Standards (Continued)**

In June 2017, The GASB issued **Statement No. 87, *Leases***. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

In May 2019, the GASB issued **Statement No. 91, *Conduit Debt Obligations***. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued **Statement No. 92, *Omnibus***. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain requirements of this Statement are effective immediately and others for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued **Statement No. 93, *Replacement of Interbank Offered Rates***. This Statement addresses accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued **Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***. This Statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, the GASB issued **Statement No. 96, *Subscription-Based Information Technology Arrangements***. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In June 2020, the GASB issued **Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32***. This Statement provides a more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. Certain requirements of this Statement are effective immediately and others for reporting periods beginning after June 15, 2021.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

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## TOWN OF LEESBURG, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY**  
**AND RELATED RATIOS – LOCAL PLAN**  
**June 30, 2021**

	Plan Year				
	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost	\$ 519,132	\$ 289,793	\$ 412,508	\$ 400,493	\$ 349,000
Interest	1,525,699	1,372,800	1,288,983	1,362,031	648,747
Benefit payments, including refunds of employee contributions	(385,904)	(394,478)	(590,275)	(500,009)	(350,446)
Difference between actual and expected experience	(3,986,589)	(789,486)	-	(1,325,151)	-
Changes in assumptions	(3,526,395)	4,043,398	642,914	(1,874,770)	-
Net change in total OPEB liability	(5,854,057)	4,522,027	1,754,130	(1,937,406)	647,301
<b>Total OPEB liability – beginning</b>	<u>26,299,153</u>	<u>21,777,126</u>	<u>20,022,996</u>	<u>21,960,402</u>	<u>21,313,101</u>
<b>Total OPEB liability – ending</b>	<u>\$ 20,445,096</u>	<u>\$ 26,299,153</u>	<u>\$ 21,777,126</u>	<u>\$ 20,022,996</u>	<u>\$ 21,960,402</u>
<b>Plan Fiduciary Net Position</b>					
Contributions – employer	\$ 601,045	\$ 569,478	\$ 765,275	\$ 825,009	\$ 675,446
Net investment income	3,413,497	853,811	781,063	871,303	1,106,629
Benefit payments	(385,904)	(394,478)	(590,275)	(500,009)	(350,446)
Administrative expenses	-	-	(55,703)	(53,108)	(32,007)
Net change in plan fiduciary net position	3,628,638	1,028,811	900,360	1,143,195	1,399,622
<b>Plan fiduciary net position – beginning</b>	<u>13,890,587</u>	<u>12,861,776</u>	<u>11,961,416</u>	<u>10,818,221</u>	<u>9,418,599</u>
<b>Plan fiduciary net position – ending</b>	<u>\$ 17,519,225</u>	<u>\$ 13,890,587</u>	<u>\$ 12,861,776</u>	<u>\$ 11,961,416</u>	<u>\$ 10,818,221</u>
<b>Net OPEB liability – ending</b>	<u>\$ 2,925,871</u>	<u>\$ 12,408,566</u>	<u>\$ 8,915,350</u>	<u>\$ 8,061,580</u>	<u>\$ 11,142,181</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>85.69%</u>	<u>52.82%</u>	<u>59.06%</u>	<u>59.74%</u>	<u>49.26%</u>
Covered employee payroll	<u>\$ 19,151,423</u>	<u>\$ 17,651,501</u>	<u>\$ 18,430,633</u>	<u>\$ 23,652,124</u>	<u>\$ 20,250,454</u>
Net OPEB liability as a percentage of covered employee payroll	<u>15.28%</u>	<u>70.30%</u>	<u>48.37%</u>	<u>34.08%</u>	<u>55.02%</u>

This schedule is intended to show information for 10 years. Additional years will be included as they become available.

The Notes to Required Supplementary Information are an integral part of these statements.

## TOWN OF LEESBURG, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF OPEB CONTRIBUTIONS – LOCAL PLAN**  
**June 30, 2021**

<b>Entity Fiscal Year Ended June 30,</b>	<b>Actuarially Determined Employer Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Employee Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2021	\$ 601,045	\$ 601,045	\$ -	\$ 19,151,423	3.14 %
2020	569,478	569,478	-	17,651,501	3.23
2019	765,275	765,275	-	18,430,633	4.15
2018	825,009	825,009	-	23,652,124	3.49
2017	625,000	675,446	(50,446)	20,250,454	3.34

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier years of data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year – i.e., the covered payroll on which required contributions were based for the same year.

## TOWN OF LEESBURG, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INVESTMENT RETURNS – LOCAL OPEB TRUST FUND**  
**June 30, 2021**

<u>Entity Fiscal Year Ended June 30,</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2021	7.26 %
2020	7.00
2019	6.50
2018	8.06
2017	7.00

Schedule is intended to show information for 10 years. Since 2017 was the first year for this presentation, no earlier years of data is available. Additional years will be included as they become available.

TOWN OF LEESBURG, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY – VRS GLI  
 June 30, 2021

<u>Entity Fiscal Year Ended June 30,</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 Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
<b>Virginia Retirement System – Group Life Insurance – General Employees</b>					
2021	0.13086 %	\$ 2,183,839	\$ 26,958,776	8.10 %	52.64 %
2020	0.12909	2,101,000	25,303,778	8.30	52.00
2019	0.12479	1,895,000	23,700,718	8.00	51.22
2018	0.12289	1,849,000	22,666,448	8.16	48.86

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier years of data is available. However, additional years will be included as they become available.

The covered payroll amount above is for the measurement period, which is the twelve months prior to the entity's fiscal year.

TOWN OF LEESBURG, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF OPEB CONTRIBUTIONS – VRS GLI  
 June 30, 2021

<u>Entity Fiscal Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer’s Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
<b>Virginia Retirement System – Group Life Insurance – General Employees</b>					
2021	\$ 146,962	\$ 146,962	\$ -	\$ 27,117,558	0.54 %
2020	140,052	140,052	-	26,958,776	0.52
2019	131,635	131,635	-	25,303,778	0.52
2018	123,393	123,393	-	23,700,718	0.52

Schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, no earlier years of data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the entity’s fiscal year – i.e., the covered payroll on which required contributions were based for the same year.

## TOWN OF LEESBURG, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –**  
**VIRGINIA RETIREMENT SYSTEM**  
**June 30, 2021**

	Plan Year						
	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 2,926,714	\$ 2,568,975	\$ 2,482,892	\$ 2,528,010	\$ 2,707,578	\$ 2,756,117	\$ 2,694,218
Interest	7,503,239	7,039,500	6,835,511	6,574,956	6,094,951	5,739,077	5,339,294
Benefit payments, including refunds of employee contributions	(4,402,784)	(4,398,201)	(3,880,198)	(3,432,679)	(3,117,573)	(2,632,670)	(2,011,985)
Difference between actual and expected experience	339,942	1,912,417	(2,265,073)	(809,317)	1,329,813	(536,148)	-
Changes in assumptions	-	3,474,412	-	(915,005)	-	-	-
Net change in total pension liability	6,367,111	10,597,103	3,173,132	3,945,965	7,014,769	5,326,376	6,021,527
<b>Total pension liability – beginning</b>	<u>113,360,489</u>	<u>102,763,386</u>	<u>99,590,254</u>	<u>95,644,289</u>	<u>88,629,520</u>	<u>83,303,144</u>	<u>77,281,617</u>
<b>Total pension liability – ending</b>	<u>\$ 119,727,600</u>	<u>\$ 113,360,489</u>	<u>\$ 102,763,386</u>	<u>\$ 99,590,254</u>	<u>\$ 95,644,289</u>	<u>\$ 88,629,520</u>	<u>\$ 83,303,144</u>
<b>Plan Fiduciary Net Position</b>							
Contributions – employer	\$ 2,409,743	\$ 2,290,800	\$ 2,147,461	\$ 2,071,096	\$ 1,918,622	\$ 1,945,907	\$ 1,897,869
Contributions – employee	1,287,395	1,223,924	1,183,157	1,131,997	1,126,655	1,146,789	1,173,237
Net investment income	1,851,717	6,126,069	6,360,318	9,410,583	1,328,647	3,306,840	9,751,444
Benefit payments, including refunds of employee contributions	(4,402,784)	(4,398,201)	(3,880,198)	(3,432,679)	(3,117,573)	(2,632,670)	(2,011,985)
Administrative expenses	(62,277)	(59,974)	(54,244)	(53,518)	(46,512)	(44,184)	(51,182)
Other	(2,211)	(3,870)	(5,697)	(8,408)	(563)	(706)	514
Net change in plan fiduciary net position	1,081,583	5,178,748	5,750,797	9,119,071	1,209,276	3,721,976	10,759,897
<b>Plan fiduciary net position – beginning</b>	<u>96,963,572</u>	<u>91,784,824</u>	<u>86,034,027</u>	<u>76,914,956</u>	<u>75,705,680</u>	<u>71,983,704</u>	<u>61,223,807</u>
<b>Plan fiduciary net position – ending</b>	<u>\$ 98,045,155</u>	<u>\$ 96,963,572</u>	<u>\$ 91,784,824</u>	<u>\$ 86,034,027</u>	<u>\$ 76,914,956</u>	<u>\$ 75,705,680</u>	<u>\$ 71,983,704</u>
<b>Net pension liability – ending</b>	<u>\$ 21,682,445</u>	<u>\$ 16,396,917</u>	<u>\$ 10,978,562</u>	<u>\$ 13,556,227</u>	<u>\$ 18,729,333</u>	<u>\$ 12,923,840</u>	<u>\$ 11,319,440</u>
Plan fiduciary net position as a percentage of total pension liability	<u>81.89%</u>	<u>85.54%</u>	<u>89.32%</u>	<u>86.39%</u>	<u>80.42%</u>	<u>85.42%</u>	<u>86.41%</u>
Covered payroll	<u>\$ 26,958,776</u>	<u>\$ 25,303,778</u>	<u>\$ 23,700,718</u>	<u>\$ 22,666,448</u>	<u>\$ 22,378,363</u>	<u>\$ 23,045,393</u>	<u>\$ 23,700,725</u>
Net pension liability as a percentage of covered payroll	<u>80.43%</u>	<u>64.80%</u>	<u>46.32%</u>	<u>59.81%</u>	<u>83.69%</u>	<u>56.08%</u>	<u>47.76%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year – i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

The Notes to Required Supplementary Information are an integral part of these statements.

## TOWN OF LEESBURG, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION CONTRIBUTIONS –  
VIRGINIA RETIREMENT SYSTEM  
June 30, 2021**

<b>Fiscal Year Ended June 30,</b>	<b>Contractually Determined Contribution</b>	<b>Contributions in Relation to Contractually Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Primary Government</b>					
2021	\$ 2,937,586	\$ 2,937,586	\$ -	\$ 27,117,558	10.83 %
2020	2,409,743	2,409,743	-	26,958,776	8.94
2019	2,402,307	2,402,307	-	25,303,778	9.49
2018	2,147,461	2,147,461	-	23,700,718	9.06
2017	2,071,096	2,071,096	-	22,666,448	9.14
2016	1,945,907	1,945,907	-	22,378,363	8.70
2015	1,897,869	1,897,869	-	23,045,393	8.24

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no earlier years of data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the Town's fiscal year – i.e., the covered payroll on which required contributions were based for the same year.

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2021**

**Note 1. Changes of Benefit Terms**

Pension

There have been no actuarially material changes to the Virginia Retirement System (“System”) benefit provisions since the prior actuarial valuation.

Other Postemployment Benefits (OPEB)

The discount rate changed from 5.88% to 7.00% which resulted in a significant decrease in the liability.

**Note 2. Changes of Assumptions**

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

- Update mortality table to RP-2014 projected to 2020
- Lowered rates at older ages and extended final retirement age from 70 to 75
- Update withdrawal rates to better fit experience at each age and service year
- Lowered rates of disability retirement
- No changes to salary rates
- Increase Line of Duty Disability rates from 14% to 20%
- Decrease discount rate from 7.00% to 6.75%
- Applicable to: Pension and GLI OPEB

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to RP-2014 projected to 2020
- Lowered rates of retirement at older ages
- Update withdrawal rates to better fit experience at each age and service year
- Increased disability rates
- No changes to salary rates
- Increased Line of Duty disability rates from 60% to 70%
- Decreased discount rate from 7.00% to 6.75%
- Applicable to: Pension and GLI OPEB

(Continued)

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2021**

**Note 2. Changes of Assumptions (Continued)**

All Others (Non 10 Largest) – Non-Hazardous Duty:

- Update mortality table to RP-2014 projected to 2020
- Lowered rates of retirement at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each age and service year
- Lowered disability rates
- No changes to salary rates
- Increased Line of Duty disability rate from 14% to 15%
- Decreased discount rate from 7.00% to 6.75%
- Applicable to: Pension and GLI OPEB

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to RP-2014 projected to 2020
- Increased retirement rate at age 50 and lowered rates at older ages
- Update withdrawal rates to better fit experience at each age and service year
- Update disability rates to better fit experience
- No changes to salary rates
- Lowered Line of Duty rate from 60% to 45%
- Decreased discount rate from 7.00% to 6.75%
- Applicable to: Pension and GLI OPEB

**OTHER  
SUPPLEMENTARY INFORMATION**

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**TOWN OF LEESBURG, VIRGINIA**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2021**  
**(With Comparative Amounts for 2020)**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash, cash equivalents, and temporary cash investments	\$ 37,537,959	\$ 22,173,710
Receivables (net of allowance for doubtful accounts)		
Property taxes, including penalties	10,441,762	9,714,578
Utility taxes	127,205	125,708
Local taxes	2,284,307	2,496,219
Accounts	416,519	364,641
Due from other governments	6,937,111	5,584,532
Lease deposit	166,729	165,285
Inventory	6,425	31,883
Prepaid items	221,094	24,523
Restricted cash	1,488,900	1,336,316
	<u>1,488,900</u>	<u>1,336,316</u>
Total assets	<u>\$ 59,628,011</u>	<u>\$ 42,017,395</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 2,267,529	\$ 1,615,252
Due to other governments	96,047	56,901
Accrued payroll	2,065,921	1,745,361
Accrued liabilities – other	392,603	40,053
Customer deposits	99,566	87,510
Performance bonds	1,208,320	1,244,609
Reserve for proffers	100,777	100,506
Unearned revenues	3,450,303	378,308
	<u>3,450,303</u>	<u>378,308</u>
Total liabilities	<u>9,681,066</u>	<u>5,268,500</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes	<u>10,591,973</u>	<u>10,312,975</u>
<b>FUND BALANCE</b>		
Nonspendable		
Lease deposit	166,729	165,285
Inventory	6,425	31,883
Prepaid items	221,094	24,523
Restricted		
Balch Library	-	-
Parks and recreation (Symmington)	50,521	50,521
Police	146,600	131,806
Gas tax	2,970,810	-
Parking in Lieu	389,595	380,260
Esummons	306,829	285,348
Assigned		
Debt service reserve	9,753,620	9,420,350
Other reserves	35,190	11,100
Expenditures designated for future years	2,008,173	1,460,757
Unassigned	<u>23,299,386</u>	<u>14,474,087</u>
Total fund balances	<u>39,354,972</u>	<u>26,435,920</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 59,628,011</u>	<u>\$ 42,017,395</u>

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCIAL SOURCES – BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue from local sources:				
General property taxes:				
Real estate taxes:				
Current	\$ 7,800,000	\$ 7,800,000	\$ 15,470,507	\$ 7,670,507
Deferred	7,575,000	7,575,000	45,193	(7,529,807)
Personal property taxes:				
Current	2,100,000	2,100,000	1,130,749	(969,251)
Deferred	-	-	1,687,985	1,687,985
Public service corporation taxes	225,000	225,000	255,680	30,680
Penalties and interest	133,600	133,600	223,983	90,383
Total general property taxes	<u>17,833,600</u>	<u>17,833,600</u>	<u>18,814,097</u>	<u>980,497</u>
Other local taxes:				
Utility	1,525,000	1,525,000	1,488,711	(36,289)
Daily rental	207,000	207,000	169,218	(37,782)
Meals	5,938,000	5,938,000	5,540,382	(397,618)
Bank franchise	1,330,000	1,330,000	1,535,693	205,693
Cigarette	715,000	715,000	616,040	(98,960)
Business and occupational licenses	3,700,000	3,700,000	4,031,292	331,292
Motor vehicle licenses	1,085,000	1,085,000	1,051,741	(33,259)
Transient occupancy	860,000	860,000	579,889	(280,111)
Total other local taxes	<u>15,360,000</u>	<u>15,360,000</u>	<u>15,012,966</u>	<u>(347,034)</u>
Permits, fees, and licenses:				
Zoning, subdivision, and development fees	1,015,700	1,015,700	1,382,275	366,575
Permits	1,600	1,600	31,884	30,284
Airport				
Fuel flow fees	17,500	17,500	15,864	(1,636)
Annual user fees	35,250	35,250	36,698	1,448
Annual FBO license fees	65,000	65,000	46,828	(18,172)
Other	39,700	39,700	93,695	53,995
Total permits, fees, and licenses	<u>1,174,750</u>	<u>1,174,750</u>	<u>1,607,244</u>	<u>432,494</u>
Fines and forfeitures:				
Police forfeitures	10,000	10,000	8,164	(1,836)
Traffic fines	350,000	350,000	162,945	(187,055)
Parking fines	182,000	182,000	81,667	(100,333)
Total fines and forfeitures	<u>542,000</u>	<u>542,000</u>	<u>252,776</u>	<u>(289,224)</u>
Use of money and property:				
Interest	700,000	700,000	102,577	(597,423)
Parking meters	147,000	147,000	36,660	(110,340)
Sales of surplus property	85,000	85,000	157,837	72,837

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCIAL SOURCES – BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue from local sources: (Continued)				
Use of money and property: (Continued)				
Parking facility revenues	\$ 184,480	\$ 184,480	\$ 87,552	\$ (96,928)
Insurance recoveries	110,000	156,989	105,113	(51,876)
Airport				
Hangar rentals	606,000	606,000	650,661	44,661
Tie-downs	139,680	139,680	153,152	13,472
Commercial tenant leases	448,516	448,516	415,517	(32,999)
Building rental	271,079	271,079	274,754	3,675
Recreational facility rental	3,000	3,000	(100)	(3,100)
Other	73,000	73,000	66,543	(6,457)
Total use of money and property	<u>2,767,755</u>	<u>2,814,744</u>	<u>2,050,266</u>	<u>(764,478)</u>
Charges for services:				
False alarm	100,000	100,000	40,680	(59,320)
Fingerprinting	1,300	1,300	312	(988)
Extradition	10,000	10,000	-	(10,000)
Special events				
Recreation	265,200	265,200	41,823	(223,377)
Other	214,800	214,800	72,114	(142,686)
Parks and recreation user fees	4,942,315	4,942,315	3,130,783	(1,811,532)
Total charges for services	<u>5,533,615</u>	<u>5,533,615</u>	<u>3,285,712</u>	<u>(2,247,903)</u>
Proffers and Gas Tax	310,000	311,696	311,696	-
Contributions	51,000	51,000	7,492	(43,508)
Miscellaneous	39,300	39,300	129,480	90,180
Total revenues from local sources	<u>43,612,020</u>	<u>43,660,705</u>	<u>41,471,729</u>	<u>(2,188,976)</u>
Intergovernmental:				
Revenue from local sources:				
Local aid:				
Loudoun County	614,282	614,282	615,066	784
Total local aid	<u>614,282</u>	<u>614,282</u>	<u>615,066</u>	<u>784</u>
Revenue from the Commonwealth:				
Non-categorical:				
Motor vehicles carrier tax	500	500	69	(431)
Mobile home titling tax	-	-	630	630
Rental car tax	196,000	196,000	165,188	(30,812)
Cable TV franchise	256,000	256,000	219,935	(36,065)
Miscellaneous	-	-	6,529	6,529

