



# **Town of Leesburg, Virginia**

## **Annual Comprehensive Financial Report**

**Fiscal Year Ended June 30, 2025**



# Town of Leesburg, Virginia

## Contents

### Introductory Section

Letter of Transmittal .....	i
Certificate of Achievement for Excellence in Financial Reporting .....	x
Organizational Chart .....	xi
Directory of Principal Officials.....	xii

### Financial Section

Independent Auditor’s Report .....	1
Management’s Discussion and Analysis.....	5a

### Basic Financial Statements

#### Government-Wide Financial Statements:

Exhibit 1 – Statement of Net Position .....	6
Exhibit 2 – Statement of Activities.....	8

#### Fund Financial Statements:

Exhibit 3 – Balance Sheet – Governmental Funds .....	9
Exhibit 4 – Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position .....	11
Exhibit 5 – Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	12
Exhibit 6 – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	13
Exhibit 7 – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund.....	14
Exhibit 8 – Statement of Net Position – Proprietary Funds .....	15
Exhibit 9 – Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	17
Exhibit 10 – Statement of Cash Flows – Proprietary Funds .....	18
Exhibit 11 – Statement of Fiduciary Net Position – Fiduciary Fund .....	20
Exhibit 12 – Statement of Changes in Fiduciary Net Position – Fiduciary Fund.....	21
Notes to Financial Statements .....	22

## Required Supplementary Information

Exhibit 13 – Schedule of Changes in Net OPEB Liability and Related Ratios – Local Plan .....	61
Exhibit 14 – Schedules of OPEB Contributions – Local Plan.....	62
Exhibit 15 – Schedule of Investment Returns – Local OPEB Trust Fund .....	63
Exhibit 16 – Schedule of Employer’s Share of Net OPEB Liability – VRS GLI .....	64
Exhibit 17 – Schedule of OPEB Contributions – VRS GLI .....	65
Exhibit 18 – Schedule of Changes in Net Pension Liability and Related Ratios – Virginia Retirement System.....	66
Exhibit 19 – Schedule of Pension Contributions – Virginia Retirement System.....	67
Notes to Required Supplementary Information .....	68

## Other Supplementary Information

Exhibit A-1 – General Fund – Comparative Balance Sheets.....	70
Exhibit A-2 – General Fund – Schedule of Revenues and Other Financial Sources – Budget and Actual .....	71
Exhibit A-3 – General Fund – Schedule of Expenditures and Other Financial Uses – Budget and Actual .....	74
Exhibit B-1 – Utilities Fund – Comparative Statements of Net Position .....	80
Exhibit B-2 – Utilities Fund – Comparative Statements of Revenues, Expenses, and Changes in Net Position .....	81
Exhibit B-3 – Utilities Fund – Comparative Statements of Cash Flows .....	82
Exhibit B-4 – Enterprise Fund – Utilities Operating Fund – Schedule of Operating Revenues and Expenses – Budget and Actual .....	84
Exhibit C-1 – Internal Service Fund – Comparative Statements of Net Position.....	85
Exhibit C-2 – Internal Service Fund – Comparative Statements of Revenues, Expenses and Changes in Net Position .....	86
Exhibit C-3 – Internal Service Fund – Comparative Statements of Cash Flows.....	87
Exhibit D-1 – Special Revenue Fund – Balance Sheet .....	88
Exhibit D-2 – Special Revenue Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance.....	89

## Statistical Section

Table 1 – Net Position by Component.....	90
Table 2 – Changes in Net Position .....	91
Table 3 – Program Revenues by Function/Program .....	94

Table 4 – Fund Balances – Governmental Funds.....	95
Table 5 – Changes in Fund Balances – Governmental Funds.....	96
Table 6 – Five-Year Summary of Revenues, Expenditures, and Changes in Fund Balance – General Fund.....	98
Table 7 – Tax Revenues by Source – Governmental Funds .....	99
Table 8 – Assessed Value of All Taxable Property.....	100
Table 9 – Assessed Value and Estimated Actual Value of Taxable Real Property .....	101
Table 10 – Direct and Overlapping Property Tax Rates .....	102
Table 11 – Principal Property Taxpayers .....	103
Table 12 – Real and Personal Property Tax Levies and Collections .....	104
Table 13 – Ratios of Outstanding Debt by Type and General Bonded Debt Outstanding.....	105
Table 14 – Direct and Overlapping Governmental Activities Debt .....	106
Table 15 – Legal Debt Margin Information.....	107
Table 16 – Bond Coverage .....	108
Table 17 – Demographic and Economic Statistics .....	109
Table 18 – Principal Employers.....	110
Table 19 – Full-Time Equivalent Town Government Employees by Function/ Program.....	111
Table 20 – Operating Indicators by Function/Program .....	112
Table 21 – Capital Asset Statistics by Function/Program.....	113
Table 22 – Legal Debt Margin Information for Bond Covenant Continuing Disclosure.....	114

### **Compliance Section**

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 <i>Government Auditing Standards</i> ...	115
Summary of Compliance Matters .....	117

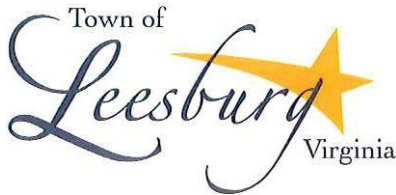
---

THIS PAGE INTENTIONALLY LEFT BLANK



# **Introductory Section**





KAJ H. DENTLER  
Town Manager

---

25 West Market Street • Leesburg, Virginia 20176 • phone: 703-771-2700 • www.leesburgva.gov

---

December 8, 2025

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, 2025. 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, 2025.

The Department of Finance 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 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 13.28 square miles, with elevations ranging from 275 feet to 425 feet above sea level.

Established in 1758, Leesburg is the seat of government for Loudoun County. The Town's rich history spans three centuries. Originally a settlement called George Town in honor of the reigning monarch of Great Britain, the Town was renamed to honor the influential Lee family of Virginia.

During the War of 1812, the Town served as the temporary national archives of the United States when valuable papers of the federal government including the Declaration of Independence, and the Constitution were brought to the Town for safekeeping. President James Monroe resided just south of town at Oak Hill where he announced the Monroe Doctrine in 1823. The Town was the site of the Civil War Battle of Ball's Bluff fought on the banks of the Potomac River. The 1861 battle claimed the life of Col. Edward Baker, a close friend of President Lincoln, and spawned a congressional committee to investigate the conduct of the war. The battlefield is marked by one of America's smallest national cemeteries.

In the 20th century, the Town was the home of George C. Marshall, Chief of Staff of the U.S. Army during World War II and later U. S. Secretary of State and Secretary of Defense. Marshall was the architect of the famed Marshall Plan for the post-war economic recovery of Europe, an accomplishment for which he received the Nobel Peace Prize in 1953.

Today, the Town continues to serve as the center of government and commerce for Loudoun County. Leesburg's Old and Historic District was established by local ordinance in 1963. It was placed on the National Register of Historic Places in 1970 and is often cited as one of the best preserved and most picturesque downtowns in Virginia. Leesburg has been recognized by the following media outlets in recent years:

- “10 Best Places to Live in Virginia, according to Real Estate Experts” – Travel + Leisure - 2025
- Outstanding Facility Award for Ida Lee Park Tennis Center – United States Tennis Association (USTA) 2025
- Best Small Town – Loudoun Times-Mirror - 2025
- Excellence in Public Spaces -Mervin Jackson Park – Joint Architectural Review Board Award - 2025
- Favorite Community Festival: Leesburg Flower and Garden Festival – Loudoun Now - 2025

### **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 has appointed the Town Manager who is the chief executive officer of the Town. The Town Manager serves at the pleasure of the Council, carries out its policies, directs business procedures, and has the power of appointment and removal of all Town employees, except for the Town Attorney who is appointed by the Town Council. 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 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 (including Economic Development, Emergency Management, and Public Information), Departments of Finance, Human Resources, Information Technology, Police, Public Works and Capital Projects, Community Development, Town Attorney, Town Clerk, Parks and Recreation, Utilities, Thomas Balch Library, and the Leesburg Executive Airport. Each department has a director who reports to the Town Manager or designee.

### **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 positive impact is attributed in large part to Leesburg's location in Northern Virginia and its proximity to Washington, D.C. and the federal government and the Town's concentration of high technology employees.

The unemployment rate for Loudoun County for Fiscal Year 2025 increased to 3.5% as compared to 2.70 % for Fiscal Year 2024.

The Town continues to experience increases in revenue in the areas of Meals Tax Revenue, Transient and Occupancy Tax Revenue, and Parks and Recreation Service Fees. In Fiscal Year 2025, those revenues were \$8,244,540, \$1,253,124 and \$5,970,625 respectively. In Fiscal Year 2024, those revenues were \$8,125,216, \$1,107,411 and \$5,588,630 respectively.

Residential Assessed Property Values increased slightly from \$9,447,447,020 in Fiscal Year 2024 to \$10,189,199,440 in Fiscal Year 2025. Commercial Assessed Property Values increased from \$1,935,160,560 in Fiscal Year 2024 to \$3,218,311,840 in Fiscal Year 2025. The increase in Fiscal Year 2025 is due to the assessed value of data center values.

Sales Tax revenues from consumer spending were \$6,273,594, down from Fiscal Year's 2024 revenue of \$6,711,078. The decrease in revenue was due to several factors, including a re-estimation of Leesburg's share of the population, based on the 2020 census. This re-estimation led to a decrease in Leesburg's ratio of school-age children as it relates to the rest of Loudoun County. Other sections of Loudoun County have grown at a faster pace than Leesburg, leading to a decrease in percentage share.

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. These concerns can be addressed by adhering to a long-range financial sustainability plan, consistent and strategic capital investments, reasonable debt service funding with a focus on taxpayer affordability and setting aside reserves for emergencies.

The Fiscal Year 2025 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:

- Community & Economic Development.
- Capital Improvements Program aligned with environmental sustainability.
- Town Plan Adoption and Implementation.
- Emergency Preparedness.
- Information Technology - emphasizing cybersecurity and system resiliency.

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 competitive compensation. 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 significantly exceeded its long-term goal of maintaining a 20% unassigned general fund balance. This fiscal discipline was rewarded in Fiscal Year 2024 with Triple A ratings from Moody's, Fitch, and Standard & Poor's credit rating agencies, which have been affirmed by all three major rating agencies with stable outlooks.

The Town is closely monitoring the global, national, regional, and local economies to determine next steps should strong actions by the Federal Reserve cause the economy to fall into recession or should inflation rise. In developing its projections for the fiscal year ending June 30, 2025, and for the fiscal year ending June 30, 2026, 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.

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 new data becomes available. Town staff will continue to monitor the impacts of supply chain issues and rising inflation on Town finances and operations and will continue 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 agenda 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 levels of service to 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 steady economic improvement and is cautiously optimistic that government and businesses will continue to recover and grow.

Town Council's goal of maintaining 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. To meet these demands, management developed the following initiatives:

- Successfully carried out the Council's policies on long-term budget stability and fiscal sustainability.
- Set and achieved high standards of 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 pressures of inflation.
- Accelerated the application of technology as financially feasible to improve access to Town services, improve communication with all residents, and enable increased remote working and service delivery opportunities in compliance with cybersecurity demands.
- Continued emphasis on an organizational culture that focuses on improving the quality of life for our residents and businesses.

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, and fully insured Certificate of Deposit Account Registry Service (CDARS) Certificates of Deposit. These investments are used to fund the General Fund's and Utilities Fund's operations, as well as some capital projects. The aforementioned investments 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 (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 trustees and managed by PFM, Inc. with the expectation that the assets will generate market-based returns with low fees.

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

The Town's budget is prepared based on funds which are fiscal and accounting entities with a self-balancing set of accounts recording cash and other financial resources, combined 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, and Thomas Balch Library Endowment Trust Fund), a fiduciary fund (Other Post Employment Trust Fund), an internal service fund (Self Insurance 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 appropriate amount) is established by department within the General Fund. The Town Manager has authority to amend or transfer appropriations between departments. The Town 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.

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 benefits 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 continually reviews and assesses the soundness and adequacy of the Town's financial system and internal controls to ensure the strongest possible structure has been established and maintained.

## **Notable Transactions and Actions**

### **Growth and Gains from Annexation**

Effective January 1, 2025, the Town incorporated approximately 401 acres of Compass Creek development into its corporate limits. The northern portion of Compass Creek had previously been incorporated into the Town via a boundary line adjustment in 2020 with Loudoun County.

The significant expansion, adjacent to the Leesburg Executive Airport, encompasses various commercial establishments and a substantial 323-acre data center campus. The inclusion of the remaining portion of Compass Creek into the Town is a positive move for all parties. The strong economic growth created by this development will bolster Leesburg's commercial tax base, benefiting the Town and its residents.

### **Data Center Equipment Tax Revenue**

During fiscal year 2025, the Town received \$3.4 million in data center equipment tax revenue from Loudoun County. The revenue is included in fiscal year's 2025 General Property Tax Revenue of \$29 million, which contributed to a positive budget variance of \$5.3 million.

Of the \$3.4 million received, Council voted to reserve \$3.2 million of the tax revenue received for undesignated future funding purposes.

**Material Council Approved Reservations**

The Town Council set aside significant General Fund reserves in Fiscal Year 2025 from one-time revenues resulting from staff vacancies and cost control measures taken in prior fiscal years. A reservation of General Fund unassigned fund balance requires a majority vote of Town Council to create the reserve or to use or appropriate funds previously assigned, except when the reservation is required by statutes such as contractual commitments or outstanding purchase orders.

Material reservations of General Fund unassigned fund balance were made by Town Council for:

Debt Service Reserve	\$9,753,620
Revenue stabilization and resiliency reserve for recessionary shortfalls	2,000,000
Data Center Tax Reserve	3,271,237
Information Technology Strategic Plan	35,189
Capital projects cost overruns reserve for inflation or unforeseen items	1,000,000
Friends of Thomas Balch Library	1,200
Police Cadet	6,442
Tree Bank	<u>46,510</u>
Subtotal of Assigned Fund Balance	\$16,114,198

Supplemental Appropriations during Fiscal Year 2025:

Town-Wide Video Project	\$115,131
Traffic Signal – Fiber Connection	47,495
Wirt Street Facility Renovation	597,376
Second Fiber Connection to the Police Department	350,000
Downtown Parking Sign	28,255
Stormwater Program	174,690
Financial Assistance for Utility Customers	75,000
Electric Charging Station	63,792
Contribution to Leesburg Movement	30,000
Stormwater Evaluations	150,000
Trash & Recycling Contract	306,345
Marshall House Visitor Center	100,000
St. James Cemetery Project	25,000
Town Ornament Project	1,000
Vehicle for Police Lieutenant Enhancement	86,400
Snow Contingency	585,000
Vehicle for Pavement & Bridges Management	55,000
Fences for Public Safety Improvement	60,000
Bus Shelters	80,334
Marketing Materials	2,500
CAD/RMS System Upgrade	98,558
Catoctin Circle	<u>226,322</u>
Subtotal of Supplemental Appropriations	\$3,258,198

Total material fiscal year 2025 assigned of General Fund balance \$19,372,395

These reservations of General Fund unassigned fund balance provided for statutory reserve requirements, significant improvements in fiscal resilience and sustainability, funding for capital projects, and funded initiatives related to improving the Town’s cyber infrastructure and security.