(Continued)

## TOWN OF LEESBURG, VIRGINIA

## GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCIAL SOURCES – BUDGET AND ACTUAL  
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Non-categorical: (Continued)				
Personal property tax relief	\$ 1,468,941	\$ 1,468,941	\$ 1,468,941	\$ -
Sales and use	5,768,345	5,768,345	6,401,152	632,807
Communication sales and use	1,835,000	1,835,000	1,592,817	(242,183)
Total non-categorical aid	<u>9,524,786</u>	<u>9,524,786</u>	<u>9,855,261</u>	<u>330,475</u>
Categorical:				
VA Commission for the Arts	4,500	4,500	4,500	-
State fire programs funds	160,000	160,000	162,410	2,410
Law enforcement assistance	887,660	887,660	977,416	89,756
Highway maintenance	3,825,910	3,825,910	3,913,356	87,446
Department of Aviation	100,000	100,000	60,809	(39,191)
Total categorical aid	<u>4,978,070</u>	<u>4,978,070</u>	<u>5,118,491</u>	<u>140,421</u>
Total revenue from the Commonwealth	<u>14,502,856</u>	<u>14,502,856</u>	<u>14,973,752</u>	<u>470,896</u>
Revenue from the federal government:				
Passed through Loudoun County				
Coronavirus Aid, Relief, and Economic Security (CARES)	-	2,483,582	2,483,582	-
Categorical aid:				
E-Summons	20,000	20,000	21,481	1,481
Gang Officer	10,000	10,000	11,068	1,068
Byrne Coronavirus Emergency Supplemental Relief	-	-	608	608
Police forfeiture	-	-	6,630	6,630
Miscellaneous	-	6,963,744	6,974,837	11,093
Safe Streets Task Force	39,000	39,000	17,457	(21,543)
OVAW Domestic Violence Grant	90,000	90,000	-	(90,000)
Total categorical aid	<u>159,000</u>	<u>9,606,326</u>	<u>9,515,663</u>	<u>(90,663)</u>
Total revenue from the federal government	<u>159,000</u>	<u>9,606,326</u>	<u>9,515,663</u>	<u>(90,663)</u>
Total intergovernmental	<u>15,276,138</u>	<u>24,723,464</u>	<u>25,104,481</u>	<u>381,017</u>
Total revenues	<u>58,888,158</u>	<u>68,384,169</u>	<u>66,576,210</u>	<u>(1,807,959)</u>
Other financing sources:				
Transfers in	2,831,998	2,831,998	6,093,703	3,261,705
Use of fund balance	800,357	2,742,741	-	(2,742,741)
Loan proceeds	-	-	202,011	202,011
Total other financing sources	<u>3,632,355</u>	<u>5,574,739</u>	<u>6,295,714</u>	<u>720,975</u>
Total General Fund revenues and other financing sources	<u>\$ 62,520,513</u>	<u>\$ 73,958,908</u>	<u>\$ 72,871,924</u>	<u>\$ (1,086,984)</u>

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCIAL USES – BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Legislative:				
Town council:				
Personnel services	\$ 140,604	\$ 140,605	\$ 128,395	\$ 12,210
Contractual services	129,550	132,574	125,469	7,105
Materials and supplies	3,100	3,467	3,466	1
Capital outlay	-	10,214	8,872	1,342
Total town council	<u>273,254</u>	<u>286,860</u>	<u>266,202</u>	<u>20,658</u>
Total legislative	<u>273,254</u>	<u>286,860</u>	<u>266,202</u>	<u>20,658</u>
Executive:				
Town manager:				
Personnel services	704,675	755,750	748,925	6,825
Contractual services	47,026	59,311	34,408	24,903
Materials and supplies	8,075	6,598	3,602	2,996
Transfer payments	50,000	8,956	-	8,956
Continuous charges	4,700	4,687	3,963	724
Capital outlay	1,000	36,431	36,185	246
Total town manager	<u>815,476</u>	<u>871,733</u>	<u>827,083</u>	<u>44,650</u>
Public arts commission:				
Personnel services	9,204	9,204	7,697	1,507
Contractual services	250	8,584	3,245	5,339
Materials and supplies	150	150	-	150
Transfer payments	10,000	10,000	10,000	-
Total public arts commission	<u>19,604</u>	<u>27,938</u>	<u>20,942</u>	<u>6,996</u>
Economic development operations:				
Personnel services	336,900	342,501	338,585	3,916
Contractual services	52,959	100,205	22,468	77,737
Materials and supplies	14,700	11,811	1,591	10,220
Grants and contributions	336,023	985,000	985,000	-
Continuous charges	95,000	335,877	324,153	11,724
Capital outlay	3,000	3,000	-	3,000
Total economic development operations	<u>838,582</u>	<u>1,778,394</u>	<u>1,671,797</u>	<u>106,597</u>
Economic development commission:				
Personnel services	9,204	9,204	6,621	2,583
Contractual services	1,200	1,200	-	1,200
Total economic development commission	<u>10,404</u>	<u>10,404</u>	<u>6,621</u>	<u>3,783</u>
Diversity commission:				
Personnel services	9,204	9,204	5,638	3,566
Total diversity commission	<u>9,204</u>	<u>9,204</u>	<u>5,638</u>	<u>3,566</u>
Public Information:				
Personnel services	318,844	335,529	323,376	12,153
Contractual services	70,015	37,996	34,372	3,624
Materials and supplies	700	604	308	296
Total public information	<u>389,559</u>	<u>374,129</u>	<u>358,056</u>	<u>16,073</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCIAL USES – BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Executive: (Continued)				
Emergency Management:				
Personnel services	\$ 152,654	\$ 158,254	\$ 156,584	\$ 1,670
Contractual services	-	1,173	1,173	-
Capital outlay	-	14,000	14,000	-
Total emergency management	<u>152,654</u>	<u>173,427</u>	<u>171,757</u>	<u>1,670</u>
ADA Compliance:				
Contractual services	34,000	38,030	14,425	23,605
Materials and supplies	16,000	19,970	11,454	8,516
Total ADA compliance	<u>50,000</u>	<u>58,000</u>	<u>25,879</u>	<u>32,121</u>
Total executive	<u>2,285,483</u>	<u>3,303,229</u>	<u>3,087,773</u>	<u>215,456</u>
Town attorney:				
Personnel services	637,997	738,442	728,645	9,797
Contractual services	57,400	242,877	155,997	86,880
Materials and supplies	3,400	2,427	2,366	61
Continuous charges	110	93	93	-
Capital outlay	-	1,943	1,567	376
Total town attorney	<u>698,907</u>	<u>985,782</u>	<u>888,668</u>	<u>97,114</u>
Clerk of council:				
Personnel services	239,685	163,274	163,274	-
Contractual services	36,485	37,404	19,713	17,691
Materials and supplies	2,350	2,208	1,888	320
Total clerk of council	<u>278,520</u>	<u>202,886</u>	<u>184,875</u>	<u>18,011</u>
Total legal	<u>977,427</u>	<u>1,188,668</u>	<u>1,073,543</u>	<u>115,125</u>
Finance and administrative services:				
Finance:				
Personnel services	2,575,719	2,230,357	2,230,357	-
Contractual services	563,925	725,795	622,497	103,298
Materials and supplies	20,300	17,317	8,356	8,961
Transfer payments	-	805	6,296	(5,491)
Continuous charges	77,560	77,347	74,919	2,428
Capital outlay	6,000	16,000	1,578	14,422
Total finance	<u>3,243,504</u>	<u>3,067,621</u>	<u>2,944,003</u>	<u>123,618</u>
Human Resources:				
Personnel services	564,378	582,185	557,868	24,317
Contractual services	197,517	129,736	105,757	23,979
Materials and supplies	2,622	2,459	626	1,833
Continuous charges	2,600	2,600	-	2,600
Total human resources	<u>767,117</u>	<u>716,980</u>	<u>664,251</u>	<u>52,729</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCIAL USES – BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Finance and administrative services: (Continued)				
Information technology operations:				
Personnel services	\$ 1,298,045	\$ 1,219,195	\$ 1,219,195	\$ -
Contractual services	1,272,580	1,317,024	1,031,467	285,557
Materials and supplies	24,900	42,814	41,440	1,374
Continuous charges	67,900	67,894	58,861	9,033
Capital outlay	48,000	322,593	193,111	129,482
Total information technology operations	<u>2,711,425</u>	<u>2,969,520</u>	<u>2,544,074</u>	<u>425,446</u>
Information technology commission:				
Personnel services	-	-	5,759	(5,759)
Total information technology commission	<u>-</u>	<u>-</u>	<u>5,759</u>	<u>(5,759)</u>
Total finance and administrative services	<u>6,722,046</u>	<u>6,754,121</u>	<u>6,158,087</u>	<u>596,034</u>
Public safety:				
Administrative support:				
Personnel services	1,966,408	1,979,146	1,934,213	44,933
Contractual services	724,860	720,845	457,119	263,726
Materials and supplies	126,860	104,613	83,243	21,370
Continuous charges	282,608	282,040	271,590	10,450
Capital outlay	6,000	144,297	144,177	120
Total administrative support	<u>3,106,736</u>	<u>3,230,941</u>	<u>2,890,342</u>	<u>340,599</u>
Patrol operations:				
Personnel services	5,166,586	4,887,302	4,759,134	128,168
Contractual services	123,828	120,135	44,482	75,653
Materials and supplies	123,350	90,926	41,109	49,817
Continuous charges	-	28	28	-
Capital outlay	-	60	60	-
Total patrol operations	<u>5,413,764</u>	<u>5,098,451</u>	<u>4,844,813</u>	<u>253,638</u>
Criminal investigations:				
Personnel services	2,156,939	1,794,681	1,704,702	89,979
Contractual services	56,548	46,668	30,076	16,592
Materials and supplies	23,020	27,303	8,220	19,083
Continuous charges	19,440	21,053	21,052	1
Total criminal investigations	<u>2,255,947</u>	<u>1,889,705</u>	<u>1,764,050</u>	<u>125,655</u>
Community services:				
Personnel services	2,103,787	1,758,909	1,704,718	54,191
Contractual services	7,840	8,702	7,154	1,548
Materials and supplies	32,751	16,675	10,255	6,420
Total community services	<u>2,144,378</u>	<u>1,784,286</u>	<u>1,722,127</u>	<u>62,159</u>
Information services:				
Personnel services	1,649,951	1,549,602	1,478,327	71,275
Contractual services	191,579	222,721	129,480	93,241
Materials and supplies	7,942	5,551	886	4,665
Continuous charges	6,000	5,970	5,602	368
Capital outlay	-	118,976	73,398	45,578
Total information services	<u>1,855,472</u>	<u>1,902,820</u>	<u>1,687,693</u>	<u>215,127</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCIAL USES – BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety: (Continued)				
Citizens' support team:				
Materials and supplies	\$ 1,395	\$ 1,395	\$ 77	\$ 1,318
Continuous charges	3,140	5,647	5,647	-
Total citizens' support team	4,535	7,042	5,724	1,318
Fire and rescue:				
Grants and contributions	326,635	329,045	329,045	-
Total fire and rescue	326,635	329,045	329,045	-
Total public safety	15,107,467	14,242,290	13,243,794	998,496
Public works:				
Public works administration:				
Personnel services	1,049,035	1,100,813	1,088,102	12,711
Contractual services	146,648	152,077	108,771	43,306
Materials and supplies	2,900	2,900	1,590	1,310
Continuous charges	17,440	18,828	18,828	-
Capital outlays	3,800	28,126	7,775	20,351
Total public works administration	1,219,823	1,302,744	1,225,066	77,678
Engineering and inspections:				
Personnel services	684,679	692,781	682,199	10,582
Contractual services	72,700	74,389	51,379	23,010
Materials and supplies	4,200	4,239	2,139	2,100
Capital outlay	5,000	5,000	698	4,302
Total engineering and inspections	766,579	776,409	736,415	39,994
Streets and grounds maintenance:				
Personnel services	2,899,266	2,588,785	2,588,785	-
Contractual services	1,173,080	888,869	547,956	340,913
Materials and supplies	276,000	159,235	96,213	63,022
Continuous charges	215,900	44,300	37,214	7,086
Capital outlay	500	67,361	4,591	62,770
Total streets and grounds maintenance	4,564,746	3,748,550	3,274,759	473,791
Building maintenance:				
Personnel services	578,350	492,994	492,994	-
Contractual services	448,399	410,332	240,990	169,342
Materials and supplies	87,160	74,640	54,856	19,784
Continuous charges	158,720	158,720	116,322	42,398
Capital outlay	117,400	94,285	5,794	88,491
Total building maintenance	1,390,029	1,230,971	910,956	320,015
Fleet maintenance:				
Personnel services	751,670	744,696	733,208	11,488
Contractual services	91,180	81,493	64,829	16,664
Materials and supplies	245,890	251,061	215,011	36,050
Grants and contributions	20,000	20,000	15,076	4,924
Continuous charges	297,931	313,328	244,945	68,383
Capital outlay	3,250	48,460	11,855	36,605
Total fleet maintenance	1,409,921	1,459,038	1,284,924	174,114