The Town’s Fiscal Year 2025 ending unassigned fund balance in the General Fund was \$30,586,776 or \$3,351,010 more than the unassigned fund balance from Fiscal Year 2024. This represents 38.05% of General Fund expenditure, which is well above the Town Council’s 20% policy minimum. While the unassigned fund balance and substantial reserves are the result of one-time revenues, the Town has substantial fiscal flexibility and is well-positioned to be resilient in the face of economic unknowns.

**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 to 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 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, 2024. 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.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues the 36-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 2025.

For the Fiscal Year ended June 30, 2024, the Town won the coveted “Triple-Crown” of GFOA awards, winning awards for its Annual Comprehensive Financial Report, its Budget and Capital Improvement Program document, and its Popular Annual Financial Report (PAFR). Only a very few local governments win all three awards each year.

Acknowledgements. This report was prepared by the professional staff of the Department of Finance. 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, Deputy Director/Controller; Maria Bassett, Deputy Controller, Willis Felegie, Management and Financial Accounting Analyst; Tammy Hegner, Payroll Administrator; and Sonia Jordan, Accounting Associate, 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,



Kaj H. Dentler  
Town Manager

*Owen A. Snyder*  
Owen A. Snyder  
Assistant Town Manager & CFO



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Leesburg  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

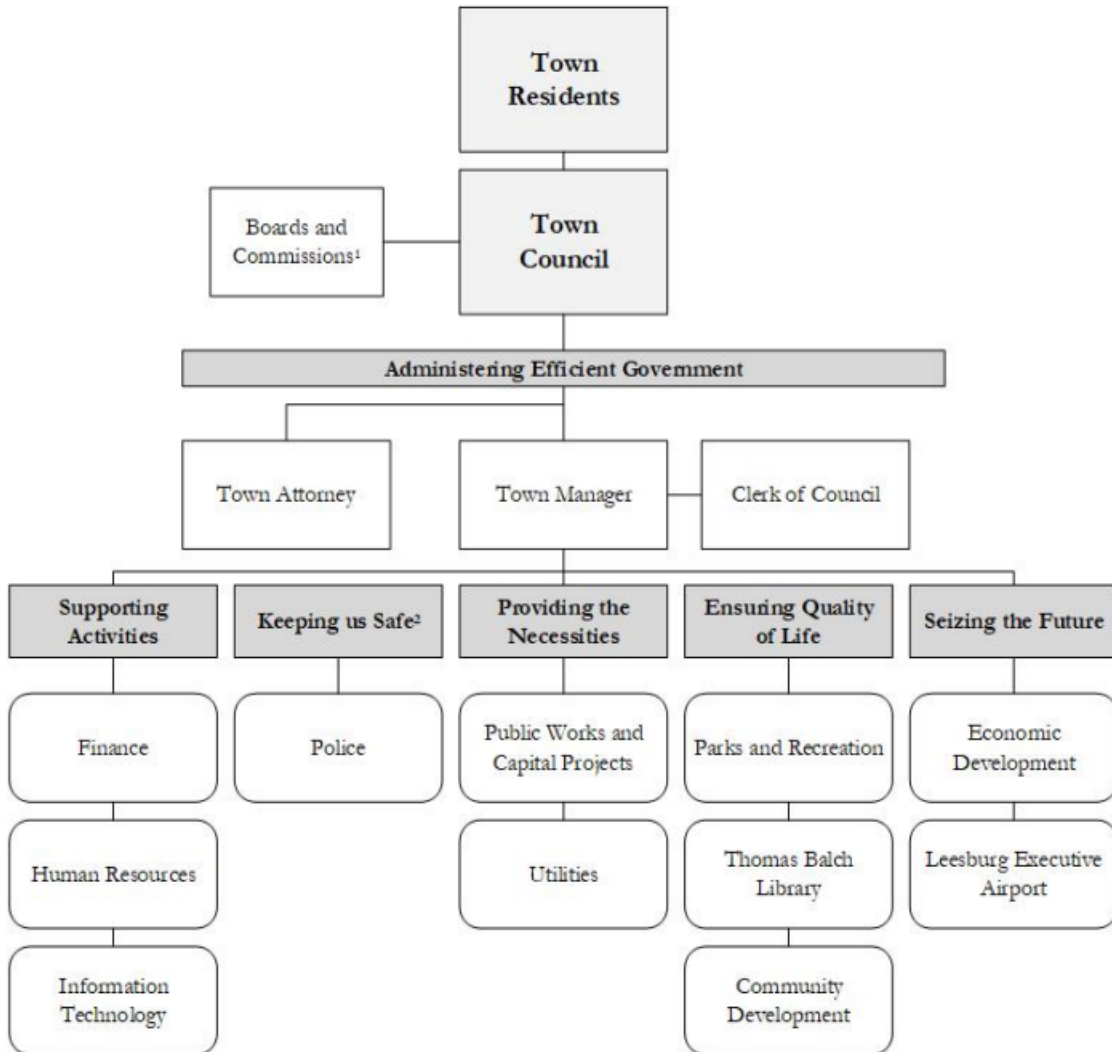
*Christopher P. Morill*

Executive Director/CEO

# Town of Leesburg, Virginia

## Organizational Chart

June 30, 2025



<sup>1</sup>Airport Commission, Board of Architectural Review, Board of Zoning Appeals, Diversity Commission, Economic Development Commission, Environmental Advisory Committee, Parks and Recreation Commission, Planning Commission, Commission on Public Arts, Residential Traffic Commission, Technology and Communications Commission, Thomas Balch Library Commission, Tree Commission, and Performing Arts Commission.

<sup>2</sup>Fire and emergency medical services, including emergency response, training, fire prevention and investigation and hazardous material mitigation, in the Town of Leesburg are provided through a combination system, involving both volunteer and career personnel, and are coordinated through the Loudoun County Combined Fire & Rescue System.

# Town of Leesburg, Virginia

## Directory of Principal Officials

June 30, 2025

### Town Council

Kelly Burk, Mayor  
Todd Cimino-Johnson, Vice Mayor  
Zach Cummings  
Nicholas Krukowski  
Kari Nacy  
Neil Steinberg  
Patrick Wilt

### Town Officials

Kaj Dentler ..... Town Manager  
Keith Markel..... Deputy Town Manager  
Katherine Trask ..... Assistant Town Manager  
Owen Snyder..... Assistant Town Manager/CFO  
Chris Spera ..... Town Attorney  
Eileen Boeing..... Clerk of Council  
Thea Pirnat..... Police Chief  
Renee LaFollette ..... Director of Public Works and Capital Projects  
Amy Wyks ..... Director of Utilities  
Rich Williams..... Director of Parks and Recreation  
James David ..... Director of Community Development  
Scott Coffman ..... Director of Airport  
Russell Seymour ..... Director of Economic Development  
Laura Christiansen..... Director of Balch Library  
Scott Varner ..... Director of Information Technology  
Joshua Didawick..... Director of Human Resources  
Kara Rodriguez ..... Public Information Officer

---

THIS PAGE INTENTIONALLY LEFT BLANK



# Financial Section

---

## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2025, 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 accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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 *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Change in Accounting Principle*

As described in Note 1 to the financial statements, in 2025, the Town adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### *Required Supplementary Information*

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025 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 8, 2025

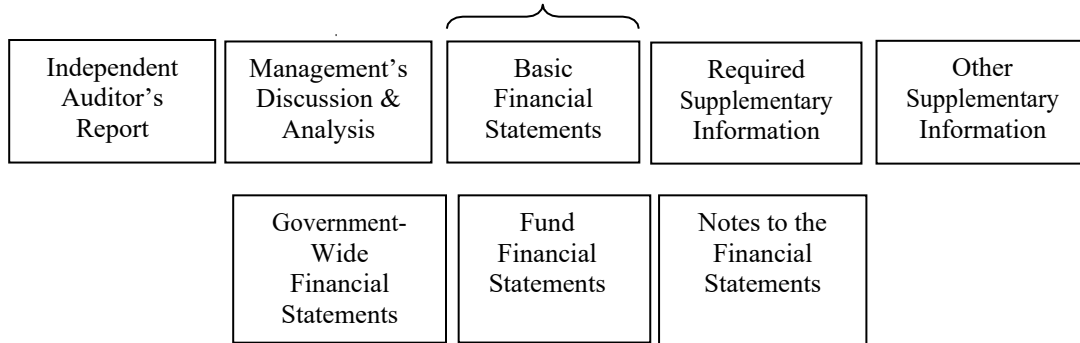
**TOWN OF LEESBURG  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
June 30, 2025**

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, 2025. Readers are encouraged to read this discussion and analysis and the letter of transmittal from the Town Manager and the Assistant Town Manager & CFO 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 Financial Fund 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 resources 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 entire Town using accounting methods like 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.

## GOVERNMENT-WIDE STATEMENTS (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, 2025. 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 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; townwide council; airport, and public works. Capital improvement projects are accounted for in the Capital Projects Fund. 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 most or all 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 two major governmental funds: the General Fund and the Capital Projects 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 provides control over the resources that have been segregated for those projects.

The Other Governmental Special Revenue Fund is a non-major governmental fund established for the purpose of collecting contributions and providing support to special library programs for the Thomas Balch Library.

These funds are accounted for under the current financial resources 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 expenses. Consequently, the governmental fund statements provide a detailed short-term view that assists the reader in understanding the financial resources available to be spent soon to support the Town's operations.

## **FUND FINANCIAL STATEMENTS (CONTINUED)**

### Governmental Funds (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 2025 comprised of one enterprise fund, the Utilities Fund to account for water and sewer services, and one internal service fund, Self-Insurance Fund. Both the enterprise fund and the internal service fund operate in a manner like 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 on 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 activities column on the Statement of Net Position (Exhibit 1), and the proprietary fund revenues and expenses 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 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 proprietary funds, fiduciary funds are not required to report a statement of cash flows.

## **FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025**

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 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.

Effective January 1, 2025, the Town incorporated approximately 401 acres of Compass Creek development into its corporate limits. The northern portion of Compass Creek had previously been incorporated into the Town via a boundary line adjustment in 2020 with Loudoun County.

The significant expansion, adjacent to the Leesburg Executive Airport, encompasses various commercial establishments and a substantial 323-acre data center campus. The inclusion of the remaining portion of Compass Creek into the Town is a positive move for all parties. The strong economic growth created by this development will bolster Leesburg’s commercial tax base, benefiting the Town and its residents.

## FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025 (CONTINUED)

During fiscal year 2025, the Town received \$3.4 million in data center equipment tax revenue from Loudoun County. The revenue is included in fiscal year's 2025 General Property Tax Revenue of \$29 million, which contributed to a positive budget variance of \$5.3 million.

Of the \$3.4 million received, Council voted to reserve \$3.2 million of the tax revenue received for undesignated future funding purposes.

Total net position of the Town on a government-wide basis is \$663.2 million as of June 30, 2025, of which \$424.8 million is attributable to the Town's governmental activities and \$238.4 million to business type activities (Exhibit 1). The government-wide total net position that is unrestricted is \$120.7 million, of which \$48.5 million is unrestricted for governmental activities and \$72.2 million is unrestricted for business-type activities. The Statement of Activities (Exhibit 2) presents all the factors attributed to the \$16.8 million or 2.60 percent increase in the Town's beginning net position from \$646.4 million in fiscal year 2024 to \$663.2 million in fiscal year 2025.

The total increase in net position is \$16.8 million, composed of an increase of \$5.2 million in governmental activities and an increase of \$11.5 million in business-type activities. The increases in governmental net position were largely due to the receipt of data center revenue in the amount of \$3.4 million. In addition, several departments were significantly under budget, including Finance and Administration Services of \$1.3 million, Public Safety of \$1.6 million, Public Works of \$3.3 million, and Community Development of \$1.3 million.

Total fund balance of the Town's governmental funds is \$77.8 million as of June 30, 2025, of which \$55.9 million is attributable to the Town's General Fund; \$20.4 million is attributable to the Town's Capital Projects and \$1.5 million is attributable to Other Governmental Funds (Exhibit 3).

The General Fund's unassigned fund balance is \$30.6 million (Exhibit 3) an increase of \$3.3 million from fiscal year 2024. Operating revenues exceeded operating expenses in 2025 by \$2.1 million, with \$3.4 million of the excess revenue attributed to the receipt of data center revenue. The Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit 5) presents all the factors attributed to the \$9.0 million decrease in the Governmental Funds' total fund balance from \$86.8 million to \$77.8 million. This decrease of \$9.0 million is due to an increase of \$2.3 million in the fund balance of the General Fund, a decrease of \$11.5 million in the Capital Projects Fund and an increase of \$0.2 million in Other Government Funds.

The total net position of the Town's enterprise funds is \$238.4 million of which \$238.4 million is attributable to the Town's Utilities Fund; the Town's Internal Service, which represents the Self Insurance Fund has a negative \$11 thousand balance on June 30, 2025 (Exhibit 8). The Utilities Fund's unrestricted net position is \$72.2 million, and the Internal Service Fund's unrestricted net position is a negative \$11 thousand balance. 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 5.1 percent increase from net beginning balance of \$226.8 million in fiscal year 2024 to \$238.4 million in fiscal year 2025. During fiscal year 2025, excess revenue over expenses was \$11.5 million, compared to fiscal year 2024's excess of \$27.8 million. The decrease in revenue during fiscal year 2025 over fiscal year 2024 was mainly due to installation and connection charges, which include \$6.0 million and \$17.7 million respectively. Of the \$17.7 million received in fiscal year 2024, \$17.5 million was received was for Availability Fee Revenue. Of the \$6.0 million received in fiscal year 2025, \$4.5 million was Availability Fee Revenue and the remaining revenues were a combination of pro-rata fees and other service fees. In fiscal year 2025, the Internal Service Fund net position decreased by \$0.8 million, due to an excess of expenses over income.

## **FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025 (CONTINUED)**

The total net position for the Town's governmental activities increased approximately \$5.2 million or 1.1 percent, to \$424.8 million. This net increase is comprised of a decrease in Net Investment in Capital Assets of \$4.1 million; an increase in Restricted Net Position of \$0.4 million and an increase in Unrestricted Net Position of \$8.9 million. In comparison, net position for business-type activities increased by approximately \$11.5 million to \$238.4 million for fiscal year 2025, compared to the opening balance of \$226.8 million. This increase is mainly due to an increase in net operating income of \$2.1 million; the collection of availability fees in the amount of \$4.4 million and investment income of \$4.1 million.

## FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025 (CONTINUED)

### Statement of Net Position

Table 1 below summarizes and compares the Statement of Net Position (Exhibit 1) for the Town as of June 30, 2025, and 2024.

**Table 1**  
**Summary Statement of Net Position**  
**Comparison as of June 30, 2025 and 2024 (\$ in Thousands)**

	Governmental Activities		Business-type Activities		Total Reporting Entity	
	2025	2024	2025	2024	2025	2024
<b>Assets and Deferred Outflows of Resources</b>						
Current and Other Assets	\$ 136,938	\$ 135,031	\$ 89,037	\$ 84,705	\$ 225,975	\$ 219,736
Capital Assets, net	440,073	432,020	214,406	209,279	654,479	641,299
<b>Total Assets</b>	<b>577,011</b>	<b>567,051</b>	<b>303,443</b>	<b>293,984</b>	<b>880,454</b>	<b>861,035</b>
Deferred Outflows of Resources	8,670	8,074	2,572	3,426	11,242	11,500
<b>Total Assets and Deferred Outflow of Resources</b>	<b>585,681</b>	<b>575,125</b>	<b>306,015</b>	<b>297,410</b>	<b>891,696</b>	<b>872,535</b>
<b>Liabilities and Deferred Inflows of Resources</b>						
Current Liabilities	17,348	16,299	10,368	5,600	27,716	21,899
Long-term Liabilities	94,987	102,658	51,745	60,663	146,732	163,321
<b>Total Liabilities</b>	<b>112,335</b>	<b>118,957</b>	<b>62,113</b>	<b>66,263</b>	<b>174,448</b>	<b>185,220</b>
Deferred Inflows of Resources	48,527	36,591	5,524	4,322	54,051	40,913
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>160,862</b>	<b>155,548</b>	<b>67,637</b>	<b>70,585</b>	<b>228,499</b>	<b>226,133</b>
<b>Net Position</b>						
Net Investment in Capital Assets	365,020	369,078	166,199	152,474	531,219	521,552
Restricted	11,264	10,393	-	-	11,264	10,393
Unrestricted	48,534	40,107	72,179	74,351	120,713	114,458
<b>Total Net Position</b>	<b>\$ 424,818</b>	<b>\$ 419,578</b>	<b>\$ 238,378</b>	<b>\$ 226,825</b>	<b>\$ 663,196</b>	<b>\$ 646,403</b>

The General Fund is the main operating fund of the Town; its total fund balance increased to \$55.9 million in fiscal year 2025 from \$53.6 million in fiscal year 2024 (Exhibit A-1). Of this total, the unassigned fund balance was \$30.6 million, an increase of \$3.3 million or 12.3 percent from fiscal year 2024. At the end of fiscal year 2025, the unassigned fund balance of \$30.6 million was 39.8 percent of General Fund expenses of \$78.3 million. In comparison, at the end of fiscal year 2024, the unassigned fund balance was \$27.2 million, equal to 35.7 percent of total General Fund expenses of \$76.2 million. The Assigned Fund Balance Designated for Future Years Expenditures decreased \$1.6 million, due to a decrease in the amount of open purchase orders and contractual expenses carried over to fiscal year 2026.

## FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025 (CONTINUED)

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, 2025, the Capital Projects fund balance was \$20.4 million (Exhibit 3) compared to \$31.9 million in 2024. 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 2025 was a deficit of \$8.3 million, due to contract commitments on capital projects that were not yet fully funded. The Town uses bond proceeds and a line of credit to fund approved projects. Capital is borrowed to fund projects after costs have been incurred; the \$8.3 million deficit will be funded during fiscal year 2026, as projects progress.

### Statement of Activities

Table 2 summarizes and compares the Statement of Activities (Exhibit 2) for the Town for the fiscal years ended June 30, 2025, and 2024.

**Table 2**  
**Summary of Statement of Activities**  
**Comparison for the years ended June 30, 2025 and 2024 (\$ in Thousands)**

	Governmental Activities		Business-type Activities		Total Reporting Entity	
	2025	2024	2025	2024	2025	2024
<b>REVENUES</b>						
<b>General Revenues:</b>						
Property Taxes	\$ 29,884	\$ 24,164	\$ -	\$ -	\$ 29,884	\$ 24,164
Other Local Taxes	26,631	27,189	-	-	26,631	27,189
Other	8,703	8,113	4,850	4,562	13,553	12,675
					-	-
<b>Program Revenues:</b>						
Charges for Services	8,335	7,173	36,125	47,549	44,460	54,722
Operating Grants and Contributions	16,679	9,557	-	-	16,679	9,557
Capital Grants and Contributions	1,986	10,040	2,881	5,507	4,867	15,547
<b>Total Revenues</b>	<b>92,218</b>	<b>86,236</b>	<b>43,856</b>	<b>57,618</b>	<b>136,074</b>	<b>143,854</b>
<b>EXPENSES</b>						
Legislative	831	472	-	-	831	472
Executive	3,785	3,229	-	-	3,785	3,229
Legal	1,480	1,769	-	-	1,480	1,769
Parks and Recreation	10,477	8,693	-	-	10,477	8,693
Finance	9,082	8,106	-	-	9,082	8,106
Balch Library	714	732	-	-	714	732
Community Development	5,099	4,859	-	-	5,099	4,859
Public Works	34,584	24,349	-	-	34,584	24,349
Public Safety	17,762	16,755	-	-	17,762	16,755
Airport	2,063	1,656	-	-	2,063	1,656
Interest	3,072	2,293	-	-	3,072	2,293
Water and Sewer	-	-	30,331	27,624	30,331	27,624
<b>Total Expenses</b>	<b>88,949</b>	<b>72,913</b>	<b>30,331</b>	<b>27,624</b>	<b>119,280</b>	<b>100,537</b>
Change in Net Position before transfers	3,269	13,323	13,525	29,994	16,794	43,317
Transfers In (Out)	1,971	2,227	(1,971)	(2,227)	-	-
<b>Increase in Net Position</b>	<b>5,240</b>	<b>15,550</b>	<b>11,554</b>	<b>27,767</b>	<b>16,794</b>	<b>43,317</b>
<b>Net Position, Beginning of Year</b>	<b>419,578</b>	<b>404,028</b>	<b>226,825</b>	<b>199,057</b>	<b>646,403</b>	<b>603,085</b>
<b>Net Position, End of Year</b>	<b>\$ 424,818</b>	<b>\$ 419,578</b>	<b>\$ 238,379</b>	<b>\$ 226,824</b>	<b>\$ 663,197</b>	<b>\$ 646,402</b>

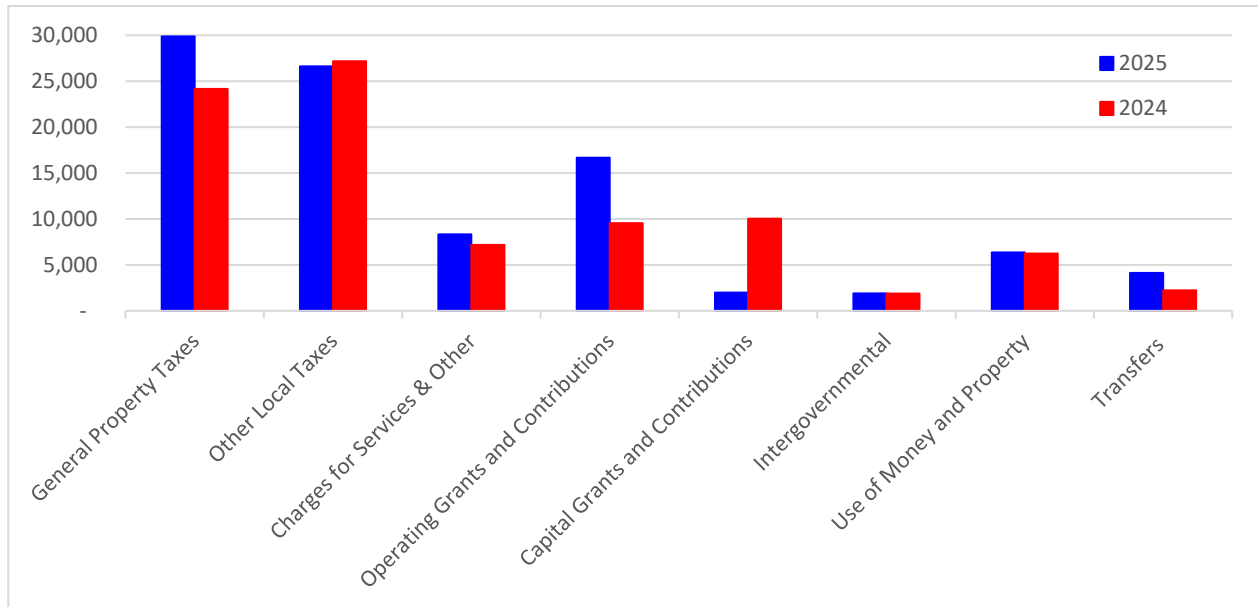
## FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025 (CONTINUED)

### Governmental Activities

As shown in Table 2 above, total revenue for the Town's governmental activities was \$92.2 million for fiscal year 2025 compared to \$86.2 million for fiscal year 2024. Table 2 also shows total expenses for governmental activities for fiscal year 2025 were \$88.9 million, compared to \$72.9 million in fiscal year 2024.

Chart 1 below shows the sources of all governmental revenue for fiscal years 2025 and 2024:

**Chart 1**  
**Governmental Activities – Revenues by Source**  
**Comparison for the years ended June 30, 2025 and 2024 (\$ in Thousands)**

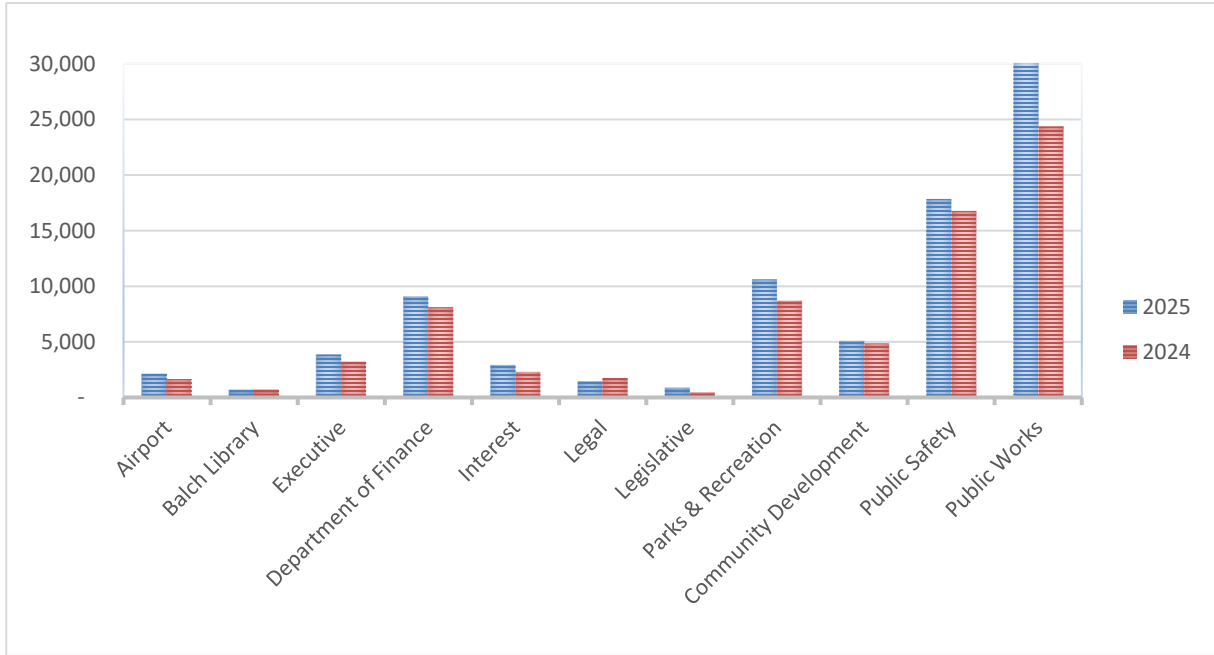


Taxes constitute one of the largest sources of Town revenue totaling approximately \$56.5 million, with general property taxes of \$29.9 million in 2025 and \$24.2 million in 2024 (Table 2). Other local taxes, \$26.6 million in 2025 and \$27.2 million in 2024, are generated through business and occupational licenses and consumption-based taxes such as taxes on meals, sales and use, cigarettes and utilities. The Town saw a decrease of \$0.6 million in other local tax revenue, mainly due to a decrease of \$0.4 million in Sales and Use Tax Revenue.

**FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025 (CONTINUED)**

Chart 2 below illustrates total expenses by function.

**Chart 2  
Governmental Activities – Expenses by Function Comparison  
for the years ended June 30, 2025 and 2024 (\$ in Thousands)**



Expenses for fiscal year 2025 increased by \$16.0 million from fiscal year 2024. Expenses for the Executive, Finance, Parks & Recreation, Public Safety, and Public Works payments of governmental debt interest increased in fiscal year 2025 from fiscal year 2024. Increases in personnel costs were a primary reason. In Public Works, activities associated with stormwater and capital projects increased.

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, and 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 \$27.0 million in 2025, the net cost of governmental activities was \$61.9 million. In comparison, in fiscal year 2024, total costs were \$72.9 million, and the Town recognized revenue from fees, grants, and contributions of \$26.7 million, resulting in a net cost of governmental activities of \$46.1 million.

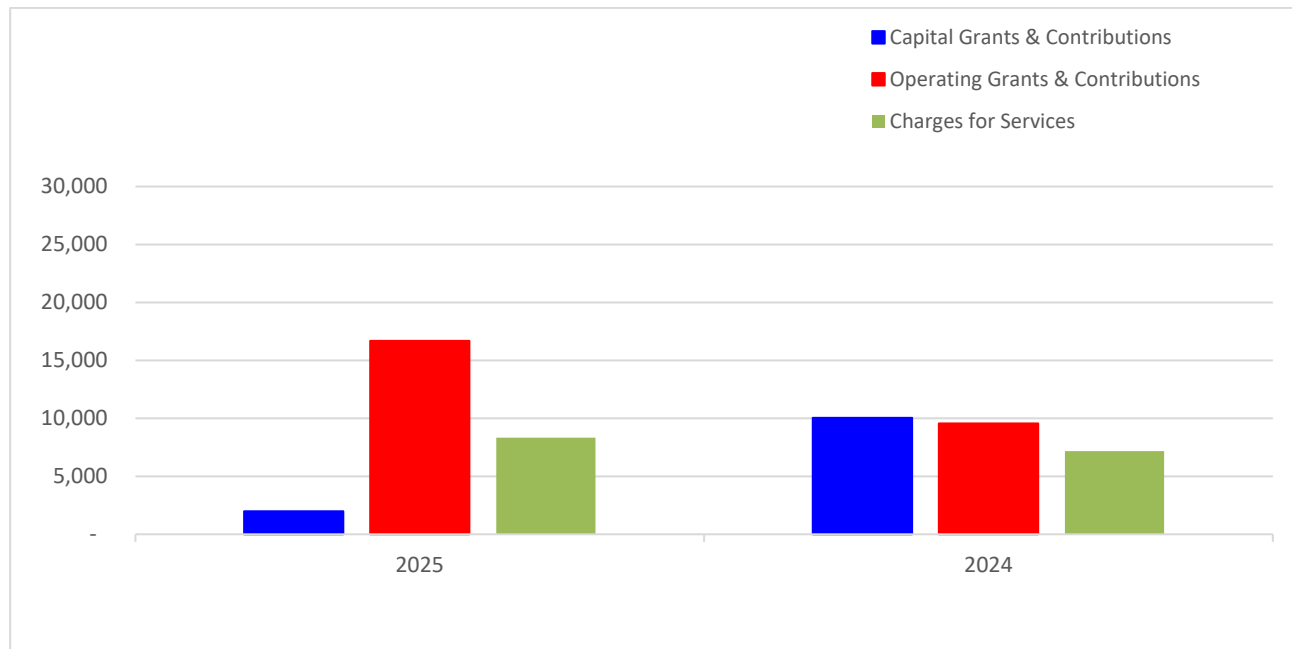
**FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025 (CONTINUED)**

**Table 3  
Net Cost of Governmental Activities  
Comparison for the years ended June 30, 2025 and 2024 (\$ in Thousands)**

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
<b>Function:</b>				
Legislative	\$ 831	\$ 473	\$ 831	\$ 473
Executive	3,785	3,228	2,076	2,540
Legal	1,480	1,768	1,480	1,768
Parks & Recreation	10,477	8,693	4,502	3,099
Department of Finance	9,082	8,106	9,083	8,106
Balch Library	714	732	714	732
Community Development	5,099	4,859	3,869	4,081
Public Works	34,584	24,349	23,869	9,016
Public Safety	17,762	16,755	15,627	15,018
Airport	2,063	1,656	(3,119)	(883)
Townwide	-	-	(56)	(102)
Interest	3,072	2,293	3,072	2,293
<b>Totals</b>	<b>\$ 88,949</b>	<b>\$ 72,912</b>	<b>\$ 61,948</b>	<b>\$ 46,141</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 increased by \$1.2 million; program revenue for Operating Grants and Contributions increased by \$7.1 million and Capital Grants and Contributions decreased by \$8.0 million.