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCIAL USES – BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public works: (Continued)				
Refuse collection and recycling:				
Contractual services	\$ 3,345,776	\$ 3,345,777	\$ 3,304,570	\$ 41,207
Materials and supplies	13,500	13,500	995	12,505
Total refuse collection and recycling	<u>3,359,276</u>	<u>3,359,277</u>	<u>3,305,565</u>	<u>53,712</u>
Traffic management:				
Personnel services	421,302	440,825	431,823	9,002
Contractual services	102,160	195,119	63,069	132,050
Materials and supplies	55,650	42,551	41,232	1,319
Continuous charges	635,500	636,690	580,747	55,943
Capital outlay	81,700	72,932	33,433	39,499
Total traffic management	<u>1,296,312</u>	<u>1,388,117</u>	<u>1,150,304</u>	<u>237,813</u>
Emergency weather response				
Personnel services	-	111,673	111,673	-
Contractual services	-	2,873	2,873	-
Materials and supplies	-	351,548	351,548	-
Continuous charges	-	765,195	765,195	-
Total emergency weather response	<u>-</u>	<u>1,231,289</u>	<u>1,231,289</u>	<u>-</u>
Milling and paving				
Contractual services	-	494,648	352,396	142,252
Total milling and paving	<u>-</u>	<u>494,648</u>	<u>352,396</u>	<u>142,252</u>
Regional transportation:				
Transfer payments	310,000	311,696	311,696	-
Total regional transportation	<u>310,000</u>	<u>311,696</u>	<u>311,696</u>	<u>-</u>
Capital projects management:				
Personnel services	1,021,938	889,350	889,350	-
Contractual services	257,335	292,181	88,781	203,400
Materials and supplies	6,925	6,095	3,466	2,629
Transfer payments	(1,090,300)	(1,090,300)	(509,872)	(580,428)
Continuous charges	560	771	771	-
Capital outlay	6,250	1,936	25	1,911
Total capital projects management	<u>202,708</u>	<u>100,033</u>	<u>472,521</u>	<u>(372,488)</u>
Total public works	<u>14,519,394</u>	<u>15,402,772</u>	<u>14,255,891</u>	<u>1,146,881</u>
Parks and Recreation:				
Outdoor pool:				
Personnel services	215,773	216,235	67,597	148,638
Contractual services	23,000	21,000	12,881	8,119
Materials and supplies	39,480	53,494	48,475	5,019
Continuous charges	20,000	24,500	24,480	20
Total outdoor pool	<u>298,253</u>	<u>315,229</u>	<u>153,433</u>	<u>161,796</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCIAL USES – BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks and Recreation: (Continued)				
Parks and recreation administration:				
Personnel services	\$ 522,796	\$ 528,226	\$ 519,752	\$ 8,474
Contractual services	10,000	9,075	3,945	5,130
Materials and supplies	2,000	2,000	313	1,687
Continuous charges	24,820	23,879	22,405	1,474
Capital outlay	30,000	6,425	6,198	227
Total parks and recreation administration	<u>589,616</u>	<u>569,605</u>	<u>552,613</u>	<u>16,992</u>
Parks:				
Personnel services	1,010,770	898,622	898,622	-
Contractual services	87,525	87,197	73,274	13,923
Materials and supplies	196,070	223,385	143,363	80,022
Continuous charges	57,500	57,744	49,219	8,525
Capital outlay	13,000	94,476	13,530	80,946
Total parks	<u>1,364,865</u>	<u>1,361,424</u>	<u>1,178,008</u>	<u>183,416</u>
Recreation programs administration:				
Personnel services	217,180	219,283	212,670	6,613
Contractual services	86,060	47,165	36,023	11,142
Total recreation programs administration	<u>303,240</u>	<u>266,448</u>	<u>248,693</u>	<u>17,755</u>
Ida Lee recreation center:				
Personnel services	1,032,307	952,606	853,786	98,820
Contractual services	268,761	227,464	165,095	62,369
Materials and supplies	68,018	66,018	30,650	35,368
Grants and contributions	-	61	61	-
Continuous charges	265,130	265,101	195,686	69,415
Total Ida Lee recreation center	<u>1,634,216</u>	<u>1,511,250</u>	<u>1,245,278</u>	<u>265,972</u>
Fitness programs:				
Personnel services	493,495	438,281	337,870	100,411
Contractual services	35,170	33,170	16,727	16,443
Materials and supplies	8,100	7,100	2,344	4,756
Total fitness programs	<u>536,765</u>	<u>478,551</u>	<u>356,941</u>	<u>121,610</u>
Community outreach:				
Personnel services	110,273	112,049	70,470	41,579
Contractual services	14,470	13,740	2,978	10,762
Materials and supplies	6,300	6,590	4,097	2,493
Total community outreach	<u>131,043</u>	<u>132,379</u>	<u>77,545</u>	<u>54,834</u>
Aquatics:				
Personnel services	1,139,066	963,709	912,546	51,163
Contractual services	14,845	13,845	10,806	3,039
Materials and supplies	43,730	42,730	25,462	17,268
Total aquatics	<u>1,197,641</u>	<u>1,020,284</u>	<u>948,814</u>	<u>71,470</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCIAL USES – BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks and Recreation: (Continued)				
Sports programs:				
Personnel services	\$ 185,833	\$ 168,056	\$ 155,169	\$ 12,887
Contractual services	170	170	70	100
Materials and supplies	27,300	27,626	21,823	5,803
Total sports programs	<u>213,303</u>	<u>195,852</u>	<u>177,062</u>	<u>18,790</u>
Recreation classes:				
Personnel services	166,339	86,351	22,603	63,748
Contractual services	2,070	1,070	70	1,000
Materials and supplies	3,325	3,325	766	2,559
Total recreation classes	<u>171,734</u>	<u>90,746</u>	<u>23,439</u>	<u>67,307</u>
Special events:				
Personnel services	144,297	157,235	145,110	12,125
Contractual services	234,644	109,908	67,804	42,104
Materials and supplies	61,250	35,331	21,359	13,972
Grants and contributions	16,000	-	-	-
Total special events	<u>456,191</u>	<u>302,474</u>	<u>234,273</u>	<u>68,201</u>
Tennis court complex:				
Personnel services	479,005	639,486	616,364	23,122
Contractual services	13,700	16,524	4,924	11,600
Materials and supplies	20,300	20,387	10,026	10,361
Continuous charges	51,760	51,760	39,574	12,186
Total tennis court complex	<u>564,765</u>	<u>728,157</u>	<u>670,888</u>	<u>57,269</u>
Camp programs:				
Personnel services	81,521	78,806	17,930	60,876
Contractual services	36,500	16,500	7,152	9,348
Materials and supplies	9,500	9,203	5,340	3,863
Total camp programs	<u>127,521</u>	<u>104,509</u>	<u>30,422</u>	<u>74,087</u>
Preschool childcare programs:				
Personnel services	105,199	82,838	27,067	55,771
Contractual services	1,900	1,900	-	1,900
Materials and supplies	3,570	3,590	20	3,570
Total preschool childcare programs	<u>110,669</u>	<u>88,328</u>	<u>27,087</u>	<u>61,241</u>
Parks and recreation commission:				
Personnel services	9,204	9,204	7,374	1,830
Total parks and recreation commission	<u>9,204</u>	<u>9,204</u>	<u>7,374</u>	<u>1,830</u>
Tree commission:				
Personnel services	9,204	9,204	6,621	2,583
Contractual services	1,800	1,800	1,340	460
Total tree commission	<u>11,004</u>	<u>11,004</u>	<u>7,961</u>	<u>3,043</u>
Total parks and recreation	<u>7,720,030</u>	<u>7,185,444</u>	<u>5,939,831</u>	<u>1,245,613</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCIAL USES – BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Balch Library:				
Library operations:				
Personnel services	\$ 434,843	\$ 429,662	\$ 371,900	\$ 57,762
Contractual services	38,566	38,516	25,640	12,876
Materials and supplies	47,101	39,925	27,355	12,570
Continuous charges	23,715	26,983	25,420	1,563
Total library operations	<u>544,225</u>	<u>535,086</u>	<u>450,315</u>	<u>84,771</u>
Library advisory commission:				
Personnel services	9,204	9,204	7,159	2,045
Contractual services	800	800	(160)	960
Materials and supplies	350	350	-	350
Total library advisory commission	<u>10,354</u>	<u>10,354</u>	<u>6,999</u>	<u>3,355</u>
Total Balch Library	<u>554,579</u>	<u>545,440</u>	<u>457,314</u>	<u>88,126</u>
Planning and zoning:				
Planning and zoning operations:				
Personnel services	1,981,049	1,859,042	1,802,207	56,835
Contractual services	31,275	117,067	79,172	37,895
Materials and supplies	6,600	4,388	2,878	1,510
Continuous charges	290	399	399	-
Capital outlay	1,100	1,100	-	1,100
Total planning and zoning operations	<u>2,020,314</u>	<u>1,981,996</u>	<u>1,884,656</u>	<u>97,340</u>
Planning commission				
Personnel services	27,666	26,566	24,369	2,197
Contractual services	-	1,100	1,100	-
Materials and supplies	300	300	-	300
Total planning commission	<u>27,966</u>	<u>27,966</u>	<u>25,469</u>	<u>2,497</u>
Board of zoning appeals:				
Personnel services	6,459	6,459	539	5,920
Total board of zoning appeals	<u>6,459</u>	<u>6,459</u>	<u>539</u>	<u>5,920</u>
Board of architectural review:				
Personnel services	27,666	27,666	24,383	3,283
Contractual services	3,500	3,540	690	2,850
Total board of architectural review	<u>31,166</u>	<u>31,206</u>	<u>25,073</u>	<u>6,133</u>
Environmental advisory commission:				
Personnel services	-	-	5,275	(5,275)
Contractual services	-	-	1,006	(1,006)
Total environment advisory commission	<u>-</u>	<u>-</u>	<u>6,281</u>	<u>(6,281)</u>
Total planning and zoning	<u>2,085,905</u>	<u>2,047,627</u>	<u>1,942,018</u>	<u>105,609</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCIAL USES – BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Plan review:				
Personnel services	\$ 1,446,454	\$ 1,477,430	\$ 1,434,606	\$ 42,824
Contractual services	74,923	68,267	54,499	13,768
Materials and supplies	6,500	6,500	1,405	5,095
Total plan review	<u>1,527,877</u>	<u>1,552,197</u>	<u>1,490,510</u>	<u>61,687</u>
Airport:				
Personnel services	379,185	389,589	376,484	13,105
Contractual services	275,108	256,070	209,113	46,957
Materials and supplies	27,250	26,561	15,889	10,672
Continuous charges	149,131	159,287	130,470	28,817
Total airport	<u>830,674</u>	<u>831,507</u>	<u>731,956</u>	<u>99,551</u>
Airport commission:				
Personnel services	9,204	9,204	5,867	3,337
Total airport commission	<u>9,204</u>	<u>9,204</u>	<u>5,867</u>	<u>3,337</u>
Total airport	<u>839,878</u>	<u>840,711</u>	<u>737,823</u>	<u>102,888</u>
Townwide Expenditures:				
Salary savings	(405,000)	481,316	456,313	25,003
Online services	-	245,598	245,481	117
Recreational supplies	-	156,614	156,453	161
CARES small business grants	169,000	5,484,713	4,372,934	1,111,779
Office furniture	-	253,528	253,528	-
Total townside expenditures	<u>(236,000)</u>	<u>6,621,769</u>	<u>5,484,709</u>	<u>1,137,060</u>
Debt Service:				
GO bond retirement principal	5,877,525	5,877,525	1,916,745	3,960,780
GO bond retirement interest and other fiscal charges	2,029,588	2,029,588	1,750,584	279,004
BAN interest and fiscal charges	-	79,139	79,139	-
Capital lease principal	554,267	554,267	553,216	1,051
Capital lease interest and fiscal charges	51,793	51,793	51,693	100
Total debt service	<u>8,513,173</u>	<u>8,592,312</u>	<u>4,351,377</u>	<u>4,240,935</u>
Total expenditures	<u>60,890,513</u>	<u>68,563,440</u>	<u>58,488,872</u>	<u>10,074,568</u>
Other financing uses:				
Transfers to capital projects	1,600,000	1,464,000	1,464,000	-
Transfers out	30,000	108,188	-	108,188
Total other financing uses	<u>1,630,000</u>	<u>1,572,188</u>	<u>1,464,000</u>	<u>108,188</u>
Total general fund expenditures and other financing uses	<u>\$ 62,520,513</u>	<u>\$ 70,135,628</u>	<u>\$ 59,952,872</u>	<u>\$ 10,182,756</u>

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES –**  
**FUNCTIONAL BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Administering efficient government:				
Town council:				
Personnel services	\$ 140,604	\$ 140,605	\$ 128,395	\$ 12,210
Contractual services	129,550	132,574	125,469	7,105
Materials and supplies	3,100	3,467	3,466	1
Capital outlay	-	10,214	8,872	1,342
Total Town council	<u>273,254</u>	<u>286,860</u>	<u>266,202</u>	<u>20,658</u>
Town manager:				
Personnel services	704,675	755,750	748,925	6,825
Contractual services	47,026	59,311	34,408	24,903
Materials and supplies	8,075	6,598	3,602	2,996
Transfer payments	50,000	8,956	-	8,956
Continuous charges	4,700	4,687	3,963	724
Capital outlay	1,000	36,431	36,185	246
Total Town manager	<u>815,476</u>	<u>871,733</u>	<u>827,083</u>	<u>44,650</u>
Town attorney:				
Personnel services	637,997	738,442	728,645	9,797
Contractual services	57,400	242,877	155,997	86,880
Materials and supplies	3,400	2,427	2,366	61
Continuous charges	110	93	93	-
Capital outlay	-	1,943	1,567	376
Total Town attorney	<u>698,907</u>	<u>985,782</u>	<u>888,668</u>	<u>97,114</u>
Clerk of council:				
Personnel services	239,685	163,274	163,274	-
Contractual services	36,485	37,404	19,713	17,691
Materials and supplies	2,350	2,208	1,888	320
Total Clerk of Council	<u>278,520</u>	<u>202,886</u>	<u>184,875</u>	<u>18,011</u>
Public arts commission:				
Personnel services	9,204	9,204	7,697	1,507
Contractual services	250	8,584	3,245	5,339
Materials and supplies	150	150	-	150
Transfer payments	10,000	10,000	10,000	-
Total public arts commission	<u>19,604</u>	<u>27,938</u>	<u>20,942</u>	<u>6,996</u>
Economic development commission:				
Personnel services	9,204	9,204	6,621	2,583
Contractual services	1,200	1,200	-	1,200
Total economic development commission	<u>10,404</u>	<u>10,404</u>	<u>6,621</u>	<u>3,783</u>
Diversity commission:				
Personnel services	9,204	9,204	5,638	3,566
Total diversity commission	<u>9,204</u>	<u>9,204</u>	<u>5,638</u>	<u>3,566</u>
Public information:				
Personnel services	318,844	335,529	323,376	12,153
Contractual services	70,015	37,996	34,372	3,624
Materials and supplies	700	604	308	296
Total public information	<u>389,559</u>	<u>374,129</u>	<u>358,056</u>	<u>16,073</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES –**  
**FUNCTIONAL BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Administering efficient government: (Continued)				
Information technology commission:				
Personnel services	\$ -	\$ -	\$ 5,759	\$ (5,759)
Total information technology commission	-	-	5,759	(5,759)
Parks and recreation commission:				
Personnel services	9,204	9,204	7,374	1,830
Total parks and recreation commission	9,204	9,204	7,374	1,830
Tree commission:				
Personnel services	9,204	9,204	6,621	2,583
Contractual services	1,800	1,800	1,340	460
Total tree commission	11,004	11,004	7,961	3,043
Library advisory commission:				
Personnel services	9,204	9,204	7,159	2,045
Contractual services	800	800	(160)	960
Materials and supplies	350	350	-	350
Total library advisory commission	10,354	10,354	6,999	3,355
Planning commission:				
Personnel services	27,666	26,566	24,369	2,197
Contractual services	-	1,100	1,100	-
Materials and supplies	300	300	-	300
Capital outlay	-	-	-	-
Total planning commission	27,966	27,966	25,469	2,497
Board of zoning appeals:				
Personnel services	6,459	6,459	539	5,920
Total board of zoning appeals	6,459	6,459	539	5,920
Board of architectural review:				
Personnel services	27,666	27,666	24,383	3,283
Contractual services	3,500	3,540	690	2,850
Total board of architectural review	31,166	31,206	25,073	6,133
Environmental advisory commission:				
Personnel services	-	-	5,275	(5,275)
Contractual services	-	-	1,006	(1,006)
Total environmental advisory commission	-	-	6,281	(6,281)
Airport commission:				
Personnel services	9,204	9,204	5,867	3,337
Total airport commission	9,204	9,204	5,867	3,337
Emergency management:				
Personnel services	152,654	158,254	156,584	1,670
Contractual services	-	1,173	1,173	-
Capital outlay	-	14,000	14,000	-
Total emergency management	152,654	173,427	171,757	1,670

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES –**  
**FUNCTIONAL BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Administering efficient government: (Continued)				
ADA Compliance:				
Contractual services	\$ 34,000	\$ 38,030	\$ 14,425	\$ 23,605
Materials and supplies	16,000	19,970	11,454	8,516
Total ADA compliance	<u>50,000</u>	<u>58,000</u>	<u>25,879</u>	<u>32,121</u>
Total administering efficient government	<u>2,802,939</u>	<u>3,105,760</u>	<u>2,847,043</u>	<u>258,717</u>
Supporting services:				
Finance:				
Personnel services	2,575,719	2,230,357	2,230,357	-
Contractual services	563,925	725,795	622,497	103,298
Materials and supplies	20,300	17,317	8,356	8,961
Transfer payments	-	805	6,296	(5,491)
Continuous charges	77,560	77,347	74,919	2,428
Capital outlay	6,000	16,000	1,578	14,422
Total finance	<u>3,243,504</u>	<u>3,067,621</u>	<u>2,944,003</u>	<u>123,618</u>
Human resources:				
Personnel services	564,378	582,185	557,868	24,317
Contractual services	197,517	129,736	105,757	23,979
Materials and supplies	2,622	2,459	626	1,833
Continuous charges	2,600	2,600	-	2,600
Total human resources	<u>767,117</u>	<u>716,980</u>	<u>664,251</u>	<u>52,729</u>
Information technology operations:				
Personnel services	1,298,045	1,219,195	1,219,195	-
Contractual services	1,272,580	1,317,024	1,031,467	285,557
Materials and supplies	24,900	42,814	41,440	1,374
Continuous charges	67,900	67,894	58,861	9,033
Capital outlay	48,000	322,593	193,111	129,482
Total information technology operations	<u>2,711,425</u>	<u>2,969,520</u>	<u>2,544,074</u>	<u>425,446</u>
Total supporting services	<u>6,722,046</u>	<u>6,754,121</u>	<u>6,152,328</u>	<u>601,793</u>
Keeping us safe:				
Administrative support:				
Personnel services	1,966,408	1,979,146	1,934,213	44,933
Contractual services	724,860	720,845	457,119	263,726
Materials and supplies	126,860	104,613	83,243	21,370
Continuous charges	282,608	282,040	271,590	10,450
Capital outlay	6,000	144,297	144,177	120
Total administrative support	<u>3,106,736</u>	<u>3,230,941</u>	<u>2,890,342</u>	<u>340,599</u>
Patrol operations:				
Personnel services	5,166,586	4,887,302	4,759,134	128,168
Contractual services	123,828	120,135	44,482	75,653
Materials and supplies	123,350	90,926	41,109	49,817
Continuous charges	-	28	28	-
Capital outlay	-	60	60	-
Total patrol operations	<u>5,413,764</u>	<u>5,098,451</u>	<u>4,844,813</u>	<u>253,638</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES –**  
**FUNCTIONAL BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Keeping us safe: (Continued)				
Criminal investigations:				
Personnel services	\$ 2,156,939	\$ 1,794,681	\$ 1,704,702	\$ 89,979
Contractual services	56,548	46,668	30,076	16,592
Materials and supplies	23,020	27,303	8,220	19,083
Continuous charges	19,440	21,053	21,052	1
Total criminal investigations	<u>2,255,947</u>	<u>1,889,705</u>	<u>1,764,050</u>	<u>125,655</u>
Community services:				
Personnel services	2,103,787	1,758,909	1,704,718	54,191
Contractual services	7,840	8,702	7,154	1,548
Materials and supplies	32,751	16,675	10,255	6,420
Total community services	<u>2,144,378</u>	<u>1,784,286</u>	<u>1,722,127</u>	<u>62,159</u>
Information services:				
Personnel services	1,649,951	1,549,602	1,478,327	71,275
Contractual services	191,579	222,721	129,480	93,241
Materials and supplies	7,942	5,551	886	4,665
Continuous charges	6,000	5,970	5,602	368
Capital outlay	-	118,976	73,398	45,578
Total information services	<u>1,855,472</u>	<u>1,902,820</u>	<u>1,687,693</u>	<u>215,127</u>
Citizens' support team:				
Materials and supplies	1,395	1,395	77	1,318
Continuous charges	3,140	5,647	5,647	-
Total citizens' support team	<u>4,535</u>	<u>7,042</u>	<u>5,724</u>	<u>1,318</u>
Fire and rescue:				
Transfer payments	326,635	329,045	329,045	-
Total fire and rescue	<u>326,635</u>	<u>329,045</u>	<u>329,045</u>	<u>-</u>
Total keeping us safe	<u>15,107,467</u>	<u>14,242,290</u>	<u>13,243,794</u>	<u>998,496</u>
Providing the necessities:				
Public works administration:				
Personnel services	1,049,035	1,100,813	1,088,102	12,711
Contractual services	146,648	152,077	108,771	43,306
Materials and supplies	2,900	2,900	1,590	1,310
Continuous charges	17,440	18,828	18,828	-
Capital outlays	3,800	28,126	7,775	20,351
Total public works administration	<u>1,219,823</u>	<u>1,302,744</u>	<u>1,225,066</u>	<u>77,678</u>
Engineering and inspections:				
Personnel services	684,679	692,781	682,199	10,582
Contractual services	72,700	74,389	51,379	23,010
Materials and supplies	4,200	4,239	2,139	2,100
Capital outlay	5,000	5,000	698	4,302
Total engineering and inspections	<u>766,579</u>	<u>776,409</u>	<u>736,415</u>	<u>39,994</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES –**  
**FUNCTIONAL BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Providing the necessities: (Continued)				
Streets and grounds maintenance:				
Personnel services	\$ 2,899,266	\$ 2,588,785	\$ 2,588,785	\$ -
Contractual services	1,173,080	888,869	547,956	340,913
Materials and supplies	276,000	159,235	96,213	63,022
Continuous charges	215,900	44,300	37,214	7,086
Capital outlay	500	67,361	4,591	62,770
Total streets and grounds maintenance	<u>4,564,746</u>	<u>3,748,550</u>	<u>3,274,759</u>	<u>473,791</u>
Building maintenance:				
Personnel services	578,350	492,994	492,994	-
Contractual services	448,399	410,332	240,990	169,342
Materials and supplies	87,160	74,640	54,856	19,784
Continuous charges	158,720	158,720	116,322	42,398
Capital outlay	117,400	94,285	5,794	88,491
Total building maintenance	<u>1,390,029</u>	<u>1,230,971</u>	<u>910,956</u>	<u>320,015</u>
Fleet maintenance:				
Personnel services	751,670	744,696	733,208	11,488
Contractual services	91,180	81,493	64,829	16,664
Materials and supplies	245,890	251,061	215,011	36,050
Grants and contributions	20,000	20,000	15,076	4,924
Continuous charges	297,931	313,328	244,945	68,383
Capital outlay	3,250	48,460	11,855	36,605
Total fleet maintenance	<u>1,409,921</u>	<u>1,459,038</u>	<u>1,284,924</u>	<u>174,114</u>
Refuse collection and recycling:				
Contractual services	3,345,776	3,345,777	3,304,570	41,207
Materials and supplies	13,500	13,500	995	12,505
Total refuse collection and recycling	<u>3,359,276</u>	<u>3,359,277</u>	<u>3,305,565</u>	<u>53,712</u>
Traffic management:				
Personnel services	421,302	440,825	431,823	9,002
Contractual services	102,160	195,119	63,069	132,050
Materials and supplies	55,650	42,551	41,232	1,319
Continuous charges	635,500	636,690	580,747	55,943
Capital outlay	81,700	72,932	33,433	39,499
Total traffic management	<u>1,296,312</u>	<u>1,388,117</u>	<u>1,150,304</u>	<u>237,813</u>
Emergency weather response				
Personnel services	-	111,673	111,673	-
Contractual services	-	2,873	2,873	-
Materials and supplies	-	351,548	351,548	-
Continuous charges	-	765,195	765,195	-
Total emergency weather response	<u>-</u>	<u>1,231,289</u>	<u>1,231,289</u>	<u>-</u>
Milling and paving				
Contractual services	-	494,648	352,396	142,252
Total milling and paving	<u>-</u>	<u>494,648</u>	<u>352,396</u>	<u>142,252</u>
Regional transportation:				
Grants and contributions	310,000	311,696	311,696	-
Total regional transportation	<u>310,000</u>	<u>311,696</u>	<u>311,696</u>	<u>-</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES –**  
**FUNCTIONAL BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Providing the necessities: (Continued)				
Capital projects management:				
Personnel services	\$ 1,021,938	\$ 889,350	\$ 889,350	\$ -
Contractual services	257,335	292,181	88,781	203,400
Materials and supplies	6,925	6,095	3,466	2,629
Transfer payments	(1,090,300)	(1,090,300)	(509,872)	(580,428)
Continuous charges	560	771	771	-
Capital outlay	6,250	1,936	25	1,911
Total capital projects management	<u>202,708</u>	<u>100,033</u>	<u>472,521</u>	<u>(372,488)</u>
Total providing the necessities	<u>14,519,394</u>	<u>15,402,772</u>	<u>14,255,891</u>	<u>1,146,881</u>
Ensuring quality of life:				
Parks and Recreation Commission:				
Outdoor pool:				
Personnel services	215,773	216,235	67,597	148,638
Contractual services	23,000	21,000	12,881	8,119
Materials and supplies	39,480	53,494	48,475	5,019
Continuous charges	20,000	24,500	24,480	20
Total outdoor pool	<u>298,253</u>	<u>315,229</u>	<u>153,433</u>	<u>161,796</u>
Parks and recreation administration:				
Personnel services	522,796	528,226	519,752	8,474
Contractual services	10,000	9,075	3,945	5,130
Materials and supplies	2,000	2,000	313	1,687
Continuous charges	24,820	23,879	22,405	1,474
Capital outlay	30,000	6,425	6,198	227
Total parks and recreation administration	<u>589,616</u>	<u>569,605</u>	<u>552,613</u>	<u>16,992</u>
Parks:				
Personnel services	1,010,770	898,622	898,622	-
Contractual services	87,525	87,197	73,274	13,923
Materials and supplies	196,070	223,385	143,363	80,022
Continuous charges	57,500	57,744	49,219	8,525
Capital outlay	13,000	94,476	13,530	80,946
Total parks	<u>1,364,865</u>	<u>1,361,424</u>	<u>1,178,008</u>	<u>183,416</u>
Recreation programs administration:				
Personnel services	217,180	219,283	212,670	6,613
Contractual services	86,060	47,165	36,023	11,142
Total recreation programs administration	<u>303,240</u>	<u>266,448</u>	<u>248,693</u>	<u>17,755</u>
Ida Lee recreation center:				
Personnel services	1,032,307	952,606	853,786	98,820
Contractual services	268,761	227,464	165,095	62,369
Materials and supplies	68,018	66,018	30,650	35,368
Grants and contributions	-	61	61	-
Continuous charges	265,130	265,101	195,686	69,415
Total Ida Lee recreation center	<u>1,634,216</u>	<u>1,511,250</u>	<u>1,245,278</u>	<u>265,972</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES –**  
**FUNCTIONAL BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Ensuring quality of life: (Continued)				
Parks and Recreation Commission: (Continued)				
Fitness programs:				
Personnel services	\$ 493,495	\$ 438,281	\$ 337,870	\$ 100,411
Contractual services	35,170	33,170	16,727	16,443
Materials and supplies	8,100	7,100	2,344	4,756
Total fitness programs	<u>536,765</u>	<u>478,551</u>	<u>356,941</u>	<u>121,610</u>
Community outreach:				
Personnel services	110,273	112,049	70,470	41,579
Contractual services	14,470	13,740	2,978	10,762
Materials and supplies	6,300	6,590	4,097	2,493
Total community outreach	<u>131,043</u>	<u>132,379</u>	<u>77,545</u>	<u>54,834</u>
Acquatics:				
Personnel services	1,139,066	963,709	912,546	51,163
Contractual services	14,845	13,845	10,806	3,039
Materials and supplies	43,730	42,730	25,462	17,268
Total aquatics	<u>1,197,641</u>	<u>1,020,284</u>	<u>948,814</u>	<u>71,470</u>
Sport programs:				
Personnel services	185,833	168,056	155,169	12,887
Contractual services	170	170	70	100
Materials and supplies	27,300	27,626	21,823	5,803
Total sport programs	<u>213,303</u>	<u>195,852</u>	<u>177,062</u>	<u>18,790</u>
Recreation classes:				
Personnel services	166,339	86,351	22,603	63,748
Contractual services	2,070	1,070	70	1,000
Materials and supplies	3,325	3,325	766	2,559
Total recreation classes	<u>171,734</u>	<u>90,746</u>	<u>23,439</u>	<u>67,307</u>
Special events:				
Personnel services	144,297	157,235	145,110	12,125
Contractual services	234,644	109,908	67,804	42,104
Materials and supplies	61,250	35,331	21,359	13,972
Grants and contributions	16,000	-	-	-
Total special events	<u>456,191</u>	<u>302,474</u>	<u>234,273</u>	<u>68,201</u>
Tennis court complex:				
Personnel services	479,005	639,486	616,364	23,122
Contractual services	13,700	16,524	4,924	11,600
Materials and supplies	20,300	20,387	10,026	10,361
Continuous charges	51,760	51,760	39,574	12,186
Total tennis court complex	<u>564,765</u>	<u>728,157</u>	<u>670,888</u>	<u>57,269</u>
Camp programs:				
Personnel services	81,521	78,806	17,930	60,876
Contractual services	36,500	16,500	7,152	9,348
Materials and supplies	9,500	9,203	5,340	3,863
Total camp programs	<u>127,521</u>	<u>104,509</u>	<u>30,422</u>	<u>74,087</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES –**  
**FUNCTIONAL BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Ensuring quality of life: (Continued)				
Parks and Recreation Commission: (Continued)				
Preschool childcare programs:				
Personnel services	\$ 105,199	\$ 82,838	\$ 27,067	\$ 55,771
Contractual services	1,900	1,900	-	1,900
Materials and supplies	3,570	3,590	20	3,570
Total preschool childcare programs	<u>110,669</u>	<u>88,328</u>	<u>27,087</u>	<u>61,241</u>
Total Parks and Recreation Commission	<u>7,720,030</u>	<u>7,185,444</u>	<u>5,939,831</u>	<u>1,245,613</u>
Balch library:				
Library operations:				
Personnel services	434,843	429,662	371,900	57,762
Contractual services	38,566	38,516	25,640	12,876
Materials and supplies	47,101	39,925	27,355	12,570
Continuous charges	23,715	26,983	25,420	1,563
Total library operations	<u>544,225</u>	<u>535,086</u>	<u>450,315</u>	<u>84,771</u>
Planning and zoning:				
Planning and zoning operations:				
Personnel services	1,981,049	1,859,042	1,802,207	56,835
Contractual services	31,275	117,067	79,172	37,895
Materials and supplies	6,600	4,388	2,878	1,510
Continuous charges	290	399	399	-
Capital outlay	1,100	1,100	-	1,100
Total planning and zoning operations	<u>2,020,314</u>	<u>1,981,996</u>	<u>1,884,656</u>	<u>97,340</u>
Plan review:				
Personnel services	1,446,454	1,477,430	1,434,606	42,824
Contractual services	74,923	68,267	54,499	13,768
Materials and supplies	6,500	6,500	1,405	5,095
Total plan review	<u>1,527,877</u>	<u>1,552,197</u>	<u>1,490,510</u>	<u>61,687</u>
Total ensuring quality of life	<u>11,792,238</u>	<u>11,234,515</u>	<u>9,749,977</u>	<u>1,484,538</u>
Seizing the future:				
Airport Operations:				
Personnel services	379,185	389,589	376,484	13,105
Contractual services	275,108	256,070	209,113	46,957
Materials and supplies	27,250	26,561	15,889	10,672
Continuous charges	149,131	159,287	130,470	28,817
Total airport operations	<u>830,674</u>	<u>831,507</u>	<u>731,956</u>	<u>99,551</u>
Economic development operations:				
Personnel services	336,900	342,501	338,585	3,916
Contractual services	52,959	100,205	22,468	77,737
Materials and supplies	14,700	11,811	1,591	10,220
Continuous charges	95,000	335,877	324,153	11,724
Grants and contributions	336,023	985,000	985,000	-
Capital outlay	3,000	3,000	-	3,000
Total economic development operations	<u>838,582</u>	<u>1,778,394</u>	<u>1,671,797</u>	<u>106,597</u>
Total seizing the future	<u>1,669,256</u>	<u>2,609,901</u>	<u>2,403,753</u>	<u>206,148</u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES –**  
**FUNCTIONAL BUDGET AND ACTUAL**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Seizing the future: (Continued)				
Townwide expenditures:				
Unclassified				
Salary savings	\$ (405,000)	\$ 481,316	\$ 456,313	\$ 25,003
Online services	-	245,598	245,481	117
Recreational supplies	-	156,614	156,453	161
CARES small business grants	169,000	5,484,713	4,372,934	1,111,779
Office furniture	-	253,528	253,528	-
Total townwide expenditures	<u>(236,000)</u>	<u>6,621,769</u>	<u>5,484,709</u>	<u>1,137,060</u>
Debt Service:				
GO bond retirement principal	5,877,525	5,877,525	1,916,745	3,960,780
GO bond retirement interest and other fiscal charges	2,029,588	2,029,588	1,750,584	279,004
BAN interest and fiscal charges	-	79,139	79,139	-
Capital lease principal	554,267	554,267	553,216	1,051
Capital lease interest and fiscal charges	51,793	51,793	51,693	100
Total debt service	<u>8,513,173</u>	<u>8,592,312</u>	<u>4,351,377</u>	<u>4,240,935</u>
Total expenditures	<u>60,890,513</u>	<u>68,563,440</u>	<u>58,488,872</u>	<u>10,074,568</u>
Other Financing Uses:				
Transfer to capital projects	1,600,000	1,464,000	1,464,000	-
Transfers out	30,000	108,188	-	108,188
Total other financing uses	<u>1,630,000</u>	<u>1,572,188</u>	<u>1,464,000</u>	<u>108,188</u>
Total general fund expenditures and other financing uses	<u>\$ 62,520,513</u>	<u>\$ 70,135,628</u>	<u>\$ 59,952,872</u>	<u>\$ 10,182,756</u>

## TOWN OF LEESBURG, VIRGINIA

**UTILITIES FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2021**  
**(With Comparative Amounts for 2020)**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 48,888,869	\$ 46,998,053
Accounts receivable, net	4,691,385	4,498,920
Prepaid expenses	37,594	32,494
Inventory	528,488	504,955
Total current assets	<u>54,146,336</u>	<u>52,034,422</u>
<b>NONCURRENT ASSETS</b>		
Capital assets:		
Nondepreciable	6,118,362	4,210,654
Depreciable assets, net	182,892,642	176,171,549
Total noncurrent assets	<u>189,011,004</u>	<u>180,382,203</u>
Total assets	<u>243,157,340</u>	<u>232,416,625</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension plan	1,774,753	1,335,390
Deferred outflows related to other post employment benefits	865,511	969,149
Deferred loss on refunding	1,819,226	1,950,160
Total deferred outflows of resources	<u>4,459,490</u>	<u>4,254,699</u>
Total assets and deferred outflows of resources	<u>247,616,830</u>	<u>236,671,324</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	2,226,192	1,358,794
Accrued expenses	526,864	449,126
Accrued interest	925,827	978,821
Compensated absences	621,946	566,684
Retainage payable	172,039	114,329
Notes payable	2,896	1,050
Bonds payable	3,580,336	2,784,800
Performance bonds payable	9,000	9,000
Customer deposits and contingent charges	1,153,148	1,194,620
Total current liabilities	<u>9,218,248</u>	<u>7,457,224</u>
<b>NONCURRENT LIABILITIES</b>		
Compensated absences	192,903	175,763
Net pension obligation liability	4,553,313	3,443,353
Net other postemployment benefit liability	1,073,039	3,047,009
Notes payable	10,849	4,410
Bonds payable, net	54,198,809	57,483,210
Total noncurrent liabilities	<u>60,028,913</u>	<u>64,153,745</u>
Total liabilities	<u>69,247,161</u>	<u>71,610,969</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pension plan	80,376	452,968
Deferred inflows related to other postemployment benefits	2,187,096	632,319
Deferred gain on refunding	70,076	-
Total liabilities and deferred inflows of resources	<u>71,584,709</u>	<u>72,696,256</u>
<b>NET POSITION</b>		
Net investment in capital assets	132,795,226	121,944,564
Unrestricted	43,236,895	42,030,504
Total net position	<u>\$ 176,032,121</u>	<u>\$ 163,975,068</u>

## TOWN OF LEESBURG, VIRGINIA

## UTILITIES FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Year Ended June 30, 2021**  
**(With Comparative Amounts for 2020)**

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 24,404,030	\$ 23,740,684
Other	67,709	353,977
	<u>24,471,739</u>	<u>24,094,661</u>
<b>OPERATING EXPENSES</b>		
Personnel service	8,883,963	8,821,958
Contractual services	1,994,510	2,537,600
Depreciation and amortization	6,107,131	6,131,773
Materials and supplies	1,670,851	1,941,726
Continuous charges	1,137,668	1,135,236
Claims and settlements	294	728
Internal and other	92,941	234,832
	<u>19,887,358</u>	<u>20,803,853</u>
Total operating expenses	<u>19,887,358</u>	<u>20,803,853</u>
Operating income	<u>4,584,381</u>	<u>3,290,808</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest on investments	83,482	740,938
Rental and other charges	377,342	372,905
Installation and connection charges	3,699,668	6,565,965
Interest and fiscal charges	(1,770,073)	(2,165,972)
	<u>2,390,419</u>	<u>5,513,836</u>
Total nonoperating revenues (expenses), net	<u>2,390,419</u>	<u>5,513,836</u>
Income before capital contributions and transfers	<u>6,974,800</u>	<u>8,804,644</u>
<b>TRANSFERS</b>		
Transfers out	<u>(1,576,998)</u>	<u>(1,421,440)</u>
Capital contributions	<u>6,659,251</u>	<u>6,474,287</u>
Total contributions and transfers, net	<u>5,082,253</u>	<u>5,052,847</u>
Change in net position	12,057,053	13,857,491
Total net position, beginning	<u>163,975,068</u>	<u>150,117,577</u>
Total net position, ending	<u>\$ 176,032,121</u>	<u>\$ 163,975,068</u>

## TOWN OF LEESBURG, VIRGINIA

**UTILITIES FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**Year Ended June 30, 2021**  
**(With Comparative Amounts for 2020)**

	<u>2021</u>	<u>2020</u>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 24,237,802	\$ 23,561,136
Payments to suppliers for goods and services	(3,964,264)	(5,227,595)
Payments to employees for services	<u>(8,844,608)</u>	<u>(8,670,343)</u>
Net cash provided by operating activities	<u>11,428,930</u>	<u>9,663,198</u>
<b>NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Transfers out	<u>(1,576,998)</u>	<u>(1,421,440)</u>
Net cash used in noncapital and related financing activities	<u>(1,576,998)</u>	<u>(1,421,440)</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Installation and connection charges	3,699,668	6,565,965
Acquisition and construction of capital assets	(8,018,971)	(127,348)
Payment to escrow agent for debt refunding	(5,105,000)	(3,975,000)
Proceeds from debt issuance	772,618	1,396,228
Premiums from bond refunding	639,038	-
Principal paid on debt	(2,784,799)	(2,284,859)
Proceeds from bond refunding	4,640,000	3,971,722
Proceeds from issuance of note payable	9,335	5,460
Interest and fiscal charges	<u>(2,273,829)</u>	<u>(2,199,947)</u>
Net cash provided by (used in) capital and related financing activities	<u>(8,421,940)</u>	<u>3,352,221</u>
<b>INVESTING ACTIVITIES</b>		
Interest on investments	83,482	740,938
Rental income	<u>377,342</u>	<u>372,905</u>
Net cash provided by investing activities	<u>460,824</u>	<u>1,113,843</u>
Net increase in cash and cash equivalents	1,890,816	12,707,822
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	<u>46,998,053</u>	<u>34,290,231</u>
Ending	<u><u>\$ 48,888,869</u></u>	<u><u>\$ 46,998,053</u></u>

(Continued)

## TOWN OF LEESBURG, VIRGINIA

**UTILITIES FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**Year Ended June 30, 2021**  
**(With Comparative Amounts for 2020)**

	<u>2021</u>	<u>2020</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 4,584,381	\$ 3,290,808
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	6,107,131	6,131,773
Pension expense, net of contributions	298,005	161,461
Other postemployment benefits expense, net of contributions	(315,555)	36,344
Changes in assets and liabilities:		
Increase in:		
Accounts receivable	(192,465)	(462,315)
Due from other funds	(5,100)	(13,361)
Inventory	(23,533)	178,580
Increase (decrease) in:		
Accounts payable	867,398	221,748
Accrued liabilities	150,140	189,370
Customer deposits and contingent charges	(41,472)	(71,210)
Net cash provided by operating activities	<u>\$ 11,428,930</u>	<u>\$ 9,663,198</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Developer donated capital improvements	<u>\$ 6,659,251</u>	<u>\$ 6,474,287</u>
Capital assets included in retainage payable	<u>\$ 172,039</u>	<u>\$ 114,329</u>