**Chart 3  
Governmental Activities – Program Revenue  
Comparison for the years ended June 30, 2025 and 2024 (\$ in Thousands)**



## FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025 (CONTINUED)

### Business-type Activities

Table 2 summarizes the business-type activities for fiscal year 2025 and shows the Utilities Fund's Net Position increased by \$11.5 million of which \$2.1 million was generated by net income from operations; \$8.5 million, of non-operating net income, which includes investment income of \$4.1 million, installation and connection charges of \$6.0 million and capital contributions of \$3.1 million. The Statement of Revenue, Expense, 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 2025 for both the Utilities Fund and the Internal Service 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 Fund. In fiscal year 2025, the Utilities Fund's total assets, deferred outflows of resources, total liabilities, and deferred inflows of resources were \$303.4 million, \$2.6 million, \$62.1 million, and \$5.5 million, respectively. Total Net Position for fiscal year 2025 was \$238.4 million, of which \$72.2 million is unrestricted. In fiscal year 2025, the Internal Service Fund's total assets and liabilities were \$1.2 million and \$1.2 million, respectively. Total net position for fiscal year 2025 was a negative \$11 thousand, all of which was unrestricted.

Utilities operating revenues 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 2024 was \$29.9 million compared to \$30.4 million for fiscal year 2025.

Total operating expenses increased by \$2.5 million to \$28.3 million in fiscal year 2025. In 2025, the increases in operating expenses are mainly attributed to increases in personnel costs of \$1.1 million and increases in depreciation and amortization of \$.8 million. The Utilities Fund recognized operating net income of \$2.1 million for fiscal year 2025. Non-operating revenues and expenses provided a net increase of \$8.5 million. The \$11.5 million increase in net position is due to non-operating revenues of \$8.5 million and Capital contributions of \$3.1 million.

### Government Funds

The Town uses fund accounting on a current financial resource 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 two major governmental funds; the General Fund and the Capital Projects Fund, with fund balances of \$55.9 million and \$20.4 million, respectively. With a fund balance of \$1.5 million for the non-major fund, the governmental funds total fund balance of \$77.8 million for fiscal year 2025 (Exhibit 3). This represents a decrease from fiscal year 2024 of \$9.0 million.

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, 2025, and 2024.

**FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2025 (CONTINUED)**

**Table 4  
Governmental Fund Balances  
Comparison for the years ended June 30, 2025 and 2024 (\$ in Thousands)**

	<b>2025</b>	<b>2024</b>	<b>Change</b>
<b>Non-Spendable</b>			
Inventory	3	3	-
Prepaid Expenses	325	715	(390)
<b>Restricted</b>			
Balch Library	1,457	1,305	152
Parks and Recreation	51	51	-
Police	-	147	(147)
Bond Proceeds	5,826	23,978	(18,152)
Proffers	7,297	6,528	769
Gas Tax	1,580	2,018	(438)
Parking-in-lieu	588	553	35
Esummons	186	216	(30)
Forfeiture	104	-	104
<b>Committed</b>			
Capital Projects - Road	3,197	2,012	1,185
Capital Projects - Storm Drainage	1,670	2	1,668
Capital Projects - General Governmental	5,741	14,299	(8,558)
Capital Projects - Airport	173	5,119	(4,946)
Capital Projects - Parks and Recreation	3,805	592	3,213
<b>Assigned</b>			
Debt Service Reserve	9,754	9,754	-
Other Reserves	10,619	8,226	2,393
Designated for Future Years	3,105	4,680	(1,575)
<b>Unassigned</b>	22,325	6,648	15,677
<b>Total Fund Balances</b>	<b>\$ 77,806</b>	<b>\$ 86,846</b>	<b>\$ (9,040)</b>

The fiscal year 2025 governmental fund balances of \$77.8 million represent a decrease of \$9.0 million from fiscal year 2024. The General Fund is the main operating fund of the Town. Its total fund balance increased during fiscal year 2025 by 4.0 percent or \$2.3 million to \$55.9 million (Exhibit 5). Of this total, the unassigned fund balance was \$30.5 million (Exhibit 3) or 54.7 percent of the total fund balance of the General Fund. In comparison, at the end of fiscal year 2024, the unassigned fund balance was \$27.2 million or 50.8 percent of the total fund balance of the General Fund. The relative increase in unassigned fund balance brings enhanced financial resilience to the Town. The assigned fund balance designated for future years decreased by \$1.6 million.

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, 2025, the Capital Projects fund balance was \$20.5 million (Exhibit 3) compared to \$31.9 million in 2024. 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 2024 had a deficit balance of \$20.6 million and unassigned fund balance for fiscal year 2025 had a deficit of \$8.3 million, due to the Town’s use of a line of credit to just-in-time finance capital construction, so project commitments open at fiscal year-end are not fully funded until payment is ready to be made.

## BUDGETARY HIGHLIGHTS

### General Fund

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

**Table 5**  
**Condensed Budgetary Comparison Year ended June 30, 2025**  
**(\$ in Thousands)**

	Fiscal Year 2025		
	Original Budget	Amended Budget	Actual
<b>Revenues:</b>			
Taxes	\$ 43,116	\$ 43,226	\$ 48,865
Intergovernmental	17,621	17,926	18,266
Other	11,827	11,983	13,256
<b>Total Revenues</b>	<b>72,564</b>	<b>73,135</b>	<b>80,387</b>
<b>Expenditures:</b>			
Expenditures	80,381	85,524	78,260
<b>Deficiency of Revenue under Expenditures</b>	<b>(7,817)</b>	<b>(12,389)</b>	<b>2,127</b>
<b>Other Financing Sources:</b>			
Transfers, net	2,190	(1,469)	177
Use of fund balance	5,627	9,832	-
<b>Total Other Financing Sources</b>	<b>7,817</b>	<b>8,363</b>	<b>177</b>
<b>Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ (4,026)</b>	<b>\$ 2,304</b>

General Fund revenues were higher than the amended budget by \$7.2 million. Revenues collected exceeded budget projections for General Property Taxes along with Other Local Taxes by \$5.3 million, Use of Money and Property by \$0.8 million, and Charges for Services by \$0.5 million (Exhibit 7). Use of Money and Property includes interest revenue, commercial tenant lease revenue, and hanger tenants lease revenue.

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

- Amendments for projects that were incomplete in the prior fiscal year and subsequently re-appropriated in the new fiscal year.
- Amendments for supplemental appropriations for new projects, and/or change orders for prior approved projects and contracts.

The original budgeted expenses increased by \$5.1 million for fiscal year 2025 (Exhibit 7). This increase is mainly a result of supplemental appropriation approved by the Town Council throughout the fiscal year and from encumbrance carryovers related to purchase orders not completed during the prior fiscal year. Actual expenses were \$2.1 million below the original budget of \$80.4 million.

## 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, 2025 and 2024.

**Table 6**  
**Capital Assets**  
**Comparison as of June 30, 2025 and 2024 (\$ in Thousands)**

	Governmental Activities			Business-Type Activities		
	2025	2024	Change	2025	2024	Change
Land	\$ 66,942	\$ 66,942	\$ -	\$ 1,577	\$ 1,577	\$ -
Buildings and improvements	93,595	92,347	1,248	-	-	-
Water and sewer plant	-	-	-	135,708	133,170	2,538
Water and sewer lines	-	-	-	175,908	173,915	1,993
Equipment and software	14,208	12,369	1,839	10,462	9,098	1,364
Vehicles	9,934	9,729	205	4,835	4,435	400
Infrastructure and streets	373,976	373,436	540	-	-	-
Hangars	15,964	15,987	(23)	-	-	-
Terminals	6,678	6,678	-	-	-	-
Runways	21,030	16,570	4,460	-	-	-
Subscription assets	2,465	2,706	(241)	-	-	-
Lease assets	1,505	1,540	(35)	-	-	-
Construction in progress	48,846	31,494	17,352	16,298	9,834	6,464
<b>Total Capital Assets</b>	<b>655,143</b>	<b>629,798</b>	<b>25,345</b>	<b>344,788</b>	<b>332,029</b>	<b>12,759</b>
Accumulated depreciation and amortization	(215,070)	(197,778)	(17,292)	(130,381)	(122,751)	(7,630)
<b>Total Capital Assets, Net</b>	<b>\$ 440,073</b>	<b>\$ 432,020</b>	<b>\$ 8,053</b>	<b>\$ 214,407</b>	<b>\$ 209,278</b>	<b>\$ 5,129</b>

The Town's Governmental Activities Capital Assets (net of accumulated depreciation and amortization) as of June 30, 2025, and 2024 amounted to approximately \$440.1 million and \$432.0 million, respectively. The net increase in capital assets (including additions, retirements, depreciation, and amortization) was \$8.0 million for governmental activities with the largest increases in Runways at \$4.5 million and construction in progress at \$17.3 million.

The Business-type Activities Capital Assets (net of accumulated depreciation and amortization) as of June 30, 2025, amounted to approximately \$214.4 million for the Utilities Fund compared to \$209.3 million in 2024. The largest impact regarding the fiscal year 2025 increase of \$5.1 million was construction in progress at \$6.5 million: water and sewer lines at \$2.0 million and water and sewer plant at \$2.5 million before accumulated depreciation.

### 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

**CAPITAL ASSETS AND LONG-TERM DEBT (CONTINUED)**

The Town’s legal limit for outstanding general obligation debt is 10.0 percent of total assessed real property within the Town, which was \$13.6 billion in fiscal year 2025, compared with \$11.5 billion in fiscal year 2024 (See Table 22).

The Town’s total long-term obligations for governmental activities are \$77.4 million as of June 30, 2025, and \$84.7 million as of June 30, 2024, which is well within the limits set by the Constitution of the Commonwealth of Virginia. Revenue bonds are not included in calculating the legal limit (See Table 13).

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

**Table 7  
Outstanding Long-Term Bonded Debt  
Comparison as of June 30, 2025 and 2024 (\$ in Thousands)**

	Governmental Activities			Business-Type Activities		
	2025	2024	Change	2025	2024	Change
General Obligation Bonds	\$ 73,409	\$ 78,355	\$ (4,946)	\$ 51,383	\$ 55,928	\$ (4,545)
<b>Totals</b>	<b>\$ 73,409</b>	<b>\$ 78,355</b>	<b>\$ (4,946)</b>	<b>\$ 51,383</b>	<b>\$ 55,928</b>	<b>\$ (4,545)</b>

Outstanding long-term debt for governmental activities as of June 30, 2025, is \$77.4 million representing a decrease of \$7.3 million from 2024 when long-term debt outstanding was \$84.7 million. Outstanding long-term debt for business activities increased from \$55.9.0 million as of June 30, 2024, to \$51.4 million as of June 30, 2025 (See Table 13).

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 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 (more than proffers) from non-debt resources.
- The Town will, when financing capital improvements or other projects or equipment by issuing bonds or entering 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 will annually calculate target debt ratios. The Town’s debt capacity will be maintained within the following predominately goals:
  - Debt service expenses as a percentage of general fund expenses will not exceed 15.0 percent. For fiscal year 2025, this percentage was 14.3 percent. For fiscal year 2024 this percentage was 14.5 percent.
  - 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 2025, this percentage was 1.0 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 relating to the Town’s long-term debt can be found in Note 7 of the notes to the financial statements, Table 13 and Table 14.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

### Economic Factors

- Unemployment rates are not maintained on a town basis. The unemployment rate for the County of Loudoun on June 30, 2025, was 3.5 percent. The rate on June 30, 2024, was 2.7 percent. This rate compares to Virginia's rate of 3.5 percent and the national rate of 4.1 percent as of June 30, 2025. 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 2024 to be 50,600. This is a 3.3 percent increase from the 2020 census population of 48,250. Population estimates for the last ten years are provided in the statistical section of this report in Table 17. The current population estimate is 51,540.
- Per capita personal income is not kept on a town basis. However, estimated by the County of Loudoun's per capita personal income as of 2025 was \$107,482 (See Table 17). Based on household income, Loudoun County is ranked the wealthiest counties in the nation with a median household income of \$178,707.
- The Town government's full-time equivalency (FTE) employment increased in fiscal year 2025 by 4.5 FTE positions to a total of 421.5. Workforce numbers by department for the last ten years are provided in the statistical section of this report in Table 19.

### Fiscal Year 2026 Budget and Rates

- For fiscal year 2026, the adopted budget for the General Fund is \$87.0 million, an increase of \$4.5 million or 5.5 percent, over fiscal year 2025. Revenues are comprised predominately of general taxes at 62.2 percent, intergovernmental assistance at 13.4 percent, other financing sources at 11.4 percent, charges for services at 6.4 percent, use of money and property at 4.6 percent, and other miscellaneous revenue at 2.0 percent.
- In fiscal year 2026, the Town continues to prioritize its services. In the General Fund, the public works department accounts for \$22.0 million and public safety accounts for \$19.7 million or 25.3 and 22.6 percent of the budgeted expenses respectively.
- Tax rate for real property for tax year 2025 is 17.74¢ per \$100 of assessed value. The personal property tax rate remained unchanged at \$1.00 per \$100 of assessed value. Details on the tax rates are 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 Assistant Town Manager & CFO, 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).

---

THIS PAGE INTENTIONALLY LEFT BLANK



# **Basic Financial Statements**

---

# Town of Leesburg, Virginia

Exhibit 1

## Statement of Net Position

June 30, 2025

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash, cash equivalents, and investments (Note 2)	\$ 93,046,012	\$ 71,705,776	\$ 164,751,788
Receivables, net (Note 3)			
Property taxes	17,303,095	-	17,303,095
Utility taxes	159,518	-	159,518
Local taxes	1,420,765	-	1,420,765
Trade and other accounts	352,718	6,490,497	6,843,215
Accrued interest	110,970	101,008	211,978
Due from other governments (Note 5)	12,325,165	-	12,325,165
Inventories	2,972	1,039,005	1,041,977
Prepaid items and deposit	378,499	162,908	541,407
Restricted cash (Note 2)	8,604,079	6,627,863	15,231,942
Leases receivable (Note 4)	3,234,550	2,910,034	6,144,584
Capital assets (Note 6)			
Nondepreciable	115,788,280	17,874,737	133,663,017
Depreciable and amortizable, net	324,284,739	196,531,913	520,816,652
Total assets	577,011,362	303,443,741	880,455,103
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions (Notes 12 and 13)	5,669,465	1,507,073	7,176,538
Deferred outflows related to other postemployment benefits (Notes 10, 11, and 13)	2,444,356	649,766	3,094,122
Deferred loss on refunding of debt	555,743	414,439	970,182
Total deferred outflows of resources	8,669,564	2,571,278	11,240,842
<b>LIABILITIES</b>			
Accounts payable	4,849,492	2,802,779	7,652,271
Due to other governments	181,820	-	181,820
Accrued payroll	1,567,801	473,801	2,041,602
Accrued liabilities – other	825,325	-	825,325
Accrued interest	1,166,872	866,884	2,033,756
Arbitrage liability	556,730	-	556,730
Retainage payable	539,624	242,780	782,404
Performance bonds	2,716,205	9,000	2,725,205
Reserve for proffers	3,540,636	-	3,540,636
Unearned revenue (Note 3)	92,288	-	92,288
Customer deposits	129,231	1,497,606	1,626,837
Insurance and benefit claims (Note 15)	1,181,480	-	1,181,480
Noncurrent liabilities			
Due within one year (Note 7)			
Compensated absences	3,861,183	1,150,364	5,011,547
Note payable	1,156,485	1,978	1,158,463
Bonds payable	4,258,731	3,323,268	7,581,999
Subscription liability	649,091	-	649,091
Lease liability	357,424	-	357,424

# Town of Leesburg, Virginia

Exhibit 1

## Statement of Net Position

June 30, 2025

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
Due in more than one year (Notes 7)			
Compensated absences	1,434,338	418,312	1,852,650
Note payable	1,140,389	-	1,140,389
Bonds payable, net	69,149,931	48,059,537	117,209,468
Subscription liability	-	-	-
Lease liability	689,438	-	689,438
Net pension liability (Notes 12 and 13)	9,028,867	2,400,078	11,428,945
Net other postemployment benefits liability (Notes 10, 11, and 13)	3,262,062	867,130	4,129,192
Total liabilities	<u>112,335,443</u>	<u>62,113,517</u>	<u>174,448,960</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension plan (Notes 12 and 13)	2,862,582	760,939	3,623,521
Deferred inflows related to other postemployment benefits (Notes 10, 11, and 13)	1,805,284	479,886	2,285,170
Deferred inflows related to leases (Note 4)	3,083,238	2,714,269	5,797,507
Deferred gain on refunding of debt	706,094	1,568,047	2,274,141
Grants (Note 3)	22,308,674	-	22,308,674
Property taxes (Note 3)	17,761,201	-	17,761,201
Total deferred inflows of resources	<u>48,527,073</u>	<u>5,523,141</u>	<u>54,050,214</u>
<b>NET POSITION</b>			
Net investment in capital assets	365,020,730	166,199,240	531,219,970
Restricted			
Restricted for capital projects	9,702,607	-	9,702,607
Restricted for Balch Library	1,457,014	-	1,457,014
Restricted for forfeiture program	103,741	-	103,741
Unrestricted	48,534,318	72,179,121	120,713,439
Total net position	<u><b>\$ 424,818,410</b></u>	<u><b>\$ 238,378,361</b></u>	<u><b>\$ 663,196,771</b></u>

# Town of Leesburg, Virginia

Exhibit 2

## Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Totals
	Expenses	Charges	Operating	Capital	Governmental	Business-Type	
		for Services	Grants and Contributions	Grants and Contributions	Activities	Activities	
Governmental activities							
Legislative	\$ 831,373	\$ -	\$ -	\$ -	\$ (831,373)		\$ (831,373)
Executive	3,785,053	-	1,708,668	-	(2,076,385)		(2,076,385)
Legal	1,480,389	-	-	-	(1,480,389)		(1,480,389)
Parks and recreation	10,476,891	5,970,625	4,500	-	(4,501,766)		(4,501,766)
Finance	9,081,577	-	-	-	(9,081,577)		(9,081,577)
Balch Library	713,962	-	-	-	(713,962)		(713,962)
Public works	34,583,751	176,476	8,551,548	1,986,299	(23,869,428)		(23,869,428)
Public safety	17,761,633	751,284	1,382,959	-	(15,627,390)		(15,627,390)
Community development	5,099,425	1,230,856	-	-	(3,868,569)		(3,868,569)
Airport	2,062,863	205,516	4,976,099	-	3,118,752		3,118,752
Townwide	-	-	55,579	-	55,579		55,579
Interest	3,072,143	-	-	-	(3,072,143)		(3,072,143)
Total governmental activities	<u>88,949,060</u>	<u>8,334,757</u>	<u>16,679,353</u>	<u>1,986,299</u>	<u>(61,948,651)</u>		<u>(61,948,651)</u>
Business-type activities							
Utilities	30,330,770	36,125,215	-	2,880,986		\$ 8,675,431	8,675,431
Total business-type activities	<u>30,330,770</u>	<u>36,125,215</u>	<u>-</u>	<u>2,880,986</u>		<u>8,675,431</u>	<u>8,675,431</u>
Total government	<u>\$ 119,279,830</u>	<u>\$ 44,459,972</u>	<u>\$ 16,679,353</u>	<u>\$ 4,867,285</u>	<u>(61,948,651)</u>	<u>8,675,431</u>	<u>(53,273,220)</u>
General Revenues							
Taxes							
General property taxes, including penalties					29,884,179	-	29,884,179
Other local taxes							
Communication sales and use					7,677,405	-	7,677,405
Meals					8,244,540	-	8,244,540
Business and occupational licenses					5,366,510	-	5,366,510
Utility					1,619,374	-	1,619,374
Cigarette					525,179	-	525,179
Bank franchise					1,664,651	-	1,664,651
Transient occupancy					1,253,124	-	1,253,124
Motor vehicle license					274,376	-	274,376
Other local taxes					6,206	-	6,206
Intergovernmental, non-categorical aid					1,893,413	-	1,893,413
Use of money and property					6,621,988	4,068,930	10,690,918
Gain on sale of assets					-	121,212	121,212
Miscellaneous					186,510	659,518	846,028
Transfers					1,971,561	(1,971,561)	-
Total general revenues and transfers, net					<u>67,189,016</u>	<u>2,878,099</u>	<u>70,067,115</u>
Change in net position					5,240,365	11,553,530	16,793,895
Net position, beginning					419,578,045	226,824,831	646,402,876
Net position, ending					<u>\$ 424,818,410</u>	<u>\$ 238,378,361</u>	<u>\$ 663,196,771</u>

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

# Town of Leesburg, Virginia

Exhibit 3

## Balance Sheet – Governmental Funds June 30, 2025

	General	Capital Projects	Other Governmental Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash, cash equivalents, and investments	\$ 49,868,281	\$ 40,634,883	\$ 1,458,559	\$ 91,961,723
Receivables (net of allowance for doubtful accounts)				
Property taxes, including penalties	17,303,095	-	-	17,303,095
Utility taxes	159,518	-	-	159,518
Local taxes	1,420,765	-	-	1,420,765
Accounts	301,616	-	-	301,616
Miscellaneous	-	17,524	-	17,524
Leases	3,234,550	-	-	3,234,550
Due from other governments	9,392,327	2,932,838	-	12,325,165
Accrued interest	66,872	41,660	-	108,532
Inventory	2,972	-	-	2,972
Prepaid items	324,797	750	-	325,547
Restricted cash	2,778,495	5,825,584	-	8,604,079
Total assets	<b>\$ 84,853,288</b>	<b>\$ 49,453,239</b>	<b>\$ 1,458,559</b>	<b>\$ 135,765,086</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 2,303,492	\$ 2,543,083	\$ -	\$ 4,846,575
Due to other governments	181,820	-	-	181,820
Retainage payable	-	539,624	-	539,624
Accrued payroll	1,567,801	-	-	1,567,801
Accrued liabilities – other	633,772	190,008	1,545	825,325
Customer deposits	129,231	-	-	129,231
Performance bonds	2,716,205	-	-	2,716,205
Reserve for proffers	115,589	3,425,047	-	3,540,636
Unearned revenue	92,288	-	-	92,288
Total liabilities	7,740,198	6,697,762	1,545	14,439,505
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Grants	-	22,308,674	-	22,308,674
Leases	3,083,238	-	-	3,083,238
Property taxes	18,127,838	-	-	18,127,838
Total deferred inflows of resources	21,211,076	22,308,674	-	43,519,750
<b>FUND BALANCES</b>				
<b>Nonspendable</b>				
Inventory	2,972	-	-	2,972
Prepaid costs	324,797	750	-	325,547
<b>Restricted</b>				
Thomas Balch Library Endowment Fund	-	-	1,457,014	1,457,014
Parks and recreation (Symmington) - park improvements	50,521	-	-	50,521
Bond proceeds - capital improvements	-	5,825,584	-	5,825,584
Proffers - capital improvements	-	7,296,551	-	7,296,551
Gas tax - road improvements	1,580,736	-	-	1,580,736
Parking in lieu - public parking space improvements	588,399	-	-	588,399
Esummons - electronic summons system improvements	186,400	-	-	186,400
Forfeiture - promote public safety	103,741	-	-	103,741

# Town of Leesburg, Virginia

Exhibit 3

## Balance Sheet – Governmental Funds June 30, 2025

	General	Capital Projects	Other Governmental Fund	Total Governmental Funds
Committed				
Capital Projects – general government	-	5,740,845	-	5,740,845
Capital Projects – parks and recreation	-	3,805,406	-	3,805,406
Capital Projects – streets and highways	-	3,196,586	-	3,196,586
Capital Projects – storm drainage	-	1,669,769	-	1,669,769
Capital Projects – airport	-	172,925	-	172,925
Assigned				
Debt service reserve	9,753,620	-	-	9,753,620
Other reserves	9,618,777	1,000,000	-	10,618,777
Expenditures designated for future years	3,105,275	-	-	3,105,275
Unassigned	30,586,776	(8,261,613)	-	22,325,163
Total fund balances	55,902,014	20,446,803	1,457,014	77,805,831
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 84,853,288</b>	<b>\$ 49,453,239</b>	<b>\$ 1,458,559</b>	<b>\$ 135,765,086</b>

# Town of Leesburg, Virginia

Exhibit 4

## Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position June 30, 2025

<b>Total fund balances – governmental funds</b>		\$ 77,805,831
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	\$ 655,143,433	
Less accumulated depreciation and amortization	<u>(215,070,414)</u>	
Net capital assets		440,073,019
Deferred revenue represents amounts that were not available to fund current expenditures and, therefore, are not reported as revenue in the governmental funds.		
		366,637
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	5,669,465	
Other postemployment benefits	2,444,356	
Deferred inflows related to:		
Pensions	(2,862,582)	
Other postemployment benefits	(1,805,284)	
Net pension liability	(9,028,867)	
Other postemployment benefit liability	<u>(3,262,062)</u>	
		(8,844,974)
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	555,743	
Deferred gain on refunding of debt	<u>(706,094)</u>	
		(150,351)
Internal service funds are used by management to charge the costs of services provided to other departments or funds.		
		(11,140)
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	(73,408,662)	
Notes payable	(2,296,874)	
Subscription liability	(649,091)	
Lease liability	(1,046,862)	
Compensated absences	(5,295,521)	
Arbitrage rebate liability	(556,730)	
Interest payable	<u>(1,166,872)</u>	
		(84,420,612)
<b>Net position of governmental activities</b>		<u><u>\$ 424,818,410</u></u>

**Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Governmental Funds  
Year Ended June 30, 2025**

	General	Capital Projects	Other Governmental Fund	Total Governmental Funds
<b>REVENUES</b>				
General property taxes	\$ 29,910,687	\$ -	\$ -	\$ 29,910,687
Other local taxes	18,953,960	-	-	18,953,960
Permits, fees, and licenses	1,436,372	-	-	1,436,372
Fines and forfeitures	743,093	-	-	743,093
Use of money and property	4,847,884	1,774,104	-	6,621,988
Charges for services	6,155,292	-	-	6,155,292
Contributions and proffers	54,488	1,501,330	13,172	1,568,990
Miscellaneous	19,161	12,743	154,606	186,510
Intergovernmental	18,265,814	7,984,357	-	26,250,171
Total revenues	<u>80,386,751</u>	<u>11,272,534</u>	<u>167,778</u>	<u>91,827,063</u>
<b>EXPENDITURES</b>				
Current				
Legislative	334,547	-	-	334,547
Executive	3,292,776	-	-	3,292,776
Legal	1,392,054	-	-	1,392,054
Finance	8,928,903	-	-	8,928,903
Public safety	17,104,888	-	-	17,104,888
Public works	21,285,006	-	-	21,285,006
Parks and recreation	9,102,159	-	-	9,102,159
Balch Library	692,024	-	11,545	703,569
Community development	5,191,802	-	-	5,191,802
Airport	1,109,612	-	-	1,109,612
Capital projects	-	26,191,539	4,530	26,196,069
Debt service				
Principal	7,045,209	-	-	7,045,209
Interest and fiscal charges	2,780,590	-	-	2,780,590
Debt issuance costs	-	164,118	-	164,118
Total expenditures	<u>78,259,570</u>	<u>26,355,657</u>	<u>16,075</u>	<u>104,631,302</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,127,181</u>	<u>(15,083,123)</u>	<u>151,703</u>	<u>(12,804,239)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of capital assets	-	257,149	-	257,149
Issuance of long-term debt	-	7,400,369	-	7,400,369
Premium on bonds	-	881,682	-	881,682
Payments to refunding escrow agent	-	(6,930,000)	-	(6,930,000)
Issuance of leases	-	-	-	-
Transfers in	4,438,297	4,235,994	-	8,674,291
Transfers out	(4,260,994)	(2,257,916)	-	(6,518,910)
Total other financing sources, net	<u>177,303</u>	<u>3,587,278</u>	<u>-</u>	<u>3,764,581</u>
Net change in fund balances	2,304,484	(11,495,845)	151,703	(9,039,658)
Fund balances, beginning	53,597,530	31,942,648	1,305,311	86,845,489
Fund balances, ending	<u>\$ 55,902,014</u>	<u>\$ 20,446,803</u>	<u>\$ 1,457,014</u>	<u>\$ 77,805,831</u>

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2025**

<b>Net change in fund balances – total governmental funds</b>		\$	(9,039,658)
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	\$	28,413,467	
Book value of assets disposed		(699,428)	
Less depreciation and amortization expense		<u>(19,894,517)</u>	
Excess of capital outlay over depreciation and amortization			7,819,522
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			417,309
The transfer of capital assets from governmental activities to an enterprise fund is reported as transfers out on the government-wide statement of activities.			
			(183,820)
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			(26,508)
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		(7,400,369)	
Bond premiums		(881,682)	
Payments to escrow for refunding		6,930,000	
Principal retired on:			
General obligation debt, notes payable, lease, and subscription liability		<u>7,045,209</u>	
			5,693,158
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		3,270,989	
Pension expense		<u>(2,016,554)</u>	
			1,254,435
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		151,773	
Other postemployment benefits income		<u>1,847,886</u>	
			1,999,659
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.			
Arbitrage liability		(556,730)	
Accrued interest		(369,904)	
Compensated absences		(1,772,707)	
Amortization of premiums and deferred charges on refundings		<u>799,199</u>	
			(1,900,142)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue(expense) of the internal service funds are reported with governmental activities in the Statement of Activities.			
Net revenue (expense) of internal service funds		<u>(793,590)</u>	
			<u>(793,590)</u>
<b>Change in net position of governmental activities</b>		\$	<u><u>5,240,365</u></u>