## TOWN OF LEESBURG, VIRGINIA

**INTERNAL SERVICE FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
Year Ended June 30, 2021  
(With Comparative Amounts for 2020)**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,444,460	\$ 1,980,585
Receivables (net of allowance for doubtful accounts):		
Trade and other accounts	<u>229,545</u>	<u>224,079</u>
Total assets	<u>1,674,005</u>	<u>2,204,664</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	25,241	1,539
Insurance and benefit claims	<u>955,625</u>	<u>997,577</u>
Total liabilities	<u>980,866</u>	<u>999,116</u>
<b>NET POSITION</b>		
Unrestricted	<u>693,139</u>	<u>1,205,548</u>
Total net position	<u><u>\$ 693,139</u></u>	<u><u>\$ 1,205,548</u></u>

## TOWN OF LEESBURG, VIRGINIA

**INTERNAL SERVICE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Year Ended June 30, 2021**  
**(With Comparative Amounts for 2020)**

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for services	\$ 4,536,056	\$ 4,736,269
Other	-	774
	<u>4,536,056</u>	<u>4,737,043</u>
OPERATING EXPENSES		
Risk financing and benefit payments	<u>5,048,465</u>	<u>5,242,424</u>
	<u>5,048,465</u>	<u>5,242,424</u>
Operating loss	<u>(512,409)</u>	<u>(505,381)</u>
Change in net position	(512,409)	(505,381)
Total net position, beginning	<u>1,205,548</u>	<u>1,710,929</u>
Total net position, ending	<u>\$ 693,139</u>	<u>\$ 1,205,548</u>

## TOWN OF LEESBURG, VIRGINIA

**INTERNAL SERVICE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
Year Ended June 30, 2021  
(With Comparative Amounts for 2020)**

	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from interfund services provided	\$ 4,530,590	\$ 4,731,334
Claims and benefits paid	(5,066,715)	(5,216,484)
Net cash used in operating activities	(536,125)	(485,150)
Net decrease in cash and cash equivalents	(536,125)	(485,150)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	1,980,585	2,465,735
Ending	\$ 1,444,460	\$ 1,980,585
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Operating loss	\$ (512,409)	\$ (505,381)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Increase in:		
Accounts receivable	(5,466)	(5,709)
Increase (decrease) in:		
Accounts payable	23,702	(19,198)
Insurance and benefit claims	(41,952)	45,138
Net cash used in operating activities	\$ (536,125)	\$ (485,150)

TOWN OF LEESBURG, VIRGINIA

SPECIAL REVENUE FUND  
BALANCE SHEET  
June 30, 2021

**Thomas Balch  
Library  
Endowment  
Fund**

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**ASSETS**

CURRENT ASSETS

Cash, cash equivalents, and investments

\$ 1,271,183

Total assets

\$ 1,271,183

**LIABILITIES**

CURRENT LIABILITIES

Accounts payable

\$ 4,606

Total liabilities

4,606

**FUND BALANCE**

Restricted

1,266,577

Total fund balance

1,266,577

Total liabilities, deferred inflows of resources,  
and fund balances

\$ 1,271,183

## TOWN OF LEESBURG, VIRGINIA

**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**Year Ended June 30, 2021**

	<b>Thomas Balch Library Endowment Fund</b>
REVENUES	
Contributions	\$ 46,250
Interest	232,185
Total revenues	278,435
EXPENDITURES	
Capital projects	43,631
Contractual services	8,666
Total expenditures	52,297
Excess of revenues over expenditures	226,138
OTHER FINANCING SOURCES (USES)	
Transfers out	(14,191)
Total other financing sources (uses)	(14,191)
Net change in fund balance	211,947
Fund balance, beginning	1,054,630
Fund balance, ending	\$ 1,266,577

# TOWN OF LEESBURG, VIRGINIA

## STATISTICAL SECTION TABLE OF CONTENTS

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The statistical section of the Town's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information say about the Town's overall financial health. This information has not been audited by the independent auditor.

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<b>Contents</b>	<b>Tables</b>
<b>Financial Trends</b> These tables contain trend information to help the reader understand how the Town's financial performance and well being have changed over time.	1 – 6
<b>Revenue Capacity</b> These tables contain information to help the reader assess the Town's most significant local revenue sources, the property tax, as well as other revenue sources.	7 – 12
<b>Debt Capacity</b> These tables present information to help the reader assess the affordability of the Town's current level of outstanding debt and the Town's ability to issue additional debt in the future.	13 – 16
<b>Demographic and Economic Information</b> These tables offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	17 – 18
<b>Operating Information</b> These tables contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	19 – 22

**Sources:** Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial report for the relevant year.

TOWN OF LEESBURG, VIRGINIA

NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS  
*(Accrual Basis of Accounting)*  
 (Unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 262,169,923	\$ 260,710,155	\$ 269,470,483	\$ 253,108,079	\$ 260,418,011	\$ 283,018,215	\$ 294,700,876	\$ 305,543,608	\$ 316,442,063	\$ 309,533,766
Restricted	827,452	4,756,210	1,366,923	11,601,298	15,074,126	13,860,762	12,012,955	12,295,849	11,020,631	13,689,817
Unrestricted	11,180,851	12,031,291	11,475,555	9,767,484	12,371,943	12,634,883	10,367,657	11,415,206	11,181,903	21,308,737
Total governmental activities net position	<u>\$ 274,178,226</u>	<u>\$ 277,497,656</u>	<u>\$ 282,312,961</u>	<u>\$ 274,476,861</u>	<u>\$ 287,864,080</u>	<u>\$ 309,513,860</u>	<u>\$ 317,081,488</u>	<u>\$ 329,254,663</u>	<u>\$ 338,644,597</u>	<u>\$ 344,532,320</u>
Business-type activities:										
Net investment in capital assets	\$ 111,237,616	\$ 113,816,486	\$ 111,153,372	\$ 106,179,841	\$ 106,514,815	\$ 116,239,800	\$ 119,676,742	\$ 120,511,325	\$ 121,944,564	\$ 132,795,226
Unrestricted	17,410,647	15,324,067	15,884,417	16,970,074	17,627,323	22,415,979	22,418,522	29,606,252	42,030,504	43,236,895
Total business-type activities net position	<u>\$ 128,648,263</u>	<u>\$ 129,140,553</u>	<u>\$ 127,037,789</u>	<u>\$ 123,149,915</u>	<u>\$ 124,142,138</u>	<u>\$ 138,655,779</u>	<u>\$ 142,095,264</u>	<u>\$ 150,117,577</u>	<u>\$ 163,975,068</u>	<u>\$ 176,032,121</u>
Primary government:										
Net investment in capital assets	\$ 373,407,539	\$ 374,526,641	\$ 380,623,855	\$ 359,287,920	\$ 366,932,826	\$ 399,258,015	\$ 414,377,618	\$ 426,054,933	\$ 438,386,627	\$ 442,328,992
Restricted	827,452	4,756,210	1,366,923	11,601,298	15,074,126	13,860,762	12,012,955	12,295,849	11,020,631	13,689,817
Unrestricted	28,591,498	27,355,358	27,359,972	26,737,558	29,999,266	35,050,862	32,786,179	41,021,458	53,212,407	64,545,632
Total primary government net position	<u>\$ 402,826,489</u>	<u>\$ 406,638,209</u>	<u>\$ 409,350,750</u>	<u>\$ 397,626,776</u>	<u>\$ 412,006,218</u>	<u>\$ 448,169,639</u>	<u>\$ 459,176,752</u>	<u>\$ 479,372,240</u>	<u>\$ 502,619,665</u>	<u>\$ 520,564,441</u>

Beginning net position was restated as of June 30, 2016, but no prior years have been restated.

GASB Statement No. 75 was adopted in fiscal year 2018. Information for previous years presented is unavailable.

TABLE 2

TOWN OF LEESBURG, VIRGINIA

CHANGES IN NET POSITION  
 LAST TEN FISCAL YEARS  
 (Accrual Basis of Accounting)  
 (Unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
Legislative	\$ 2,242,274	\$ 2,063,474	\$ 1,647,737	\$ 358,882	\$ 252,822	\$ 258,238	\$ 275,494	\$ 266,921	\$ 306,311	\$ 284,782
Executive	3,709,476	3,536,663	5,101,778	2,072,643	2,502,210	2,162,353	2,011,487	2,250,835	2,638,713	3,476,734
Legal	416,116	556,900	428,396	812,884	730,310	764,127	850,797	1,449,665	1,281,417	1,094,510
Finance and administrative services	2,082,232	2,187,457	2,122,300	4,427,627	4,623,142	4,906,502	5,574,621	5,577,072	6,754,364	6,375,565
Public safety	11,701,344	12,564,971	12,760,923	13,236,510	13,091,832	12,749,163	13,696,258	14,103,272	14,496,980	13,741,579
Public works	15,319,444	17,834,560	13,281,259	15,310,127	17,881,225	20,915,538	21,626,022	22,771,022	21,167,673	21,333,317
Parks and recreation	7,721,607	7,905,724	8,545,134	8,084,695	8,474,752	7,323,433	8,550,169	8,611,563	7,720,777	7,093,510
Balch Library	596,845	586,263	638,586	635,782	666,442	670,011	521,563	540,759	515,262	482,434
Planning and zoning	1,395,917	1,498,275	1,544,011	1,554,970	1,634,254	1,649,401	2,050,272	1,892,780	2,155,625	1,967,412
Plan review	1,216,828	1,303,118	1,332,438	1,251,101	1,346,812	1,329,164	1,351,632	1,460,785	1,446,718	1,493,857
Airport	2,444	7,237,878	1,784,308	1,737,100	1,887,605	1,949,301	2,145,464	2,313,619	1,703,631	1,667,720
Townwide	-	-	-	-	-	-	-	-	84,100	5,484,709
Interest	2,746,447	2,312,731	2,574,971	2,948,021	3,078,679	2,966,378	2,299,739	2,056,929	2,643,027	2,013,094
Total governmental activities	49,150,974	59,588,014	51,761,841	52,430,342	56,170,085	57,643,609	60,953,518	63,295,222	62,914,598	66,509,223
Business-type activities:										
Airport	1,660,120	-	-	-	-	-	-	-	-	-
Utilities	18,063,523	17,842,677	19,421,203	18,923,084	19,288,252	19,168,447	19,891,648	20,814,411	22,969,825	21,657,431
Total business-type activities	19,723,643	17,842,677	19,421,203	18,923,084	19,288,252	19,168,447	19,891,648	20,814,411	22,969,825	21,657,431
Total government	68,874,617	77,430,691	71,183,044	71,353,426	75,458,337	76,812,056	80,845,166	84,109,633	85,884,423	88,166,654
Program revenue:										
Governmental activities:										
Charges for services:										
Legislative	-	-	-	-	-	319,340	-	-	-	-
Public safety	498,411	563,856	733,367	582,487	441,899	398,197	431,632	700,562	490,334	293,768
Public works	154,495	155,931	368,345	390,712	265,239	115,470	177,044	159,506	169,809	72,114
Parks and recreation	4,670,693	4,785,743	4,919,355	4,921,047	4,990,892	4,938,988	5,076,884	5,121,409	3,323,120	3,172,606
Plan review	-	-	-	-	-	1,280,528	896,791	948,850	1,032,586	1,208,102
Planning and zoning	283,241	237,689	706,135	649,181	513,145	1,919,609	252,393	382,255	458,660	299,752
Airport	-	-	-	-	-	-	101,252	81,960	91,746	99,390
Operating grants and contributions:										
Executive	-	-	-	255,441	259,066	-	861,824	789,810	916,872	615,674
Public safety	988,734	1,030,390	1,002,002	1,018,162	1,562,618	1,216,964	1,104,541	1,119,632	1,172,277	1,196,462
Public works	2,987,613	3,046,021	3,442,583	3,462,282	3,848,932	4,529,490	4,295,620	4,086,213	5,611,524	3,928,356

(Continued)

**TABLE 2**

**TOWN OF LEESBURG, VIRGINIA**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
(Unaudited)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program revenue: (Continued)										
Governmental activities: (Continued)										
Operating grants and contributions: (Continued)										
Parks and recreation	\$ -	\$ -	\$ 1,843	\$ -	\$ -	\$ 586	\$ 5,000	\$ 4,500	\$ -	\$ 4,500
Balch Library	372,994	5,500	5,000	12,379	13,500	8,872	-	-	-	-
Airport	-	-	135,711	99,197	125,775	113,578	82,780	218,889	950,083	223,137
Townwide	-	-	-	-	-	-	-	-	-	9,458,419
Capital grants and contributions:										
Executive	-	-	-	137,400	-	-	36,298	-	-	-
Public works	6,783,738	9,163,209	9,498,970	5,081,809	-	8,557,324	12,719,606	21,434,223	14,187,071	10,098,336
Parks and recreation	71,625	8,000	-	-	3,234,028	-	-	-	-	-
Airport	-	-	3,957,230	916,850	1,420,215	304,166	-	-	-	-
Total governmental activities program revenue	<u>16,811,544</u>	<u>18,996,339</u>	<u>24,770,541</u>	<u>17,526,947</u>	<u>16,675,309</u>	<u>23,703,112</u>	<u>26,041,665</u>	<u>35,047,809</u>	<u>28,404,082</u>	<u>30,670,616</u>
Business-type activities:										
Charges for services:										
Airport	1,092,572	1,182,366	-	-	-	-	-	-	-	-
Utilities	14,792,146	15,053,935	15,225,178	15,620,127	16,841,860	18,639,231	22,387,305	23,873,384	30,306,649	28,103,698
Operating grants and contributions:										
Airport	27,615	65,443	-	-	-	-	-	-	-	-
Utilities	118,656	69,245	-	2,176,412	1,592,787	571,739	-	-	-	-
Capital grants and contributions:										
Airport	194,898	633,503	-	-	-	-	-	-	-	-
Utilities	6,239,546	4,066,836	4,417,288	271,759	321,724	571,739	12,128,538	2,811,012	6,474,287	520,097
Total business-type activities program revenues	<u>22,465,433</u>	<u>21,071,328</u>	<u>19,642,466</u>	<u>18,068,298</u>	<u>18,756,371</u>	<u>19,782,709</u>	<u>34,515,843</u>	<u>26,684,396</u>	<u>36,780,936</u>	<u>28,623,795</u>
Total government program revenues	<u>39,276,977</u>	<u>40,067,667</u>	<u>44,413,007</u>	<u>35,595,245</u>	<u>35,431,680</u>	<u>43,485,821</u>	<u>60,557,508</u>	<u>61,732,205</u>	<u>65,185,018</u>	<u>59,294,411</u>
Net (expense) revenue:										
Governmental activities	(33,140,742)	(30,391,078)	(36,169,630)	(34,342,419)	(36,357,512)	(35,303,768)	(30,081,339)	(26,097,925)	(34,510,516)	(35,838,607)
Business-type activities	2,773,023	1,347,685	1,799,789	(1,352,905)	(166,713)	1,521,168	15,347,396	6,792,748	13,811,111	6,966,364
Total government net expense	<u>(30,367,719)</u>	<u>(29,043,393)</u>	<u>(34,369,841)</u>	<u>(35,695,324)</u>	<u>(36,524,225)</u>	<u>(33,782,600)</u>	<u>(14,733,943)</u>	<u>(19,305,177)</u>	<u>(20,699,405)</u>	<u>(28,872,243)</u>

(Continued)

**TABLE 2**

**TOWN OF LEESBURG, VIRGINIA**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
(Unaudited)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
General property	\$ 12,536,096	\$ 12,943,508	\$ 13,723,821	\$ 13,665,498	\$ 13,907,905	\$ 14,184,837	\$ 14,811,321	\$ 15,635,984	\$ 17,554,757	\$ 19,155,387
Communication sales and use	6,412,866	6,717,220	6,621,637	6,343,455	6,767,712	7,234,856	7,426,112	7,230,196	7,882,027	7,993,969
Meals	3,672,760	4,418,067	4,695,048	4,827,853	5,021,455	5,247,114	5,275,413	5,841,127	5,175,671	5,540,382
Business and occupational licenses	2,880,044	2,860,659	3,072,266	3,292,385	3,326,739	3,152,175	3,482,857	3,620,884	3,793,027	4,031,292
Utility	1,542,597	1,495,345	1,546,528	1,564,500	1,559,559	1,525,755	1,521,738	1,544,206	1,494,085	1,488,711
Cigarette	872,047	1,133,071	1,047,206	980,759	934,508	905,450	872,841	821,296	675,880	616,040
Other	2,459,485	2,565,675	2,558,425	2,785,727	2,486,346	2,892,316	2,879,141	3,252,683	3,002,327	3,336,541
Intergovernmental, non-categorical aid	1,573,674	1,562,312	1,595,780	1,594,257	1,881,123	2,756,311	11,200,431	2,516,960	1,571,043	1,725,059
Use of money and property	686,183	514,491	1,768,730	1,796,693	1,785,866	2,185,769	2,581,923	2,410,130	2,719,823	2,039,440
Miscellaneous and lease income	1,086,819	901,963	1,608,459	813,747	676,490	611,090	257,235	82,456	109,750	361,665
Transfers	2,696,261	28,715,628	1,907,496	1,492,850	1,501,662	1,723,931	1,422,107	1,324,800	1,421,440	(4,562,156)
<b>Total governmental activities</b>	<b>36,418,832</b>	<b>63,827,939</b>	<b>40,145,396</b>	<b>39,157,724</b>	<b>39,849,365</b>	<b>42,419,604</b>	<b>51,731,119</b>	<b>44,280,722</b>	<b>45,399,830</b>	<b>41,726,330</b>
Business-type activities:										
Use of money and property	84,837	254,237	562,996	194,274	66,363	236,150	350,671	312,200	740,938	83,482
Miscellaneous	328,773	350,704	411,370	548,717	546,126	424,837	237,681	481,091	726,882	445,051
Transfers	(2,696,261)	(28,715,628)	(1,907,496)	(1,492,850)	(1,501,662)	(1,723,931)	(1,422,107)	(1,324,800)	(1,421,440)	4,562,156
<b>Total business-type activities</b>	<b>(2,282,651)</b>	<b>(28,110,687)</b>	<b>(933,130)</b>	<b>(749,859)</b>	<b>(889,173)</b>	<b>(1,062,944)</b>	<b>(833,755)</b>	<b>(531,509)</b>	<b>46,380</b>	<b>5,090,689</b>
<b>Total primary government</b>	<b>34,136,181</b>	<b>35,717,252</b>	<b>39,212,266</b>	<b>38,407,865</b>	<b>38,960,192</b>	<b>41,356,660</b>	<b>50,897,364</b>	<b>43,749,213</b>	<b>45,446,210</b>	<b>46,817,019</b>
Changes in net position:										
Governmental activities	3,278,090	33,436,861	3,975,766	4,815,305	3,491,853	7,115,836	21,649,780	18,182,797	10,889,314	5,887,723
Business-type activities	490,372	(26,763,002)	866,659	(2,102,764)	(1,055,886)	458,224	14,513,641	6,261,239	13,857,491	12,057,053
<b>Total primary government</b>	<b>\$ 3,768,462</b>	<b>\$ 6,673,859</b>	<b>\$ 4,842,425</b>	<b>\$ 2,712,541</b>	<b>\$ 2,435,967</b>	<b>\$ 7,574,060</b>	<b>\$ 36,163,421</b>	<b>\$ 24,444,036</b>	<b>\$ 24,746,805</b>	<b>\$ 17,944,776</b>

Note:

(1) Net (expense) revenue is the difference between the expenses and program revenues. This difference indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in a parentheses are net expenses indicating that expenses were greater than program revenues, and the revenues were needed to finance that function or program. Numbers without parentheses are net revenues, demonstrating that program revenues were more than sufficient to cover expenses.