# Town of Leesburg, Virginia

Exhibit 7

## Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 24,469,979	\$ 24,579,980	\$ 29,910,687	\$ 5,330,707
Other local taxes	18,965,600	19,115,600	18,953,960	(161,640)
Permits, fees, and licenses	881,800	881,800	1,436,372	554,572
Fines and forfeitures	841,800	841,800	743,093	(98,707)
Use of money and property	4,011,496	4,011,496	4,847,884	836,388
Charges for services	5,683,915	5,683,915	6,155,292	471,377
Contributions	61,000	61,000	54,488	(6,512)
Miscellaneous	26,300	33,250	19,161	(14,089)
Intergovernmental	17,621,216	17,925,690	18,265,814	340,124
Total revenues	<u>72,563,106</u>	<u>73,134,531</u>	<u>80,386,751</u>	<u>7,252,220</u>
<b>EXPENDITURES</b>				
Current				
Legislative	348,360	358,816	334,547	24,269
Executive	3,666,367	3,590,566	3,292,776	297,790
Legal	1,349,560	1,437,197	1,392,054	45,143
Finance	9,788,239	10,211,415	8,928,903	1,282,512
Public safety	18,455,881	18,672,078	17,104,888	1,567,190
Public works	20,751,952	24,607,575	21,285,006	3,322,569
Parks and recreation	8,919,274	9,721,328	9,102,159	619,169
Balch Library	773,472	786,634	692,024	94,610
Community development	5,690,422	6,462,378	5,191,802	1,270,576
Airport	1,334,652	1,354,038	1,109,612	244,426
Townwide expenditures	(1,167,112)	(973,257)	-	(973,257)
Debt service				
Principal	7,026,439	6,407,366	7,045,209	(637,843)
Interest and fiscal charges	3,443,061	2,887,877	2,780,590	107,287
Total expenditures	<u>80,380,567</u>	<u>85,524,011</u>	<u>78,259,570</u>	<u>7,264,441</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,817,461)</u>	<u>(12,389,480)</u>	<u>2,127,181</u>	<u>14,516,661</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,356,787	4,466,787	4,438,297	(28,490)
Transfers out	(2,166,406)	(5,935,007)	(4,260,994)	1,674,013
Use of fund balance	5,627,080	9,831,698	-	(9,831,698)
Total other financing sources, net	<u>7,817,461</u>	<u>8,363,478</u>	<u>177,303</u>	<u>(8,186,175)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (4,026,002)</u>	<u>\$ 2,304,484</u>	<u>\$ 6,330,486</u>

**Town of Leesburg, Virginia**

Exhibit 8

**Statement of Net Position – Proprietary Funds**  
June 30, 2025

	<b>Business-Type Activities – Enterprise Fund Utilities</b>	<b>Governmental Activities Internal Service Self-Insurance Fund</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 71,705,776	\$ 1,084,289
Receivables (net of allowance for doubtful accounts):		
Trade and other accounts	6,490,497	33,578
Leases	2,910,034	-
Prepaid expenses	162,908	52,952
Inventories	1,039,005	-
Accrued interest	101,008	2,438
Cash and cash equivalents, restricted	6,627,863	-
Total current assets	89,037,091	1,173,257
<b>NONCURRENT ASSETS</b>		
Nondepreciable assets	17,874,737	-
Depreciable assets, net	196,531,913	-
Total noncurrent assets	214,406,650	-
Total assets	303,443,741	1,173,257
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension plan	1,507,073	-
Deferred outflows related to other postemployment benefits	649,766	-
Deferred loss on refunding	414,439	-
Total deferred outflows of resources	2,571,278	-
Total assets and deferred outflows of resources	306,015,019	1,173,257
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	2,802,779	2,917
Accrued expenses	473,801	-
Accrued interest	866,884	-
Compensated absences	1,150,364	-
Retainage payable	242,780	-
Note payable, due in one year	1,978	-
Bonds payable, due in one year	3,323,268	-
Performance bonds payable	9,000	-
Customer deposits and contingent charges	1,497,606	-
Insurance and benefit claims	-	1,181,480
Total current liabilities	10,368,460	1,184,397
<b>NONCURRENT LIABILITIES</b>		
Compensated absences	418,312	-
Net pension liability	2,400,078	-
Net other postemployment benefit liability	867,130	-
Bonds payable, net	48,059,537	-
Total noncurrent liabilities	51,745,057	-
Total liabilities	62,113,517	1,184,397

**Town of Leesburg, Virginia**

Exhibit 8

**Statement of Net Position – Proprietary Funds**

June 30, 2025

	<b>Business-Type Activities – Enterprise Fund Utilities</b>	<b>Governmental Activities Internal Service Self-Insurance Fund</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to leases	2,714,269	-
Deferred inflows related pension plan	760,939	-
Deferred inflows related to other postemployment benefits	479,886	-
Deferred gain on refunding	1,568,047	-
Total deferred inflows of resources	5,523,141	-
Total liabilities and deferred inflows of resources	67,636,658	1,184,397
<b>NET POSITION</b>		
Net investment in capital assets	166,199,240	-
Unrestricted	72,179,121	(11,140)
Total net position	\$ 238,378,361	\$ (11,140)

**Statement of Revenues, Expenses, and Changes in Net Position –  
Proprietary Funds  
Year Ended June 30, 2025**

	<b>Business-Type Activities – Enterprise Fund Utilities</b>	<b>Governmental Activities Internal Service Self-Insurance Fund</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 30,147,236	\$ 5,176,726
Other	221,297	-
Total operating revenues	<u>30,368,533</u>	<u>5,176,726</u>
<b>OPERATING EXPENSES</b>		
Personnel service	12,796,881	-
Contractual services	2,009,118	-
Depreciation and amortization	8,330,032	-
Materials and supplies	2,695,934	-
Continuous charges	1,682,992	-
Internal and other	767,920	-
Risk financing and benefit payments	-	6,043,828
Total operating expenses	<u>28,282,877</u>	<u>6,043,828</u>
Operating income (loss)	<u>2,085,656</u>	<u>(867,102)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income	4,068,930	73,512
Gain on sale and disposal of assets	121,212	-
Rental, lease, and other charges	438,221	-
Installation and connection charges	5,977,979	-
Interest and fiscal charges	(2,047,893)	-
Total nonoperating revenues, net	<u>8,558,449</u>	<u>73,512</u>
Income (loss) before contributions and transfers	<u>10,644,105</u>	<u>(793,590)</u>
<b>TRANSFERS</b>		
Transfers in	25,000	-
Transfers out	(2,180,381)	-
Total transfers, net	<u>(2,155,381)</u>	<u>-</u>
<b>CAPITAL CONTRIBUTIONS</b>		
Change in net position	11,553,530	(793,590)
Total net position, beginning	226,824,831	782,450
Total net position, ending	<u><u>\$ 238,378,361</u></u>	<u><u>\$ (11,140)</u></u>

Statement of Cash Flows – Proprietary Funds  
Year Ended June 30, 2025

	Business-Type Activities – Enterprise Fund Utilities	Governmental Activities Internal Service Self-Insurance Fund
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 30,876,749	\$ -
Receipts from interfund services provided	-	5,172,762
Claims and benefits paid	-	(5,970,137)
Payments to suppliers for goods and services	(6,339,671)	-
Payments to employees for services	(13,750,688)	-
Net cash provided by (used in) operating activities	<u>10,786,390</u>	<u>(797,375)</u>
<b>NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Transfers in	25,000	-
Transfers out	(2,180,381)	-
Net cash used in noncapital and related financing activities	<u>(2,155,381)</u>	<u>-</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Installation and connection charges	5,977,979	-
Acquisition and construction of capital assets	(10,688,447)	-
Proceeds from sale of capital assets	421,131	-
Payment to escrow agent for debt refunding	(21,170,000)	-
Principal paid on debt	(2,271,422)	-
Proceeds from bond issuance	19,109,979	-
Premiums from bond issuance	2,463,091	-
Principal collected on leases	189,827	-
Interest and fiscal charges	(2,024,751)	-
Net cash used in capital and related financing activities	<u>(7,992,613)</u>	<u>-</u>
<b>INVESTING ACTIVITIES</b>		
Investment income	3,967,922	71,074
Rental, lease, and other charges	209,756	-
Net cash provided by investing activities	<u>4,177,678</u>	<u>71,074</u>
Net increase (decrease) in cash and cash equivalents	4,816,074	(726,301)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	73,517,565	1,810,590
Ending	<u>\$ 78,333,639</u>	<u>\$ 1,084,289</u>
<b>RECONCILIATION TO EXHIBIT 8</b>		
Cash and cash equivalents	\$ 71,705,776	\$ 1,084,289
Cash and cash equivalents, restricted	6,627,863	-
Total cash and cash equivalents	<u>\$ 78,333,639</u>	<u>\$ 1,084,289</u>

# Town of Leesburg, Virginia

Exhibit 10

## Statement of Cash Flows – Proprietary Funds Year Ended June 30, 2025

	<b>Business-Type Activities – Enterprise Fund Utilities</b>	<b>Governmental Activities Internal Service Self-Insurance Fund</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 2,085,656	\$ (867,102)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,330,032	-
Pension expense, net of contributions	(333,458)	-
Other postemployment benefit expense, net of contributions	(531,556)	-
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	519,043	(3,964)
Prepaid expenses	(139,198)	(52,952)
Inventories	15,547	-
Increase (decrease) in:		
Accounts payable	172,024	538
Accrued liabilities and compensated absences	679,127	-
Insurance and benefit claims	-	126,105
Customer deposits and contingent charges	(10,827)	-
Net cash provided by (used in) operating activities	<b>\$ 10,786,390</b>	<b>\$ (797,375)</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital contributions	<b>\$ 3,064,806</b>	<b>\$ -</b>
Capital assets included in accounts payable	<b>\$ 2,296,882</b>	<b>\$ -</b>

# Town of Leesburg, Virginia

Exhibit 11

## Statement of Fiduciary Net Position – Fiduciary Fund June 30, 2025

	<b>OPEB Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 124,719
Investments	
Mutual funds-equity	11,989,483
Mutual funds-fixed income	8,469,352
Total investments	20,458,835
Total assets	20,583,554
<b>LIABILITIES</b>	
Other liabilities	1,278,316
Total liabilities	1,278,316
<b>NET POSITION</b>	
Net position restricted for other postemployment benefits (OPEB)	<b>\$ 19,305,238</b>

# Town of Leesburg, Virginia

Exhibit 12

## Statement of Changes in Fiduciary Net Position – Fiduciary Fund Year Ended June 30, 2025

	<b>OPEB Trust Fund</b>
ADDITIONS	
Employer contributions	\$ 627,613
Total contributions	627,613
Investment income (loss)	
Realized gain on sale of investments	77,955
Interest and dividends earned on investments	541,116
Administrative fees	(61,990)
Net increase in fair value of investments	348,835
Total additions, net	1,533,529
DEDUCTIONS	
Benefit payments	627,613
Total deductions	627,613
Change in net position	905,916
Net position, beginning	18,399,322
Net position, ending	\$ 19,305,238

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

---

### 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.

#### *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

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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 Fund – The Special Revenue Fund 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 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 two proprietary funds, an enterprise fund and an internal service 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.

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.

3. 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.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

### *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.

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.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

### *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.

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 the authority to amend or transfer appropriations within the department level. During the year ended June 30, 2025, General Fund supplemental appropriations totaling \$4,026,002 were authorized by Town Council. The total change in planned funding for the General Fund also authorized by Town Council was \$8,912,045.

### *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 is comprised of bond proceeds, 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.

#### 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. The taxable values for Personal Property Tax Revenue is 95% of assessed value. Collections

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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, 2025, estimated unbilled services included in accounts receivable and revenue amounted to approximately \$3.8 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.

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 using the straight-line method over the following estimated useful lives:

	<u>Years</u>
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

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or useful life of the underlying asset.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

Intangible right-of-use lease assets are amortized on a straight-line basis over the shorter of the lease term or useful life of the underlying asset, but if the lease contains a purchase option the Town is reasonably certain to exercise, the lease assets are amortized over the useful life of the underlying asset. In that circumstance, if the underlying asset is non-depreciable, the lease asset is not amortized.

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.

### 11. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation, compensatory, paid time off (PTO), and sick pay benefits. All vacation, sick, and compensatory pay is accrued when earned in government-wide and proprietary financial statements in accordance with GASB 101. For governmental fund types, the amount of accumulated unpaid vacation and compensatory leave, which is payable from available resources is recorded as a liability.

The Town implemented GASB Statement 101: *Compensated Absences* which requires liabilities for compensated absences be recognized for 1) leave that has not been used and 2) leave that has not been used but not yet paid in cash or settled through noncash means. A liability is recognized for leave that has not been used if 1) the leave is attributable to services already rendered, 2) the leave accumulates, and 3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. As stated in GASB Statement No. 100, *Accounting Changes and Error Corrections*, a change in accounting principle should be reported retroactively by restating beginning net position for the cumulative effect of the change of the newly adopted accounting principle on prior periods. The Town determined that the cumulative effect on beginning net position was minimal and, therefore, no restatement of the prior year net position was necessary.

### 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

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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 7, 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 prevents the contractor/developer from completing the project. Upon completion of the work and satisfactory inspection, the performance bond is refunded to the contractor/developer.

### 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 report a separate section for deferred outflows of resources. These items represent a consumption of net assets 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 report a separate section for deferred inflows of resources. These items represent an acquisition of net assets 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 qualify 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.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

- Changes in proportion and differences between employer contributions and the proportionate share of employer contributions, resulting from participation in cost-sharing OPEB plans, 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.
- 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.
- Lease-related amounts are recognized at the inception of leases in which the Town is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

### 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.

*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 is 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.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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 \$3.1 million have been classified as assigned fund balance. Capital Projects Fund encumbrances totaling approximately \$14.6 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 refunding. 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.

---

## 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,

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

“prime quality” commercial paper and certain corporate notes; bankers’ acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP), the Virginia State Non-Arbitrage Program (SNAP), 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 Assistant Town Manager/CFO 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.

#### **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.

At year end, the Town has \$28 million in certificates of deposit.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

### 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.

### 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 \$20,583,554. The Trust is used for funding the Other Postemployment Benefit (OPEB). Additional details concerning this Trust are discussed further in Note 10.

### 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.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

### 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.

At year end, the Town has approximately \$91 million in CDARS.

### 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.

#### *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, 2025, 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 S&P Global 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.

	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Pinnacle Bank	\$ 55,000,000	\$ 55,000,000
Main Street Bank	36,285,261	36,285,261
Old Dominion National Bank	28,259,334	28,259,334
LGIP	16,944,117	16,944,117
SNAP	12,453,447	12,453,447
U.S. Bank OPEB Trust	20,583,554	20,583,554
VML/VACo Investment Pool	14,036,752	14,036,752
	<u>\$ 183,562,465</u>	<u>\$ 183,562,465</u>

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. Mutual funds in the amount of \$20,458,835 are valued using quoted market prices (Level 1 inputs).

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

Deposits and investments are reflected in the financial statements as follows:

Investments		\$ 183,562,465
Deposits		17,004,819
Total deposits and investments		<b>\$ 200,567,284</b>
Reconciliation of deposits and investments		
Exhibit 1		
Cash, cash equivalents, and investments		\$ 164,751,788
Cash and cash equivalents, restricted		15,231,942
Total Exhibit 1 deposits and investments		179,983,730
Exhibit 11		
Cash and cash equivalents		124,719
Investments		20,458,835
Total Exhibit 11 deposits and investments		20,583,554
Total Exhibits deposits and investments		<b>\$ 200,567,284</b>

Restricted cash and cash equivalents consist of bond proceeds and grant funds received in advance for capital projects.

### Note 3 – Receivables

Receivables, other than leases, at June 30, 2025, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Projects	Internal Service Fund	Utilities Fund	Totals
Property taxes, including penalties	\$ 17,553,095	\$ -	\$ -	\$ -	\$ 17,553,095
Utility taxes	159,518	-	-	-	159,518
Local taxes	1,420,765	-	-	-	1,420,765
Accounts	380,536	17,524	33,578	6,565,497	6,997,135
Gross receivables	19,513,914	17,524	33,578	6,565,497	26,130,513
Less allowance for uncollectable accounts	328,920	-	-	75,000	403,920
Net receivables	<b>\$ 19,184,994</b>	<b>\$ 17,524</b>	<b>\$ 33,578</b>	<b>\$ 6,490,497</b>	<b>\$ 25,726,593</b>

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 were as follows:

	Unavailable	Unearned
Second half real estate billed in advance	\$ 11,582,964	\$ 11,582,964
Second half personal property billed in advance	5,390,974	5,390,974
Delinquent property taxes receivable	366,637	-
Prepaid property taxes	787,263	787,263
Other	-	92,288
	<b>\$ 18,127,838</b>	<b>\$ 17,853,489</b>

The Capital Projects Fund reported unearned revenue of \$22,308,674 in connection with funding from Loudoun County for various projects the Town has ongoing. The General Fund also reported unearned revenue of \$15,408 associated with

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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 \$16,280 in unearned revenue related to sales of surplus airplanes, and \$60,600 of grants.

### Note 4 – Leases Receivable

The Town, as lessor, has entered into several non-cancellable lease agreements involving land and infrastructure, several of which are with global telecommunication providers. The Town uses an implicit interest rate or rate stated in the lease as a discount rate for each, ranging from 0.237% to 2.323%. The Town has leases receivable of \$2,910,034 and deferred inflows of resources of \$2,714,269 as of June 30, 2025 related to these leases in the Utilities Fund. The total amount of inflows of resources, including lease revenue and interest revenue related to these leases, recognized during the fiscal year was \$228,465 for the Utilities Fund. The significant telecommunication-related leases are as follows:

<u>Lease</u>	<u>Fund</u>	<u>Contract Date</u>	<u>Maturity Date*</u>
AT&T Carr 2 Tank	Utilities	05/31/2013	06/30/2038
New Cingular Hogback Tank	Utilities	07/21/2014	07/15/2039
T-Mobile Carr 2 Tank	Utilities	04/12/2010	04/11/2035
T-Mobile Hospital Tank	Utilities	08/26/2010	08/23/2035

\* Maturity date includes option years, if likely to be exercised.

The Town, as lessor, has entered into several non-cancellable lease agreements involving land, hangars, and buildings related to the airport. The leases provide for annual rental increases and pass-through of certain maintenance costs. The Town uses an implicit interest rate or rate stated in the lease as a discount rate for each, ranging from 0.648% to 2.323%. The Town has leases receivable of \$3,226,426 and deferred inflows of resources of \$3,076,953 as of June 30, 2025 related to these leases in the General Fund. The total amount of inflows of resources, including lease revenue and interest revenue related to these leases recognized during the fiscal year was \$303,345 for the General Fund. The significant leases related to the airport are as follows:

<u>Lease</u>	<u>Fund</u>	<u>Contract Date</u>	<u>Maturity Date*</u>
Federal Aviation – Building	General	04/11/2018	04/30/2038
Hangar Pad – Site B – Land	General	07/01/2019	06/30/2049
Office Extension – Building	General	08/26/2015	01/31/2026
Aviation Fuel Tank	General	05/24/2021	06/30/2041

\* Maturity date includes option years, if likely to be exercised.

The Town, as lessor, has entered into several non-cancellable lease agreements involving right-of-way land access. The Town uses an implicit interest rate or rate stated in the lease as a discount rate for each, ranging from 0.648% to 0.980%. The Town has leases receivable of \$8,124 and deferred inflows of resources of \$6,285 as of June 30, 2025 related to these leases in the General Fund. The total amount of inflows of resources, including lease revenue and interest revenue, related to these leases recognized during the fiscal year was \$4,462 for the General Fund.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

The significant right-of-way related leases are as follows:

<u>Lease</u>	<u>Fund</u>	<u>Contract Date</u>	<u>Maturity Date*</u>
AT&T Third Renewal	General	11/08/2021	11/27/2026

\* Maturity date includes option years, if likely to be exercised.

Below is a summary of leases receivable and deferred inflows of resources related to leases as of June 30, 2025:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Leases receivable			
Telecommunications land and infrastructure	\$ -	\$ 2,910,034	\$ 2,910,034
Airport related	3,226,426	-	3,226,426
Right-of-way easements	8,124	-	8,124
Total leases receivable	<u>\$ 3,234,550</u>	<u>\$ 2,910,034</u>	<u>\$ 6,144,584</u>
Deferred inflows of resources			
Telecommunications land and infrastructure	\$ -	\$ 2,714,269	\$ 2,714,269
Airport related	3,076,953	-	3,076,953
Right-of-way easements	6,285	-	6,285
Total deferred inflows of resources	<u>\$ 3,083,238</u>	<u>\$ 2,714,269</u>	<u>\$ 5,797,507</u>

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

---

### Note 5 – Due from Other Governments

---

At June 30, 2025, amounts due from other governments were as follows:

#### General Fund

County of Loudoun	
Real estate taxes	\$ 7,668,314
Local sales taxes	1,044,025
Personal property taxes	244,759
Public service corporations	99,425
Traffic fines	34,788
Other	2,566
	<u>9,093,877</u>

#### Commonwealth of Virginia

Other taxes and grants	10,121
Car rental tax	28,009
Communication sales and use	224,021
	<u>262,151</u>

#### Federal Government

Department of Justice	35,271
Other	
Other taxes, fees, and grants	1,028
Total General Fund	<u>9,392,327</u>

#### Capital Projects Fund

County of Loudon	<u>28,926</u>
Commonwealth of Virginia	
Virginia Department of Transportation	678,838
Virginia Department of Aviation	77,701
Virginia Department of Emergency Management	25,119
Virginia Department of Energy	4,584
	<u>786,242</u>

#### Federal Government

Department of Aviation	<u>770,414</u>
------------------------	----------------

#### Northern Virginia Transportation Authority (NVTA)

Total Capital Projects Fund	<u>1,347,256</u>
Total governmental activities	<u>2,932,838</u>
	<u>\$ 12,325,165</u>

#### *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. Revenue related to NVTA funding amounted to \$1,398,538 during 2025 and is included in intergovernmental revenue in the Capital Projects Fund.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

### Note 6 – Capital Assets

Capital asset activity for the year ended June 30, 2025 for governmental activities is as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 66,942,283	\$ -	\$ -	\$ -	\$ 66,942,283
Construction in progress	31,494,315	22,794,511	-	(5,442,829)	48,845,997
Total capital assets, not being depreciated	98,436,598	22,794,511	-	(5,442,829)	115,788,280
Capital assets, being depreciated					
Buildings and improvements*	92,454,479	1,227,453	-	(87,068)	93,594,864
Furniture and equipment*	9,020,611	2,729,299	(56,324)	(947,625)	10,745,961
Computer equipment and software*	3,152,029	413,403	-	(103,894)	3,461,538
Vehicles*	9,778,841	2,116,032	(195,395)	(1,765,664)	9,933,814
Infrastructure*	95,690,586	500,857	-	-	96,191,443
Streets	277,784,607	-	-	-	277,784,607
Hangars	15,986,986	31,277	-	(54,720)	15,963,543
Runways	16,569,753	4,460,772	-	-	21,030,525
Terminals	6,677,993	-	-	-	6,677,993
Total capital assets being depreciated	527,115,885	11,479,093	(251,719)	(2,958,971)	535,384,288
Less accumulated depreciation and for:					
Buildings and improvements*	(46,133,918)	(2,607,742)	-	20,089	(48,721,571)
Furniture and equipment*	(6,980,573)	(968,875)	48,902	871,425	(7,029,121)
Computer equipment and software*	(2,800,057)	(167,496)	-	103,896	(2,863,657)
Vehicles*	(5,367,677)	(1,390,830)	18,997	1,209,412	(5,530,098)
Infrastructure*	(35,665,594)	(1,987,515)	-	-	(37,653,109)
Streets	(75,740,980)	(11,055,516)	-	-	(86,796,496)
Hangars	(3,916,202)	(346,788)	-	54,721	(4,208,269)
Runway	(15,907,036)	(225,831)	-	-	(16,132,867)
Terminals	(3,727,621)	(119,293)	-	-	(3,846,914)
Total accumulated depreciation	(196,239,658)	(18,869,886)	67,899	2,259,543	(212,782,102)
Total capital assets being depreciated, net	330,876,227	(7,390,793)	(183,820)	(699,428)	322,602,186
Subscription assets, being amortized					
Software – general administration	2,705,462	-	-	(240,112)	2,465,350
Less accumulated amortization for:					
Software	(1,309,377)	(637,515)	-	240,112	(1,706,780)
Total subscription assets being amortized, net	1,396,085	(637,515)	-	-	758,570
Lease assets:					
Building	1,102,125	-	-	-	1,102,125
Equipment	385,649	-	-	(34,845)	350,804
Infrastructure	52,586	-	-	-	52,586
Total lease assets	1,540,360	-	-	(34,845)	1,505,515

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Less accumulated amortization					
Building	(117,464)	(219,070)	-	-	(336,534)
Equipment	(100,324)	(133,626)	-	34,845	(199,105)
Infrastructure	(11,473)	(34,420)	-	-	(45,893)
Total accumulated amortization	(229,261)	(387,116)	-	34,845	(581,532)
Total lease assets being amortized, net	1,311,099	(387,116)	-	-	923,983
Total capital assets being depreciated and amortized, net	333,583,411	(8,415,424)	(183,820)	(699,428)	324,284,739
Governmental activities capital assets, net	<b>\$ 432,020,009</b>	<b>\$ 14,379,087</b>	<b>\$ (183,820)</b>	<b>\$ (6,142,257)</b>	<b>\$ 440,073,019</b>

\* Beginning balance revised to reclassify prior year buildings and improvements, furniture and equipment, computer equipment and software, vehicles, and infrastructure.

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

Governmental activities		
Legislative		\$ 415,470
Executive		345,606
Finance		717,692
Public safety		910,051
Parks and recreation		1,610,702
Community Development		14,932
Balch Library		12,139
Public works		14,801,887
Airport		1,066,038
Total depreciation and amortization expense – governmental activities		<b>\$ 19,894,517</b>

Capital asset activity for the year ended June 30, 2025 for business-type activities is as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 1,577,329	\$ -	\$ -	\$ -	\$ 1,577,329
Construction in progress	9,834,270	8,620,059	-	(2,156,921)	16,297,408
Total capital assets, not being depreciated	11,411,599	8,620,059	-	(2,156,921)	17,874,737
Capital assets, being depreciated					
Water and sewer plant*	133,211,476	2,576,950	-	(80,183)	135,708,243
Water and sewer lines*	173,870,300	2,171,333	-	(134,046)	175,907,587
Furniture, equipment, and software*	9,124,908	1,774,829	56,324	(494,205)	10,461,856
Vehicles*	4,411,064	588,134	195,395	(359,228)	4,835,365
Total capital assets being depreciated	320,617,748	7,111,246	251,719	(1,067,662)	326,913,051
Less accumulated depreciation for:					
Water and sewer plant*	(53,728,792)	(2,883,827)	-	12,017	(56,600,602)
Water and sewer lines*	(62,503,327)	(3,679,441)	-	2,254	(66,180,514)
Furniture, equipment, and software*	(4,643,076)	(1,185,776)	(48,902)	478,287	(5,399,467)
Vehicles*	(1,875,756)	(580,988)	(18,997)	275,186	(2,200,555)
Total accumulated depreciation	(122,750,951)	(8,330,032)	(67,899)	767,744	(130,381,138)
Total capital assets being depreciated, net	197,866,797	(1,218,786)	183,820	(299,918)	196,531,913
Business-type activities capital assets, net	<b>\$ 209,278,396</b>	<b>\$ 7,401,273</b>	<b>\$ 183,820</b>	<b>\$ (2,456,839)</b>	<b>\$ 214,406,650</b>

\* Beginning balances for assets and related depreciation revised to reclassify prior year furniture, equipment, and software, vehicles, water and sewer plant, and water and sewer lines.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

### Note 7 – 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, 2025 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%.	\$ 15,360,000
\$11,185,000 2016 VRA Refunding Bonds, due in annual installments of \$180,000 to \$1,085,000 through November 2040, plus interest at 2.71% to 5.13%.	8,050,000
\$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%.	7,650,000
\$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%.	2,230,000
\$10,879,000 2021 Series General Obligation Refunding Bonds, due in semi-annual installments of \$442,000 to \$630,000 through January 2042, plus interest at 1.54%.	9,476,000
\$41,930,000 2024 Series General Obligation Public Improvement Bonds, due in semi-annual installments of \$180,000 to \$2,910,000 through June 2054, plus interest at 4.00% to 5.00%.	41,750,000
\$53,000,000 maximum drawdown 2024 Series B General Obligation Bond Anticipation Note, due June 30, 2027, plus interest at 5.29% due monthly.	3,504,385
\$35,600,000 maximum drawdown 2024 Series C General Obligation Bond Anticipation Note, due June 30, 2027, plus interest at 5.29% due monthly.	1,555,132
\$23,920,000 2024 Series D General Obligation Refunding Bonds, due in semi-annual installments of \$932,500 to \$1,012,500 through January 2037, plus interest at 5.00%.	23,920,000
	<u>113,495,517</u>
Plus unamortized premiums, net	11,295,950
Total bonded debt	<u><u>\$ 124,791,467</u></u>

#### Notes Payable from Financing Leases and Direct Borrowings

\$1,750,000 Capital Asset Replacement, due in semi-annual installments of \$343,000 to \$359,000 through January 2026, including interest at 1.46%.	\$ 359,000
\$960,597 Equipment Financing, due in semi-annual installments of \$99,068 through January 2026, including interest at 1.13%.	189,283
\$1,725,373 Capital Asset Replacement, due in semi-annual installments of \$345,075 through January 2027, including interest at 3.39%.	690,149
\$1,325,525 Capital Asset Replacement, due in annual installments of \$265,105 through July 2028, including interest at 5.22%.	1,060,420
Total notes payable	<u><u>\$ 2,298,852</u></u>

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

### *Bond Anticipation Notes*

As of June 30, 2025, the Town has two bond anticipation notes classified as long-term obligations, notably the Series 2024 B and Series 2024 C issuances. Both were issued to provide temporary financing for the payment of costs of various capital improvement projects of the Town, and to pay the issuance costs incurred on the bond anticipation notes. As of report date, there are no current plans to refinance these bond anticipation notes.