(2) On June 29 of fiscal year 2012, the Town elected to transfer the airport activity to the general government. Fiscal year 2013 was the first fiscal year in which the airport activity was fully accounted for by the general government.

**TABLE 3**

**TOWN OF LEESBURG, VIRGINIA**

**PROGRAM REVENUES BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
(Unaudited)**

<b>Function / Program</b>	<b>Fiscal Year</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Governmental activities:										
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 319,340	\$ -	\$ -	\$ -	\$ -
Executive	-	-	137,400	255,441	259,066	36,298	861,824	789,810	916,872	615,674
Parks and recreation	4,678,693	4,787,586	4,919,355	4,921,047	4,991,478	4,943,988	5,081,384	5,125,909	3,323,120	3,177,106
Balch Library	5,500	5,000	12,379	16,500	8,872	-	-	-	-	-
Planning and zoning	283,241	237,689	706,135	649,181	513,145	1,919,609	252,393	382,255	458,660	299,752
Public works	12,305,317	12,700,922	8,892,737	7,087,022	12,671,495	17,364,566	25,906,887	20,040,816	19,968,404	14,098,806
Public safety	1,487,145	1,594,246	1,735,369	1,600,649	2,004,517	1,615,161	1,536,173	1,820,194	1,662,611	1,490,230
Plan review	-	-	-	-	-	1,280,528	896,791	948,850	1,032,586	1,208,102
Airport	-	4,092,941	1,016,047	1,545,990	417,744	82,780	320,141	341,033	1,041,829	322,527
<b>Total governmental activities</b>	<b>18,759,896</b>	<b>23,418,384</b>	<b>17,419,422</b>	<b>16,075,830</b>	<b>20,866,317</b>	<b>27,562,270</b>	<b>34,855,593</b>	<b>29,448,867</b>	<b>28,404,082</b>	<b>21,212,197</b>
Business-type activities:										
Airport	1,881,312	-	-	-	-	-	-	-	-	-
Utilities	19,190,016	19,642,466	18,068,298	18,756,371	20,809,420	34,515,843	26,684,396	28,646,149	36,780,936	28,623,795
<b>Total business-type activities</b>	<b>21,071,328</b>	<b>19,642,466</b>	<b>18,068,298</b>	<b>18,756,371</b>	<b>20,809,420</b>	<b>34,515,843</b>	<b>26,684,396</b>	<b>28,646,149</b>	<b>36,780,936</b>	<b>28,623,795</b>
<b>Total government</b>	<b>\$ 39,831,224</b>	<b>\$ 43,060,850</b>	<b>\$ 35,487,720</b>	<b>\$ 34,832,201</b>	<b>\$ 41,675,737</b>	<b>\$ 62,078,113</b>	<b>\$ 61,539,989</b>	<b>\$ 58,095,016</b>	<b>\$ 65,185,018</b>	<b>\$ 49,835,992</b>

Note:

(1) On June 29 of fiscal year 2012, the Town elected to transfer the airport activity to the general government. Fiscal year 2013 was the first fiscal year in which the airport activity was fully accounted for by the general government.

TABLE 4

## TOWN OF LEESBURG, VIRGINIA

**FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
**(Unaudited)**

	Fiscal Year		
	2012	2013	2014
General Fund:			
Reserved	\$ -	\$ 153,473	\$ -
Unreserved	-	831,316	-
Nonspendable	151,402	-	155,411
Restricted	827,452	-	973,799
Committed	-	-	-
Assigned	6,774,757	7,144,209	8,747,716
Unassigned	9,395,933	10,041,113	10,958,360
Total general fund	<u>\$ 17,149,544</u>	<u>\$ 18,170,111</u>	<u>\$ 20,835,286</u>
All Other Governmental Funds:			
Committed, reported in:			
Capital projects fund	\$ -	\$ -	\$ -
Unreserved, reported in:			
Capital projects fund	5,299,780	6,672,522	7,750,173
Special revenue funds	-	-	-
Assigned, reported in:			
Capital projects fund	945,427	(5,137,844)	(12,805,982)
Total all other government funds	<u>\$ 6,245,207</u>	<u>\$ 1,534,678</u>	<u>\$ (5,055,809)</u>

	Fiscal Year						
	2015	2016	2017	2018	2019	2020	2021
General Fund:							
Nonspendable	\$ 159,370	\$ 217,801	\$ 302,316	\$ 277,338	\$ 224,707	\$ -	\$ 394,248
Restricted	985,772	1,025,170	1,379,857	716,204	888,975	847,935	3,864,355
Committed	-	-	-	-	-	-	-
Assigned	11,349,940	12,940,397	14,145,306	14,010,719	13,744,579	10,892,207	11,796,983
Unassigned	10,286,067	11,521,249	12,288,356	14,494,275	11,610,081	14,695,778	23,299,386
Total general fund	<u>\$ 22,781,149</u>	<u>\$ 25,704,617</u>	<u>\$ 28,115,835</u>	<u>\$ 29,498,536</u>	<u>\$ 26,468,342</u>	<u>\$ 26,435,920</u>	<u>\$ 39,354,972</u>
All Other Governmental Funds:							
Restricted, reported in:							
Capital projects fund	\$ 10,615,526	\$ 12,595,634	\$ 12,480,905	\$ 14,277,505	\$ 14,487,721	\$ 9,052,617	\$ 8,493,436
NVTVA fund	-	-	-	-	-	65,449	65,449
Other governmental funds	-	-	-	1,130,864	893,187	1,054,630	1,266,577
Committed, reported in:							
Capital projects fund	2,131,395	5,044,819	10,557,120	2,180,641	14,347,994	8,042,273	3,430,156
Assigned, reported in:							
Capital projects fund	-	-	-	1,271,396	2,008,173	-	3,451,472
Unassigned, reported in:							
Capital projects fund	(1,779,735)	(3,980,575)	(9,581,537)	-	(8,405,774)	(8,283,240)	-
Other governmental funds	-	-	-	-	-	(32,946)	-
Total all other government funds	<u>\$ 10,967,186</u>	<u>\$ 13,659,878</u>	<u>\$ 13,456,488</u>	<u>\$ 18,860,406</u>	<u>\$ 23,331,301</u>	<u>\$ 9,898,783</u>	<u>\$ 16,707,090</u>

Beginning fund balance was restated as of June 30, 2016, but no prior years have been restated.

TABLE 5

TOWN OF LEESBURG, VIRGINIA

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
General property taxes	\$ 12,854,369	\$ 13,606,085	\$ 13,814,622	\$ 13,568,504	\$ 14,389,962	\$ 14,816,811	\$ 15,692,223	\$ 16,763,012	\$ 16,540,635	\$ 18,814,097
Other local taxes	16,981,945	17,327,161	17,618,402	17,939,057	18,864,268	14,031,990	15,080,196	15,419,538	14,140,990	15,012,966
Permits, privilege fees, and regulatory licenses	435,554	391,407	1,073,586	1,032,766	772,765	1,280,528	1,366,410	1,368,371	1,582,992	1,607,244
Fines and forfeitures	482,049	544,411	718,350	530,509	341,152	378,181	426,404	558,857	426,867	252,776
Use of money and property	514,491	1,768,730	1,796,693	1,785,866	2,185,769	2,574,671	2,403,511	3,181,950	2,719,823	2,039,440
Charges for services	4,689,237	4,807,401	4,935,266	4,980,152	5,097,258	5,075,406	5,263,363	5,422,620	3,556,396	3,285,712
Contributions and proffers	342,739	594,544	1,646,901	1,318,658	961,402	2,260,800	3,989,498	1,616,097	2,348,880	2,346,144
Grants	-	-	-	-	-	-	5,250	8,700	-	-
Miscellaneous	901,963	1,608,459	813,747	676,490	611,090	257,235	77,206	279,113	109,750	361,665
Intergovernmental	12,354,864	17,460,860	12,815,853	12,249,130	15,380,716	24,919,385	32,456,282	23,620,180	27,976,350	29,035,495
<b>Total revenues</b>	<b>49,557,211</b>	<b>58,109,058</b>	<b>55,233,420</b>	<b>54,081,132</b>	<b>58,604,382</b>	<b>65,595,007</b>	<b>76,760,343</b>	<b>68,238,438</b>	<b>69,402,683</b>	<b>72,755,539</b>
<b>Expenditures:</b>										
Legislative	960,836	949,680	1,645,525	395,084	249,418	247,809	280,712	255,452	280,031	266,202
Executive	3,127,240	3,345,634	4,065,619	1,919,530	2,251,468	1,887,672	1,689,964	1,886,653	2,368,301	3,087,773
Legal	412,454	517,214	470,940	854,433	738,157	761,453	835,408	1,449,337	1,283,155	1,073,543
Finance and administrative services	2,073,242	2,196,207	1,985,483	4,459,503	4,921,814	4,795,874	5,417,654	5,540,062	5,806,893	6,158,087
Public safety	11,262,769	12,551,566	12,507,687	13,488,315	13,242,169	12,467,978	13,325,521	14,069,073	13,813,223	13,243,794
Public works	11,590,650	11,851,505	11,494,248	11,332,942	12,878,286	14,391,996	14,173,810	14,360,321	14,455,259	14,255,891
Parks and recreation	6,916,341	7,462,632	7,833,710	8,060,847	7,845,039	7,640,573	7,627,827	7,701,535	6,597,044	5,939,831
Balch Library	454,610	440,057	457,866	459,214	488,583	490,644	505,607	536,704	500,019	465,980
Planning and zoning	1,382,400	1,489,006	1,562,694	1,591,679	1,663,251	1,650,178	2,021,595	1,881,100	2,128,753	1,942,018
Plan review	1,248,341	1,295,785	1,384,016	1,314,564	1,388,654	1,333,740	1,334,333	1,464,977	1,426,408	1,490,510
Airport	2,444	706,939	688,604	660,000	716,544	771,312	743,773	750,389	705,488	737,823
Capital projects	9,673,741	15,175,508	12,144,131	8,317,589	8,880,704	10,341,003	15,936,356	13,470,015	18,205,678	9,427,928
Townwide	-	-	-	-	-	-	-	-	84,100	5,484,709
Debt service:										
Principal	8,184,465	3,026,278	1,799,341	2,300,000	2,505,000	5,020,000	5,377,001	5,582,241	5,871,208	2,469,961
Interest and fiscal charges	2,544,404	2,698,505	2,611,718	3,530,190	2,997,383	3,004,766	2,584,951	2,484,035	2,654,883	1,881,416
Debt issuance cost	-	-	-	-	-	226,075	-	-	159,864	507,390
<b>Total expenditures</b>	<b>59,833,937</b>	<b>63,706,516</b>	<b>60,651,582</b>	<b>58,683,890</b>	<b>60,766,470</b>	<b>65,031,073</b>	<b>71,854,512</b>	<b>71,431,894</b>	<b>76,340,307</b>	<b>68,432,856</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(10,276,726)</b>	<b>(5,597,458)</b>	<b>(5,418,162)</b>	<b>(4,602,758)</b>	<b>(2,162,088)</b>	<b>563,934</b>	<b>4,905,831</b>	<b>(3,193,456)</b>	<b>(6,937,624)</b>	<b>4,322,683</b>
<b>Other financing sources (uses):</b>										
Transfers in	2,648,127	2,489,417	2,292,323	2,350,030	6,930,644	5,164,734	3,982,397	9,660,299	5,121,963	7,557,703
Transfers out	(3,206,258)	(581,921)	(799,473)	(848,368)	(5,423,779)	(3,742,627)	(2,657,597)	(8,308,999)	(3,700,523)	(5,980,705)
Issuance of debt	8,253,567	-	-	17,830,000	-	-	555,988	1,342,833	9,940,933	6,944,301
Proceeds of refunding bonds	10,251,077	-	-	9,710,000	-	13,029,935	-	-	-	8,610,000
Payment to refunded bond escrow agent	(10,980,442)	-	-	(9,710,000)	-	(14,218,960)	-	-	(9,350,000)	(9,380,000)
Premium (discount) on issuance debt	1,388,795	-	-	3,239,954	-	1,410,812	-	-	1,378,914	1,174,178
<b>Total other financing sources (uses), net</b>	<b>8,354,866</b>	<b>1,907,496</b>	<b>1,492,850</b>	<b>22,571,616</b>	<b>1,506,865</b>	<b>1,643,894</b>	<b>1,880,788</b>	<b>2,694,133</b>	<b>3,391,287</b>	<b>8,925,477</b>
<b>Net changes in fund balances</b>	<b>\$ (1,921,860)</b>	<b>\$ (3,689,962)</b>	<b>\$ (3,925,312)</b>	<b>\$ 17,968,858</b>	<b>\$ (655,223)</b>	<b>\$ 2,207,828</b>	<b>\$ 6,786,619</b>	<b>\$ (499,323)</b>	<b>\$ (3,546,337)</b>	<b>\$ 13,248,160</b>
<b>Total debt service</b>	<b>\$ 10,728,869</b>	<b>\$ 5,724,783</b>	<b>\$ 4,411,059</b>	<b>\$ 5,830,190</b>	<b>\$ 5,502,383</b>	<b>\$ 8,024,766</b>	<b>\$ 7,961,952</b>	<b>\$ 8,066,276</b>	<b>\$ 7,832,041</b>	<b>\$ 4,351,377</b>
<b>Total expenditures</b>	<b>\$ 59,833,937</b>	<b>\$ 63,706,516</b>	<b>\$ 60,651,582</b>	<b>\$ 58,683,890</b>	<b>\$ 60,766,470</b>	<b>\$ 65,031,073</b>	<b>\$ 71,854,512</b>	<b>\$ 71,431,894</b>	<b>\$ 76,340,307</b>	<b>\$ 68,432,856</b>
<b>Less: capital outlay</b>	<b>(9,801,397)</b>	<b>(15,621,225)</b>	<b>(15,485,939)</b>	<b>(11,091,705)</b>	<b>(10,812,959)</b>	<b>(10,341,003)</b>	<b>(14,369,653)</b>	<b>(10,284,912)</b>	<b>(18,886,882)</b>	<b>(9,531,634)</b>
<b>Noncapital expenditures</b>	<b>\$ 50,032,540</b>	<b>\$ 48,085,291</b>	<b>\$ 45,165,643</b>	<b>\$ 47,592,185</b>	<b>\$ 49,953,511</b>	<b>\$ 54,690,070</b>	<b>\$ 57,484,859</b>	<b>\$ 61,146,982</b>	<b>\$ 57,453,425</b>	<b>\$ 58,901,222</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>21.44%</b>	<b>11.91%</b>	<b>9.77%</b>	<b>12.25%</b>	<b>11.02%</b>	<b>14.67%</b>	<b>13.85%</b>	<b>13.19%</b>	<b>13.63%</b>	<b>7.39%</b>

TABLE 6

## TOWN OF LEESBURG, VIRGINIA

**FIVE-YEAR SUMMARY OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – GENERAL FUND  
(Unaudited)**

	Fiscal Year				
	2017	2018	2019	2020	2021
<b>Revenues</b>					
General Property Taxes	\$ 14,816,811	\$ 15,692,223	\$ 16,763,012	\$ 16,540,635	\$ 18,814,097
Other Local Taxes	14,031,990	15,080,196	15,419,538	14,140,990	15,012,966
Permits, Fees, and Licenses	1,280,528	1,366,410	1,368,371	1,582,992	1,607,244
Fines and Forfeitures	378,181	426,404	558,857	426,867	252,776
Use of Money and Property	2,224,138	2,297,508	3,072,979	2,684,433	2,050,266
Charges for Services	5,075,406	5,263,363	5,422,620	3,556,396	3,285,712
Contributions and Proffers	290,320	384,168	362,744	356,045	319,188
Miscellaneous	250,028	57,689	259,645	82,409	129,480
Intergovernmental	16,125,460	15,415,325	15,487,579	16,725,951	25,104,481
Loan proceeds	-	555,988	201,441	176,898	202,011
Transfer from other funds	3,059,596	2,613,846	2,713,486	3,044,383	6,093,703
Total revenues	<u>57,532,458</u>	<u>59,153,120</u>	<u>61,630,272</u>	<u>59,317,999</u>	<u>72,871,924</u>
<b>Expenditures</b>					
Legislative	247,809	280,712	255,452	280,031	266,202
Executive	1,887,672	1,689,964	1,886,653	2,368,301	3,087,773
Legal	761,453	835,408	1,449,337	1,283,155	1,073,543
Finance and administrative services	4,795,874	5,417,654	5,540,062	5,806,893	6,158,087
Public Safety	12,467,978	13,325,521	14,069,073	13,813,223	13,243,794
Public Works	14,391,996	14,173,810	14,360,321	14,455,259	14,255,891
Parks and Recreation	7,640,573	7,627,827	7,701,535	6,597,044	5,939,831
Balch Library	490,644	505,607	512,893	492,145	457,314
Planning and Zoning	1,650,178	2,021,595	1,881,100	2,128,753	1,942,018
Plan Review	1,333,740	1,334,333	1,464,977	1,426,408	1,490,510
Airport	771,312	743,773	750,389	705,488	737,823
Townwide	-	-	-	84,100	5,484,709
<b>Debt Service</b>					
Principal Retirement	5,020,000	5,377,001	5,582,241	5,871,208	2,469,961
Interest Payments and Other Fiscal Charges	3,004,766	2,584,951	2,484,035	1,960,833	1,881,416
Transfers to other funds	657,245	1,053,567	6,722,398	2,077,580	1,464,000
Total expenditures	<u>55,121,240</u>	<u>56,971,723</u>	<u>64,660,466</u>	<u>59,350,421</u>	<u>59,952,872</u>
Net change in fund balances	2,411,218	2,181,397	(3,030,194)	(32,422)	12,919,052
Fund balance, beginning of year	<u>25,704,617</u>	<u>27,317,139</u>	<u>29,498,536</u>	<u>26,468,342</u>	<u>26,435,920</u>
Fund balance, end of year	<u>\$ 28,115,835</u>	<u>\$ 29,498,536</u>	<u>\$ 26,468,342</u>	<u>\$ 26,435,920</u>	<u>\$ 39,354,972</u>

Beginning fund balance was restated as of June 30, 2018, but no prior years have been restated.

TOWN OF LEESBURG, VIRGINIA

TAX REVENUES BY SOURCE – GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)

Fiscal Year June 30,	General Property Including Interest and Penalty	Utility	Cable TV Franchise	Sales and Use	Communication Sales and Use	Bank Franchise	Cigarette	Meals	Transient Occupancy	Business and Occupational Licenses	Motor Vehicle Licenses	Other	Totals
2012	\$ 12,854,369	\$ 1,495,345	\$ 155,894	\$ 4,509,128	\$ 2,208,092	\$ 791,656	\$ 1,133,071	\$ 4,418,067	\$ 661,939	\$ 2,860,659	\$ 812,863	\$ 143,323	\$ 32,044,406
2013	13,606,085	1,546,528	170,620	4,407,688	2,213,949	744,156	1,047,206	4,695,048	671,353	3,072,266	753,280	219,016	33,147,195
2014	13,814,622	1,564,500	252,006	4,167,178	2,176,277	875,046	980,759	4,827,853	689,778	3,292,385	806,461	162,436	33,609,301
2015	13,568,504	1,559,559	262,888	4,610,450	2,157,262	912,666	934,508	5,021,455	643,315	3,326,739	843,185	87,180	33,927,711
2016	14,389,962	1,525,755	266,397	5,141,458	2,093,398	987,523	905,450	5,247,114	736,315	3,152,175	829,452	288,954	35,563,955
2017	14,816,810	1,521,737	274,095	5,384,169	2,041,943	985,261	872,841	5,368,976	791,255	3,389,293	897,488	175,628	36,519,497
2018	15,692,000	1,544,206	269,834	5,252,089	1,978,108	1,274,610	821,296	5,841,127	866,352	3,620,884	890,662	221,059	38,272,225
2019	16,763,010	1,530,840	255,908	5,693,638	1,835,099	1,330,907	726,665	5,939,892	862,456	3,727,985	1,086,694	214,101	39,967,195
2020	16,540,635	1,494,085	245,256	6,088,771	1,793,256	1,262,358	675,880	5,175,671	558,215	3,793,027	1,104,246	172,602	38,904,002
2021	18,831,222	1,488,711	219,935	6,401,152	1,592,817	1,535,693	616,040	5,540,382	579,889	4,031,292	875,230	169,218	41,881,581
Change 2012-2021	46%	0%	41%	42%	-28%	94%	-46%	25%	-12%	41%	8%	18%	31%

Note:  
 (1) Effective January 1, 2007, Cable TV Franchise Tax and Consumer Utility Tax from telephone services are remitted to the VA Department of Taxation and then distributed to the Town on a monthly basis. On the Statement of Revenues, Expenditures, and Changes in Fund Balances Exhibit (Exhibit 5), revenue received after January 1, 2007 for these revenue sources are recognized in "other." Beginning in fiscal year 2011, this tax is accounted for as state intergovernmental revenue on the Statement of Revenues, Expenditures, and Changes in Fund Balances Exhibit (Exhibit 5).

TOWN OF LEESBURG, VIRGINIA

ASSESSED VALUE OF ALL TAXABLE PROPERTY  
LAST TEN CALENDAR YEARS  
(Unaudited)

Tax Year Ending December 31,	Real Property <sup>1</sup>	Personal Property <sup>2</sup>	Public Service Corporations <sup>3</sup>		Total Assessed Valuation
			Real Property	Personal Property	
2012	\$ 5,802,517,900	\$ 528,113,712	\$ 108,553,642	\$ 891,242	\$ 6,440,076,496
2013	6,085,462,040	481,548,404	105,809,512	737,446	6,673,557,402
2014	6,438,888,020	447,867,148	111,087,100	695,117	6,998,537,385
2015	6,643,105,870	388,770,026	108,441,453	653,035	7,140,970,384
2016	6,718,865,180	428,519,647	117,080,280	549,045	7,265,014,152
2017	7,081,200,240	412,219,300	116,315,393	426,223	7,610,161,156
2018	7,529,930,110	385,548,796	117,980,215	514,888	8,033,974,009
2019	7,889,996,600	409,437,516	120,153,718	549,604	8,420,137,438
2020	8,316,479,500	409,404,929	133,146,343	217,917	8,859,248,689
2021	8,766,130,579	417,083,220	142,329,848	183,069	9,325,726,716

Source: Department of Finance and Administrative Services, Town of Leesburg.

Notes:

(1) Real property assessments are made by the Commissioner of the Revenue of Loudoun County for the concurrent use of the County and the Town. Real property assessed at 100% of its fair market value.

(2) Personal property assessments are made by the Commissioner of the Revenue of Loudoun County for the concurrent use of the County and the Town. Personal property is assessed at 100% of its depreciable fair market value.

(3) Public Service Corporations are assessed by the State Corporation Commission.

TOWN OF LEESBURG, VIRGINIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE REAL PROPERTY  
LAST TEN TAX YEARS  
(Unaudited)

Tax Year January 1,	Residential Property	Commercial Property	Public Service Corporation	Nontaxable	Total Assessed Value	Total Taxable Assessed Value	Percent Change	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2012	\$ 4,344,339,200	\$ 1,458,178,700	\$ 108,553,642	\$ 811,703,300	\$ 6,722,774,842	\$ 5,911,071,542	2.2 %	0.195	\$ 5,911,071,542	100 %
2013	4,549,312,500	1,536,149,540	105,809,512	811,261,540	7,002,533,092	6,191,271,552	4.7	0.192	6,191,271,552	100
2014	4,896,036,280	1,542,851,740	111,087,100	848,001,120	7,397,976,240	6,549,975,120	5.8	0.183	6,547,329,473	100
2015	5,080,543,570	1,562,562,300	108,441,453	868,365,540	7,619,912,863	6,751,547,323	3.1	0.183	6,643,105,870	98
2016	5,136,906,120	1,581,959,060	117,080,280	928,613,880	7,764,559,340	6,835,945,460	1.3	0.186	6,718,865,180	98
2017	5,395,167,440	1,686,032,800	116,315,393	977,061,440	8,174,577,073	7,197,515,633	5.3	0.184	7,081,200,240	98
2018	5,732,121,450	1,797,808,660	117,980,215	1,021,297,320	8,669,207,645	7,647,910,325	6.3	0.184	7,529,930,110	98
2019	6,106,845,300	1,783,151,300	120,153,718	1,015,217,970	9,025,368,288	8,010,150,318	4.7	0.184	7,889,996,600	98
2020	6,489,311,580	1,827,167,920	133,146,343	1,034,664,650	9,484,290,493	8,449,625,843	5.5	0.184	8,316,479,500	98
2021	7,707,235,960	1,620,293,180	142,329,848	1,061,453,520	10,531,312,508	9,469,858,988	12.1	0.184	8,766,130,579	93

Notes:

(1) Real and personal property tax assessments are made by the Loudoun County Assessor’s Office and the Commissioner of the Revenue for the County of Loudoun, Virginia for current use of the County and Town property. Real and personal property taxes of public service corporations are assessed by the State Corporation Commission.

(2) The tax rate presented here is for real property only, as personal property assessments are not a major revenue source.

## TOWN OF LEESBURG, VIRGINIA

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN TAX YEARS  
(Unaudited)**

<u>Tax Year</u>	<u>Tax Rates – Town</u>		<u>Tax Rates – County</u>		<u>Tax Rates – Combined</u>	
	<u>Real Property</u>	<u>Personal Property</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Real Property</u>	<u>Personal Property</u>
2012	\$ 0.195	\$ 1.00	\$ 1.235	\$ 4.20	\$ 1.43	\$ 5.20
2013	0.192	1.00	1.205	4.20	1.40	5.20
2014	0.183	1.00	1.155	4.20	1.34	5.20
2015	0.183	1.00	1.135	4.20	1.32	5.20
2016	0.186	1.00	1.145	4.20	1.33	5.20
2017	0.184	1.00	1.125	4.20	1.31	5.20
2018	0.184	1.00	1.085	4.20	1.27	5.20
2019	0.184	1.00	1.045	4.20	1.23	5.20
2020	0.184	1.00	1.035	4.20	1.22	5.20
2021	0.184	1.00	0.980	4.20	1.16	5.20

## Notes:

- (1) These rates are per \$100.00 of assessed value for real estate and personal property.
- (2) The Commonwealth of Virginia has no limitations on local tax rates.
- (3) Real property taxes are due in semi-annual installments by June 5 and December 5, and become delinquent thereafter. As of January 1, 2019, Loudoun County bills, collects and administers real estate taxes for the Town.
- (4) No discounts are allowed for early payment.
- (5) Residents of incorporated towns in the Commonwealth of Virginia are subject to real property and personal property taxes levied by the town and the county where they reside.
- (6) The assessed values of all real estate components are taxed at the same rate.

TABLE 11

## TOWN OF LEESBURG, VIRGINIA

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Chelsea GCA Realty Partnership LP	\$ 287,501,910	1	3.40 %	\$ 131,365,500	2	2.27 %
Stanley Martin Companies LL	84,240,340	2	1.00	-	-	-
KJ Met Leesburg Property LLC	82,970,340	3	0.98	-	-	-
CRP/TRC Leesburg Retail Owner LLC	77,873,910	4	0.92	-	-	-
PP Leesburg Investors LLC	68,945,530	5	0.82	-	-	-
CS1031 Bellemeade Farms Apartments DST	59,761,810	6	0.71	-	-	-
Van Metre Homes at Meadowbrook Farm Estates LLC	58,653,660	7	0.69	-	-	-
RPAI Leesburg Fort Evans LLC	40,615,870	8	0.48	-	-	-
AGNL SPINE LLC	39,225,680	9	0.46	-	-	-
C H Realty III/Battlefield LLC	36,845,870	10	0.44	44,919,300	5	0.78
Carlyle/Cypress Leesburg LLC	-	-	-	137,770,300	1	2.38
Battlefield FE LP	-	-	-	49,073,100	3	0.85
Windsor at Fieldstone Ltd Partnership	-	-	-	45,705,400	4	0.79
F R Leesburg Plaza LP	-	-	-	39,214,700	6	0.68
Fund IX CB Leesburg LLC	-	-	-	34,255,300	7	0.59
NA Properties Inc	-	-	-	31,197,200	8	0.54
Potomac Station (E&A) LLC	-	-	-	28,856,600	9	0.50
Fort Evans Plaza Ltmd Partnership	-	-	-	26,738,900	10	0.46
	<u>\$ 836,634,920</u>		<u>9.91 %</u>	<u>\$ 569,096,300</u>		<u>9.84 %</u>

## TOWN OF LEESBURG, VIRGINIA

**REAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN CALENDAR YEARS  
(Unaudited)**

<u>Calendar Year</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected Within the Calendar Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections through September 30, 2021</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2012	\$ 10,985,052	\$ 10,800,230	98.32 %	\$ 183,423	\$ 10,983,653	99.99 %
2013	11,372,301	11,238,473	98.82	133,809	11,372,282	100.00
2014	11,586,879	11,448,839	98.81	135,563	11,584,401	99.98
2015	11,951,870	11,821,082	98.91	129,030	11,950,112	99.99
2016	12,302,314	12,121,029	98.53	176,987	12,298,016	99.97
2017	12,879,257	12,653,736	98.25	198,969	12,852,706	99.79
2018	13,654,178	13,428,080	98.34	195,999	13,627,570	99.81
2019	14,345,336 (1)	7,207,925	50.25	7,143,132	14,287,867	99.60
2020	15,063,915	7,500,786	49.79	7,557,495	15,058,281	99.96
2021	15,900,351	7,980,455	50.19	-	-	-

**PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN CALENDAR YEARS  
(Unaudited)**

<u>Calendar Year</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected Within the Calendar Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections through September 30, 2021</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2012	\$ 2,711,235	\$ 2,226,970	82.14 %	\$ 478,196	\$ 2,705,165	99.78 %
2013	2,976,406	2,513,570	84.45	421,634	2,935,204	98.62
2014	284,978 (2)	269,307	94.50	15,725	285,033	100.02
2015	2,930,148 (3)	2,679,717	91.45	208,739	2,888,456	98.58
2016	3,030,471	2,753,137	90.85	227,971	2,981,108	98.37
2017	3,320,943	2,746,748	82.71	481,235	3,227,982	97.20
2018	3,207,577	2,840,544	88.56	368,685	3,209,229	100.05
2019	3,265,622	2,472,048	75.70	324,025	3,235,225	99.07
2020	2,893,832	1,182,441	40.86	1,539,718	2,722,159	94.07
2021	3,309,997	1,485,260	44.87	-	-	-

## Note:

(1) The amounts for calendar year 2019 reflect only the first half of the collections. The second half is due December 5. As of January 1, 2019 Loudoun County is billing and collecting real estate taxes for the Town.

(2) There was no personal property tax levied in calendar year 2014. The due date was moved from October 2014 to May 2015 by Town Council action. Levies and collections were made in fiscal year 2015.

(3) The Real Estate portion of Public Service Corporation is included in years 2012-2021 under Personal Property Tax levied and collected.

(4) 2021 collections are through June 30, 2021. Prior years have been through September 30 of that year.

## TOWN OF LEESBURG, VIRGINIA

**RATIOS OF OUTSTANDING DEBT BY TYPE AND GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year June 30,	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Per Capita Personal Income	Debt Per Capita	General Bonded Debt	Percentage of Actual Taxable Value of Property	General Bonded Debt
	General Obligation Bonds	Notes Payable	Revenue Bonds	General Obligation Bonds	Notes Payable				Outstanding General Obligation Bonds		Outstanding Debt Per Capita
2012	\$ 59,994,727	\$ -	\$ 4,204,897	\$ 63,735,361	\$ -	\$ 127,934,985	4.32 %	2,956	\$ 123,730,088	2.09 %	2,859
2013	56,946,559	-	4,204,897	63,074,316	-	124,225,772	4.25	2,849	120,020,875	1.94	2,753
2014	57,234,740	-	4,204,897	62,564,875	-	124,004,512	4.13	2,819	119,799,615	1.83	2,723
2015	70,620,000	-	3,886,950	61,375,000	-	135,881,950	4.35	3,071	131,995,000	1.99	2,983
2016	72,747,433	-	3,234,264	64,682,401	-	140,664,098	4.30	3,159	137,429,834	2.05	3,087
2017	68,240,268	-	2,558,534	63,572,170	-	134,370,972	3.98	2,997	131,812,438	1.86	2,940
2018	62,453,834	555,988	1,858,946	61,892,273	-	126,761,041	3.56	2,808	124,346,107	1.65	2,754
2019	56,750,109	1,702,735	1,134,659	60,302,566	-	119,890,069	3.15	2,548	117,052,675	1.48	2,488
2020	51,508,052	2,387,586	384,800	59,883,210	5,460	114,169,108	2.94	2,366	111,391,262	1.34	2,309
2021	53,154,188	4,535,632	-	57,779,145	13,745	115,482,710	2.91	2,351	110,933,333	1.27	2,259

## Notes:

(1) Details regarding the Town's outstanding debt may be found in the notes to the financial statements.

(2) Population and personal income data can be found in Table 17.

(3) See Table 9 for property value data.

(4) The outstanding amounts of the bonds are presented inclusive of premiums and discounts.

## TOWN OF LEESBURG, VIRGINIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2021

(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Loudoun County, Virginia	\$1,786,499,130	9.96 %	\$ 177,892,714
Town Direct Debt			<u>57,689,820</u>
Total direct and overlapping debt			<u><u>\$ 235,582,534</u></u>

## Notes:

(1) Overlapping debt is not bonded debt of the Town on either a direct or contingent basis, but represents the share of debt of overlapping governmental entities which the residents of the Town are obligated to pay through direct tax levies and charges for services of these respective governmental entities. The debt of Loudoun County, Virginia is a direct general obligation debt of the County which provides facilities that benefit all County residents including those of incorporated towns.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed real property values. Applicable percentages were estimated by determining the portion of the Town's taxable assessed value that is within the government's boundaries and dividing it by the County's taxable assessed value.

**TOWN OF LEESBURG, VIRGINIA**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 590,906,536	\$ 619,696,514	\$ 654,732,947	\$ 664,310,587	\$ 671,886,518	\$ 708,120,024	\$ 719,751,563	\$ 801,015,032	\$ 844,962,584	\$ 946,985,899
Total net debt applicable to limit	<u>59,915,619</u>	<u>56,946,559</u>	<u>57,234,740</u>	<u>70,620,000</u>	<u>68,115,000</u>	<u>68,240,268</u>	<u>62,453,834</u>	<u>58,452,844</u>	<u>53,895,638</u>	<u>57,689,820</u>
Available legal debt margin	<u>\$ 530,990,917</u>	<u>\$ 562,749,955</u>	<u>\$ 597,498,207</u>	<u>\$ 593,690,587</u>	<u>\$ 603,771,518</u>	<u>\$ 639,879,756</u>	<u>\$ 657,297,729</u>	<u>\$ 742,562,188</u>	<u>\$ 791,066,946</u>	<u>\$ 889,296,079</u>
Total net debt applicable to the limit as a percentage of debt limit	10.14%	9.19%	8.74%	10.63%	10.14%	9.64%	8.68%	7.30%	6.38%	6.09%
Legal debt margin calculation for fiscal year 2021					Summary of outstanding debt:					
Assessed value of real estate	<u>\$ 9,469,858,988</u>					Gross bonded debt		\$ 115,482,710		
Debt limit (10% of assessed value)	946,985,899					Less: enterprise debt		<u>57,792,890</u>		
Debt applicable to limit:					General obligation debt:		<u>\$ 57,689,820</u>			
Net direct debt outstanding	<u>57,689,820</u>									
Available legal debt margin	<u>\$ 889,296,079</u>									

Note:  
(1) Section 15.1-176 of 1950 *Code of Virginia*, as amended, limits to 10% the assessed valuation of the real estate subject to taxation as the amount of debt which can be issued by the Town. Debt includes any bonds or other interest bearing obligations including existing indebtedness. Excluded from the debt margin calculation are bonds payable from enterprise funds issued under Article VII Section 10(a)(2) of the Constitution of Virginia.

TABLE 16

TOWN OF LEESBURG, VIRGINIA

BOND COVERAGE  
LAST TEN FISCAL YEARS  
(Unaudited)

Fiscal Year June 30,	Utilities Fund							Coverage
	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service		Total		
				Principal	Interest			
2012	\$ 17,110,830	\$ 10,282,888	\$ 6,827,942	\$ 2,050,000	\$ 2,705,326	\$ 4,755,326	1.44	
2013	17,231,686	10,218,722	7,012,964	715,000	3,216,795	3,931,795	1.78	
2014	17,983,513	11,385,489	6,598,024	789,593	2,961,708	3,751,301	1.76	
2015	18,081,938	10,369,729	7,712,209	2,300,000	2,111,102	4,411,102	1.75	
2016	20,898,668	11,254,828	9,643,840	2,232,686	2,911,379	5,144,065	1.87	
2017	22,975,657	11,076,596	11,899,061	1,930,730	2,574,561	4,505,291	2.64	
2018	24,666,675	11,659,942	13,006,733	2,129,588	2,473,479	4,603,067	2.83	
2019	27,958,235	12,463,732	15,494,503	2,164,287	2,301,496	4,465,783	3.47	
2020	31,769,008	14,672,080	17,096,928	2,284,859	2,361,901	4,646,760	3.68	
2021	28,570,009	13,780,227	14,789,782	2,785,800	2,170,721	4,956,521	2.98	

Notes:

(1) Utility service charges include all revenues of the fund except gains on sales of capital assets, developer donated assets, capital grants, and transfers in.

(2) Operating expenses are exclusive of depreciation and amortization, interest expense, losses on sales of capital assets, and transfers out.

## TOWN OF LEESBURG, VIRGINIA

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Fiscal Year June 30,</b>	<b>(1) Population</b>	<b>(2) Personal Income</b>	<b>(2) Per Capita Personal Income</b>	<b>(3) Unemployment Rate</b>
2012	43,275	\$ 2,963,255,625	\$ 68,475	4.60 %
2013	43,604	2,923,037,744	67,036	4.50
2014	43,996	3,005,234,772	68,307	4.40
2015	44,247	3,125,785,068	70,644	3.70
2016	44,522	3,270,897,774	73,467	3.30
2017	44,841	3,377,065,392	75,312	2.90
2018	45,149	3,556,025,538	78,762	2.60
2019	47,046	3,806,680,044	80,914	2.20
2020	48,250	3,877,949,000	80,372	7.70
2021	49,116	3,967,639,596	80,781	3.20

## Notes:

(1) Revised to 2020 U.S. Bureau of Census

2012-2017: Loudoun County Department of Planning and Zoning, April 24, 2017 Estimate Series

2018-2019: Town of Leesburg Public Information Office

(2) Per capita and Personal Income information is not maintained for towns in Virginia. The amounts used here are for the County of Loudoun, Virginia, which the Town lies within. Information for per capita personal income is sourced from the Bureau of Economic Analysis through 2018. Estimates for 2019-2021 are estimates from the Loudoun County Department of Management and Budget.

(3) Unemployment rates information is maintained for some towns in Virginia, including Leesburg. The information provided is sourced from the Bureau of Labor Statistics, Local Area Unemployment Statistics, October 20, 2021, month of June each year. Values of previous years have been revised.

TABLE 18

## TOWN OF LEESBURG, VIRGINIA

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Employer	2021		Percentage of Total Employment	2012	
	Employees	Rank		Employees	Rank
Loudoun County Government	2,500-5,000	1	13.4 %	2,000-2,500	1
Loudoun County Public Schools	1,000-1,500	2	7.9	1,500-2,000	2
Federal Aviation Administration	500-1,000	3	2.5	500-1,000	3
Town of Leesburg	250-500	4	2.0	500-1,000	4
Wegmans	250-500	5	1.8	250-500	6
Commonwealth of Virginia	250-500	6	1.6	-	-
Target	250-500	7	1.5	250-500	7
Stryker (formerly K2M)	250-500	8	1.2	-	-
Costco	250-500	9	1.1	100-250	8
Loudoun Medical Group	100-250	10	-	-	-
Mastec Services	-	-	-	250-500	5
K2M	-	-	-	100-250	9
Home Depot	-	-	-	100-250	10

Sources: Virginia Employment Commission, 1st Quarter 2021.

**TABLE 19**

**TOWN OF LEESBURG, VIRGINIA**

**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES  
BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016 (1)	2017	2018	2019 (2)	2020	2021
Town Manager’s Office	6.0	6.0	6.0	7.0	8.0	6.0	6.0	6.0	8.0	8.0
Town Attorney	3.0	3.0	3.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0
Clerk of Council	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Finance	16.0	16.0	15.5	15.5	17.5	19.5	19.0	19.5	21.5	21.5
Human Resources	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Information Technology	5.0	5.0	5.0	5.0	5.0	6.0	6.0	7.0	9.0	9.0
Public Safety	101.0	101.0	101.0	103.0	103.0	103.0	103.0	103.0	108.0	108.0
Public Works & Capital Projects	49.0	49.0	49.0	49.0	53.0	55.0	57.0	61.0	65.0	65.0
Capital Projects Management	10.6	10.6	9.4	6.0	-	-	-	-	-	-
Utilities	78.5	78.0	78.0	78.0	81.0	81.0	81.0	83.0	91.0	91.0
Parks, Recreation and Cultural	107.1	107.1	107.1	107.5	107.5	105.5	37.3	35.0	36.0	36.0
Balch Library	5.2	5.2	5.2	5.2	5.2	5.2	3.0	3.0	3.0	3.0
Planning & Zoning	11.0	11.0	12.0	12.0	12.0	12.0	14.0	14.0	14.0	14.0
Plan Review	9.0	9.0	9.0	9.0	8.0	8.0	8.0	9.0	9.0	9.0
Economic Development	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5
Airport	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5
	<u>411.4</u>	<u>410.9</u>	<u>410.2</u>	<u>412.2</u>	<u>415.2</u>	<u>416.2</u>	<u>349.3</u>	<u>355.5</u>	<u>380.5</u>	<u>380.5</u>

Source: Town of Leesburg Fiscal Year Budgets.

Note:

(1) Public Works and Capital Projects Management were merged in fiscal year 2016.

(2) Method for calculating FTEs changed to exclude flexible part time employees in fiscal year 2018.

**TABLE 20**

**TOWN OF LEESBURG, VIRGINIA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN CALENDAR YEARS  
(Unaudited)**

Function/Program	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 (1)
<b>Police:</b>										
Calls for service	47,864	49,764	51,028	54,261	44,110	45,831	49,695	33,734	24,946	26,881
Adult arrest	1,244	1,063	1,189	710	635	1,156	934	636	611	503
Juvenile arrest	237	121	165	83	58	227	71	28	20	18
Speeding citations only	1,736	1,764	1,260	1,542	887	854	1,069	903	405	571
Traffic citations	5,567	5,580	7,064	4,827	4,115	5,572	7,714	5,275	1,953	2,850
<b>Administration:</b>										
Applications processed (full and part-time)	1,879	1,276	2,528	3,141	2,744	3,134	2,886	2,345	1,489	2,083
Positions advertised (full and part-time)	70	56	109	132	115	113	103	92	47	74
New hires (full and part-time)	142	124	166	200	155	183	156	139	78	129
Reportable accidents	25	24	20	26	19	19	14	17	9	3
All town training sessions	47	38	29	30	40	50	49	53	10	40
<b>Public service:</b>										
Garbage collected (ton)	18,185	13,639	13,183	15,489	16,309	15,541	15,842	12,322	12,305	10,365
Recycle collected (ton)	10,355	7,766	5,226	7,529	7,288	7,604	6,016	3,980	4,339	3,117
<b>Parks and recreation:</b>										
Recreation program attendance	14,883	11,160	11,174	12,374	10,363	11,691	11,031	10,565	3,839	5,793
Aquatics program attendance	7,781	5,835	8,008	7,996	8,094	8,256	7,843	7,381	2,323	3,102
<b>Utilities:</b>										
New water connections	116	87	116	59	106	132	114	172	151	140
New wastewater connections	100	84	114	57	105	132	111	161	149	137
Average daily water consumption (mgd)	4.29	4.28	4.25	4.20	4.15	4.11	4.06	4.16	4.16	4
Average daily sewage treatment (mgd)	4.46	4.42	4.27	4.05	4.09	3.95	4.55	4.33	4.01	4
<b>Airport:</b>										
Number of hangers rented	57	57	57	57	57	57	57	57	57	57
Number of tiedowns rented	110	102	108	101	106	106	106	106	110	126
Number of incidents on airport property	1	-	2	-	1	-	-	-	-	-

Note:  
(1) Through September 15.

Source: Various Town departments

**TABLE 21**

**TOWN OF LEESBURG, VIRGINIA**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Streets:										
Primary (miles)	15	15	15	15	15	15	15	16	16	16
Secondary (miles)	92	92	92	92	92	93	93	93	94	94
Traffic signals	52	54	56	56	59	59	60	61	61	61
Number of street lights	2,700	2,791	2,920	2,993	3,089	3,165	3,180	3,221	3,297	3,301
Parks and recreation:										
Parks – number of acres	361	361	361	370	370	370	370	370	370	370
Major parks – number of acres	265	265	265	265	265	265	265	265	265	265
Neighborhood parks – number of acres	96	96	96	105	105	105	105	105	105	105
Baseball/softball diamonds	6	6	6	6	6	6	6	6	6	6
Soccer/football fields	3	3	3	3	3	3	3	3	3	4
Basketball courts	4	4	4	4	4	4	4	4	4	4
Tennis courts	11	11	11	11	11	11	11	11	11	11
Swimming pools	3	3	3	3	3	3	3	3	3	3
Parks with playground equipment	5	5	6	6	6	6	6	6	6	6
Picnic shelters	4	4	5	5	5	5	5	5	5	5
Community centers	1	1	1	1	1	1	1	1	1	1
Balch Library:										
Facilities	1	1	1	1	1	1	1	1	1	1
Volumes	61,368	70,717	74,262	76,203	77,899	94,987	124,737	128,119	130,532	131,349
Water:										
Wells	1	1	1	1	1	1	1	1	1	1
Water lines (miles)	217	218	218	218	218	218	220	223	223	237
Fire hydrants	2,589	2,598	2,595	2,606	2,606	2,606	2,724	2,792	2,837	2,895
Storage capacity (mgd)	8	8	8	8	8	8	8	8	8	8
Number of customers	15,292	15,509	15,553	15,634	15,712	15,791	15,929	16,050	16,256	16,407
Sewers:										
Sanitary sewers (miles)	172	172	172	174	174	174	176	178	186	186
Storm sewers (miles)	134	137	137	144	144	144	153	169	162	162
Number of customers	15,347	15,391	15,453	15,579	15,657	15,734	15,872	16,107	16,377	16,526
Airport:										
Hangers	57	57	57	57	57	57	57	57	57	57
Tie-downs	120	120	120	120	120	120	120	120	120	126
Take-off and landings	-	-	-	-	-	-	-	63,641	68,885	84,469

Source: Various Town departments

## TOWN OF LEESBURG, VIRGINIA

**LEGAL DEBT MARGIN INFORMATION FOR BOND COVENANT CONTINUING DISCLOSURE**  
**June 30, 2021**  
**(Unaudited)**

	<u>As of</u> <u>June 30, 2021</u>
Assessed Value of Real Estate	\$ 9,469,858,988
Legal Debt Limit-10% to total Assessed Value of Real Estate	946,985,899
Total amount of debt applicable to debt margin (1)	\$ 115,482,710
Net amount of debt applicable to debt margin	<u>115,482,710</u>
Legal Margin for Creation of Additional Debt	<u><u>\$ 831,503,189</u></u>

## Notes:

(1) See Table 15 Gross Bonded Debt.

(2) See Table 13 Ratios of Outstanding Debt by Type and General Bonded Debt Outstanding.

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## **COMPLIANCE SECTION**

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**TOWN OF LEESBURG, VIRGINIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2021**

	<b>Pass-Through Entity Identifying Number</b>	<b>Assistance Listing Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>DEPARTMENT OF TREASURY</b>				
Pass-Through Payments:				
Federal Aviation Administration				
COVID-19 Coronavirus Relief Fund	3-51-0027-043-2020	21.019	\$ 69,000	
Loudoun County				
COVID-19 Coronavirus Relief Fund		21.019	9,420,659	\$ 1,361,573
Total Department of Treasury			9,489,659	
<b>DEPARTMENT OF JUSTICE</b>				
Direct Payments:				
Bulletproof Vest Partnership	NA	16.607	5,637	
Pass-Through Payments:				
Virginia State Police				
Byrne Coronavirus Supplemental Assistance Funding		16.738	608	
Northern Virginia Gang Task Force				
FBI Safe Streets Gang Task Force	NA	16.544	17,457	
Pass-Through Payments:				
Town of Vienna, Virginia				
Gang-Free Schools and Communities-Community Based				
Youth Gang Prevention	2010-DD-BX-0483	16.544	11,068	
Total Department of Justice			34,770	
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Pass-Through Payments:				
Loudoun County				
Community Development Block Grant	NA	14.228	25,875	
Total Department of Housing and Urban Development			25,875	
<b>DEPARTMENT OF TRANSPORTATION</b>				
Direct Payments:				
North Hangars	3-51-0027-042-2019	20.106	112,802	
Airport Runway Light Rehabilitation	3-51-0027-041-2019	20.106	28,121	
			140,923	
Pass-Through Payments:				
Virginia Department of Transportation:				
Federal-Aid Highway Program – Lower Sycolin		20.205	140,084	
Federal-Aid Highway Program – Lower Sycolin	U000-253-312	20.205	147,233	
Federal Highway Safety Program (HSIP)	U000-253-337	20.205	371,084	
Total Highway Planning and Construction Cluster			658,401	
Total Department of Transportation			799,324	
Total Federal Expenditures			\$ 10,349,628	\$ 1,361,573

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2021**

**Basis of Presentation**

The Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting as contemplated by accounting principles generally accepted in the United States of America.

**De Minimus Indirect Cost Rate**

The Town has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

**Outstanding Loan Balances**

At June 30, 2021, the Town had no outstanding loan balances requiring continuing disclosure.



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Honorable Members of Town Council  
Town of Leesburg, Virginia

We have audited, in accordance with the 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*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Leesburg, Virginia (the “Town”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements and have issued our report thereon dated December 9, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. **Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be a material weakness. However, material weaknesses may exist that have not been identified.**

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. **The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.**

### Town of Leesburg's Response to Finding

The Town's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
December 9, 2021



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

To the Honorable Members of Town Council  
Town of Leesburg, Virginia

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Leesburg, Virginia's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2021. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, the terms, and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Town's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Town's compliance.

*Opinion on Each Major Federal Program*

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

## Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. **We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
December 9, 2021

**TOWN OF LEESBURG, VIRGINIA**  
**SUMMARY OF COMPLIANCE MATTERS**  
**June 30, 2021**

As more fully described in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants shown below:

**STATE COMPLIANCE MATTERS**

Code of Virginia:

Budget and Appropriation Laws  
Cash and Investment Laws  
Conflicts of Interest Act  
Debt Provisions  
Local Retirement Systems  
Procurement Laws  
Uniform Disposition of Unclaimed Property Act

State Agency Requirements:

Urban Highway Maintenance

**LOCAL COMPLIANCE MATTERS**

Town Charter

**FEDERAL COMPLIANCE MATTERS**

*Compliance Supplement for Single Audits of State and Local Governments*

Provisions and conditions of agreements related to federal programs selected for testing.

**TOWN OF LEESBURG, VIRGINIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2021**

**A. SUMMARY OF AUDITOR’S RESULTS**

1. The auditor’s report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies** relating to the audit of the financial statements was reported in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies** relating to the audit of the major federal award programs were reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance as Required by the Uniform Guidance.
5. The auditor’s report on compliance for the major federal award program expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings relating to the major program**.
7. The major program of the Town is:

<b>Name of Program</b>	<b>Assistance Listing #</b>
COVID-19 Coronavirus Relief Funds	21.019

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The Town of Leesburg **was** determined to be a **low-risk auditee**.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

None.

**D. FINDINGS – COMMONWEALTH OF VIRGINIA**

**2021-001: Highway Maintenance – Labor and Equipment Rates**

*Condition:*

In six highway maintenance work orders out of six tested, we noted instances where the labor rate used did not agree to the supporting documentation and the equipment rates used were based on FEMA rates.

*Criteria:*

Per requirements set forth by the Commonwealth of Virginia, costs reported on the annual Weldon Cooper Center Local Finance Survey must be allowable costs for the maintenance, construction, or reconstruction of eligible streets. Equipment rates can be determined by the Town based on factors such as, but not limited to, cost and useful life but cannot be based on FEMA rates.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2021**

**D. FINDINGS – COMMONWEALTH OF VIRGINIA (Continued)**

**2021-001: Highway Maintenance – Work and Rates (Continued)**

*Cause:*

The Town is in the process of developing a methodology for labor rate and equipment rates and applying and implementing it into their workorders.

*Effect:*

Inaccurate supporting documentation could result in incorrect cost reporting on the annual survey.

*Recommendation:*

We recommend revisiting procedures around monitoring highway maintenance.

*View of Responsible Officials and Planned Corrective Action:*

The Town has implemented a labor rate methodology using rate averages per employee classification starting in fiscal year 2021. With regard to the Equipment rate, VDOT no longer publishes rate data for vehicles or equipment; therefore, most fiscal year 2020 rates were set using the latest published FEMA rates for the respective class of vehicle or equipment. The Town has implemented an equipment rate methodology based on purchase cost, salvage value, and expected hours of usage starting in fiscal year 2022.

**TOWN OF LEESBURG, VIRGINIA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2021**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2020-001: Proffer Revenue – Significant Deficiency**

*Condition:*

The Town recognized proffer revenue in fiscal year 2018 and fiscal year 2019 instead of reflecting as unearned revenue.

*Criteria:*

According to the Town’s policy, proffers received related to schools should be recorded as unearned revenue until the funds are spent at the discretion of the school board.

*Cause:*

Proffers were coded incorrectly by Planning & Zoning Department and not reviewed for accuracy by that department. Finance Department reviews were unable to identify the errors.

*Effect:*

Proffer revenue was overstated and unearned revenue was understated for two years and resulted in a prior period adjustment in fiscal year 2020.

*Recommendation:*

We recommend that Planning & Zoning Department management regularly review proffer transactions in addition to the Finance Department’s reviews.

*Current Status:*

Comment no longer applicable.

**B. FINDINGS – COMMONWEALTH OF VIRGINIA**

**2020-002: Highway Maintenance**

*Condition:*

In six highway maintenance work orders out of six tested, we noted instances where the streets on which the work was performed were not identified or the labor or equipment rate used did not agree to the supporting documentation.

*Criteria:*

Per requirements set forth by the Commonwealth of Virginia, costs reported on the annual Weldon Cooper Center Local Finance Survey must be allowable costs for the maintenance, construction, or reconstruction of eligible streets.

(Continued)

**TOWN OF LEESBURG, VIRGINIA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2021**

**B. FINDINGS – COMMONWEALTH OF VIRGINIA (Continued)**

**2020-002: Highway Maintenance (Continued)**

*Cause:*

There was inconsistency in documenting streets and rates used.

*Effect:*

Inaccurate supporting documentation could result in incorrect cost reporting on the annual survey.

*Recommendation:*

We recommend revisiting procedures around monitoring highway maintenance.

*Current Status:*

Still applicable as similar instances noted in the schedule of findings and questioned costs at Item 2021-001.

**2020-003: Highway Maintenance - Reporting**

*Condition:*

Annual Weldon Cooper Center Local Finance Survey to the Virginia Department of Transportation was submitted with an error in calculation.

*Criteria:*

Per requirements set forth by the Commonwealth of Virginia, payments and expenditures claimed on the annual report must reconcile to the local government's accounting system and must be supported by detailed documentation.

*Cause:*

Report prepared without internal review.

*Effect:*

Incorrect cost reporting on the annual survey.

*Recommendation:*

We recommend performance of an internal review of the report before submission.

*Current Status:*

Comment no longer applicable.