### *Current Year Refunding of Debt*

In October 2024, the Town issued general obligation refunding bonds totaling \$23,920,000 for the purpose of refunding \$26,830,000 of outstanding Series 2015 bonds. 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 13 years by \$1,277,527, resulting in an economic gain of \$1,079,945.

### *Subscription-Based Information Technology Arrangements*

The Town has entered into several non-cancellable subscription liability agreements that convey controls of the right to use another party's information technology software, along or in combination with tangible capital assets, as specified in the contract in an exchange or exchange-like transaction. At the commencement of the subscription, the Town initially measured the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The Town used its estimated incremental borrowing rate as the rate for the subscription below which was 2.28%. The significant contract is as follows:

<u>Subscription Contract</u>	<u>Contract Date</u>	<u>Maturity Date*</u>
GovernmentJobs	11/01/2021	10/31/2026

\* Maturity date includes option years, if likely to be exercised.

### *Lease Arrangements*

The Town has entered into several non-cancellable lease agreements that convey controls of the right to use another party's asset, along or in combination with tangible capital assets, as specified in the contract in an exchange or exchange-like transaction. At the commencement of the lease, the Town initially measured the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The Town used its estimated incremental borrowing rate as the rate for leases, which ranged from 0.80% to 3.59%. The significant contracts are as follows:

<u>Lease Contract</u>	<u>Contract Date</u>	<u>Maturity Date*</u>
10 <sup>th</sup> Street 552	02/08/2024	02/28/2029
Sumner Leesburg LP	11/01/2023	10/31/2028
Robinson Aviation	10/01/2023	10/31/2026

\* Maturity date includes option years, if likely to be exercised.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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

Description	Business-Type Activities	Governmental Activities	Total
Bonded long-term debt			
2014 General obligation & refunding	\$ 10,030,000	\$ 5,330,000	\$ 15,360,000
2016 VRA refunding	3,191,753	4,858,247	8,050,000
2019 General obligation & refunding	2,715,000	4,935,000	7,650,000
2020 Restructuring	875,000	1,355,000	2,230,000
2021 General obligation & refunding	-	9,476,000	9,476,000
2024 General obligation & refunding	11,010,000	30,740,000	41,750,000
2024 Series B General obligation	-	3,504,385	3,504,385
2024 Series C General obligation	1,555,132	-	1,555,132
2024 Series D General obligation & refunding	17,615,000	6,305,000	23,920,000
Total bonds payable	<u>46,991,885</u>	<u>66,503,632</u>	<u>113,495,517</u>
Plus			
Unamortized premiums	4,390,920	6,905,030	11,295,950
Notes payable from financed purchases and direct borrowings			
Equipment financing	1,978	1,247,725	1,249,703
Capital asset replacement	-	1,049,149	1,049,149
Total notes payable	<u>1,978</u>	<u>2,296,874</u>	<u>2,298,852</u>
Subscription liability	-	649,091	649,091
Lease liability	-	1,046,862	1,046,862
	<u><b>\$ 51,384,783</b></u>	<u><b>\$ 77,401,489</b></u>	<u><b>\$ 128,786,272</b></u>

The following is a summary of long-term liability activity of the Town for the year ended June 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable	\$ 70,748,795	\$ 7,400,369	\$ (11,645,532)	\$ 66,503,632	\$ 4,258,731
Unamortized premiums	7,607,132	881,682	(1,583,784)	6,905,030	-
Notes payable from financing and direct borrowings	3,659,585	-	(1,362,711)	2,296,874	1,156,485
Subscription liability	1,326,899	-	(677,808)	649,091	649,091
Lease liability	1,336,020	-	(289,158)	1,046,862	357,424
Compensated absences	3,522,814	1,772,707*	-	5,295,521	3,861,183
Governmental activities long-term liabilities	<u><b>\$ 88,201,245</b></u>	<u><b>\$ 10,054,758</b></u>	<u><b>\$ (15,558,993)</b></u>	<u><b>\$ 82,697,010</b></u>	<u><b>\$ 10,282,914</b></u>

\* The change in the compensated absences liability is presented as a net change.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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

Year Ending June 30,	Bonded Obligations		Notes Payable from Financing and Direct Borrowings	
	Principal	Interest	Principal	Interest
2026	\$ 4,258,731	\$ 2,536,156	\$ 1,156,485	\$ 78,640
2027	7,925,119	2,367,735	610,180	46,273
2028	4,581,158	2,172,150	265,105	20,751
2029	4,782,538	1,973,903	265,104	6,917
2030	4,959,952	1,779,331	-	-
2031-2035	16,874,134	6,555,526	-	-
2036-2040	12,504,000	3,587,251	-	-
2041-2045	10,618,000	984,065	-	-
	<b><u>\$ 66,503,632</u></b>	<b><u>\$ 21,956,117</u></b>	<b><u>\$ 2,296,874</u></b>	<b><u>\$ 152,581</u></b>

Year Ending June 30,	Subscription Liability		Lease Liability	
	Principal	Interest	Principal	Interest
2026	\$ 649,091	\$ 14,767	\$ 357,424	\$ 26,458
2027	-	-	291,021	15,867
2028	-	-	266,957	7,938
2029	-	-	131,460	1,055
	<b><u>\$ 649,091</u></b>	<b><u>\$ 14,767</u></b>	<b><u>\$ 1,046,862</u></b>	<b><u>\$ 51,318</u></b>

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable	\$ 51,320,374	\$ 19,109,979	\$ (23,438,468)	\$ 46,991,885	\$ 3,323,268
Unamortized premiums	4,607,381	2,463,091	(2,679,552)	4,390,920	-
Notes payable from financing and direct borrowings	4,932	-	(2,954)	1,978	1,978
Compensated absences	887,290	681,386*	-	1,568,676	1,150,364
Business-type activities long-term liabilities	<b><u>\$ 56,819,977</u></b>	<b><u>\$ 22,254,456</u></b>	<b><u>\$ (26,120,974)</u></b>	<b><u>\$ 52,953,459</u></b>	<b><u>\$ 4,475,610</u></b>

\* The change in the compensated absences liability is presented as a net change.

Government activities' pension liabilities and other postemployment liabilities are generally liquidated by the general fund.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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

Year Ending June 30,	Bonded Obligations		Notes Payable from Financing Leases and Direct Borrowings	
	Principal	Interest	Principal	Interest
2026	\$ 3,323,268	\$ 1,944,915	\$ 1,978	\$ 16
2027	4,933,398	1,796,393	-	-
2028	3,160,842	1,644,849	-	-
2029	3,092,462	1,514,872	-	-
2030	2,993,048	1,387,845	-	-
2031-2035	14,078,867	5,105,052	-	-
2036-2040	7,710,000	2,301,816	-	-
2041-2045	2,760,000	1,289,481	-	-
2046-2050	2,525,000	794,000	-	-
2051-2055	2,415,000	246,201	-	-
	<b>\$ 46,991,885</b>	<b>\$ 18,025,424</b>	<b>\$ 1,978</b>	<b>\$ 16</b>

The legal debt margin for the Town mandated by the Commonwealth of Virginia is \$1,228 million, which is computed based upon 10% of the assessed value on real estate subject to taxation.

### Note 8 – Interfund Transfers and Balances

	Transfer In			
	General	Capital Projects	Utilities	Total
Transfer out				
General	\$ -	\$ 4,235,994	\$ 25,000	\$ 4,260,994
Capital projects	2,257,916	-	-	2,257,916
Utility	2,180,381	-	-	2,180,381
	<b>\$ 4,438,297</b>	<b>\$ 4,235,994</b>	<b>\$ 25,000</b>	<b>\$ 8,699,291</b>

Transfers from the Capital Projects Fund to the General Fund during the fiscal year were to distribute proffers, provide for the annual construction in process general overhead allowance paid to the General Fund, and to reimburse for annual project management costs related to specific projects paid by the General Fund.

Transfers from the Utility Fund to the General Fund during the fiscal year were related to the annual budgeted overhead charge that is charged to the Utility Fund by the General Fund.

Transfers from the General Fund to the Capital Projects fund included payments to support project management costs incurred by the Capital Projects Fund during the year and support for specific projects during the year. Projects that were supported by these transfers included the Traffic Signal Fiber Connection project and the Video Management System Upgrade project.

Transfers from the General Fund to the Utilities Fund during the fiscal year were primarily to provide financial assistance for utility customers and to assist in processing administrative fees.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

---

### Note 9 – 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, 2025, the Town was contractually obligated, except for milling and paving street maintenance, for \$14,585,531 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 funding, 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.

---

### Note 10 – 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.
- 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.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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, 2025 valuation date, the following employees were covered by the benefit terms of the Plan:

	<u>Number</u>
Inactive employees or beneficiaries	
Retired/beneficiaries	95
Total inactive employees	95
Active Plan members	352
Total covered employees	<u><u>447</u></u>

### *Net OPEB Liability*

The Town's total net OPEB liability of \$2,534,763 was measured as of June 30, 2025 and was determined by an actuarial valuation performed as of July 1, 2025.

### *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	2.60%
Salary increases, including inflation	3.00%
Healthcare cost trend rates	7% initially, grading down to 3.94%
Investment rate of return	6.50%
Retirees' share of benefit-related costs	10%, 50% or 75%

Mortality rates used are based on the mortality improvement (MP2021) scale.

The actuarial assumptions used in the July 1, 2025 valuation were based on the results of an actuarial experience study for the period from July 1, 2024 through June 30, 2025.

Changes in assumptions and other inputs reflect 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.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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, 2025, the annual money-weighted rate of return on investments, net of investment expense was 6.31%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Rate of Return	Weighted Long-Term Expected Rate of Return
US Large Cap Equity	37.05%	7.22%	1.75%
US Small Cap Equity	1.95	7.92	0.11
International Developed Equity	15.00	6.92	0.66
Emerging Market Equity	6.00	7.45	0.30
Core Fixed Income – U.S.	40.00	4.98	0.99
Total	100.00%		3.81
	Inflation		2.50
			<b>6.31%</b>

Discount Rate: The discount rate used to measure the total OPEB liability is 6.50%. 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 2051, at which time the trust will be depleted.

### *Changes in Net OPEB Liability*

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2024	\$ 22,220,603	\$ 18,399,322	\$ 3,821,281
Changes for the year			
Service cost	203,732	-	203,732
Interest	1,428,686	-	1,428,686
Experience losses	(1,385,407)	-	(1,385,407)
Contributions – employer	-	627,613	(627,613)
Net investment income	-	905,916	(905,916)
Benefit payments	(627,613)	(627,613)	-
Net changes	(380,602)	905,916	(1,286,518)
Balances at June 30, 2025	<b>\$ 21,840,001</b>	<b>\$ 19,305,238</b>	<b>\$ 2,534,763</b>

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

The Plan's fiduciary net position as a percent of Total OPEB Liability 88.39%

### 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 was calculated using a discount rate that is one percentage point lower, 5.50%, or one percentage point higher, 7.50%, than the current discount rate:

	<b>1.00% Decrease (5.50)%</b>	<b>Current Discount Rate (6.50)%</b>	<b>1.00% Increase (7.50)%</b>
Net OPEB liability	\$ 5,536,442	\$ 2,534,763	\$ 64,839

### 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 was calculated using healthcare cost trend rates that are one percentage point lower, 2.90%, or one percentage point higher, 4.90%, than the current healthcare cost trend rates:

	<b>1.00% Decrease (2.90)%</b>	<b>Current Healthcare Cost Trend Rates (3.90)%</b>	<b>1.00% Increase (4.90)%</b>
Net OPEB liability/(asset)	\$ (60,310)	\$ 2,534,763	\$ 5,699,845

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

For the year ended June 30, 2025, the Town recognized OPEB benefit of \$(1,794,062). At June 30, 2025, 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	\$ -	\$ 1,823,332
Changes of assumptions	2,221,185	208,306
Net difference between projected and actual earnings on OPEB plan investments	301,533	-
	\$ 2,522,718	\$ 2,031,638

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

The Town's amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Year Ending June 30,	Increase (Decrease) to OPEB Expense
2026	\$ 278,112
2027	(148,481)
2028	303,441
2029	58,008
2030	-
Thereafter	-
	<u>\$ 491,080</u>

---

### Note 11 – 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 various cost-sharing and agent multi-employer other postemployment benefit plans, 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/benefits-and-programs/benefits/life-insurance/>.

The GLI is administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. This Plan is considered a multiple-employer, cost-sharing plan.

#### *Contributions*

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2025. 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, with the exception of GLI which was also combined with employee contributions. Specific details related to the contributions for the VRS OPEB program are as follows:

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

### Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 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.
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2025 Contribution	\$192,118
June 30, 2024 Contribution	\$198,105

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

The net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. 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, 2024 relative to the total of the actuarially determined employer contributions for all participating employers.

### Group Life Insurance Program

June 30, 2025 proportionate share of liability	\$	1,594,429
June 30, 2024 proportion		0.14288%
June 30, 2023 proportion		0.13587%
June 30, 2025 expense	\$	82,584

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.

At June 30, 2025, 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	\$ 251,478	\$ 38,947
Changes of assumptions	9,088	79,017
Net difference between projected and actual earnings on OPEB plan investments	-	134,394
Changes in proportion	118,720	1,174
Employer contributions subsequent to the measurement date	192,118	-
	<b>\$ 571,404</b>	<b>\$ 253,532</b>

The \$192,118 of 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 Fiscal Year ending June 30, 2026.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Year Ending June 30,	Increase (Decrease) to OPEB Expense
2026	\$ (35,667)
2027	56,618
2028	27,946
2029	39,402
2030	37,455
Thereafter	-
	<b>\$ 125,754</b>

### *Actuarial Assumptions and Other Inputs*

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2023, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
Healthcare cost trend rates:	
• Under age 65	7.25 – 4.25%
• Ages 65 and older	6.50 – 4.25%
Investment rate of return, net of expenses, including inflation	GLI: 6.75%

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service-related. Public Safety Employees – 45% to 70% of deaths are assumed to be service-related. Mortality is projected using the applicable Pub-2010 Mortality Table and a Modified MP-2020 Improvement Scale with various setbacks or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. 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): Updated mortality table; adjusted retirement rates to better fit experience; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Update mortality table; adjusted retirement rate to better fit experience and increased final retirement age to 70; decreased rates of withdrawal; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

### Net OPEB Liability

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, 2024, net OPEB liability amounts for the VRS OPEB program is as follows (amounts expressed in thousands):

	<b>Group Life Insurance Program</b>
Total OPEB liability	\$ 4,196,055
Plan fiduciary net position	3,080,133
Employers' net OPEB liability	1,115,922
Plan fiduciary net position as a percentage of total OPEB liability	73.41%

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	32.00%	6.70%	2.14%
Fixed Income	16.00	5.40	0.86
Credit Strategies	16.00	8.10	1.30
Real Assets	15.00	7.20	1.08
Private Equity	15.00	8.70	1.31
PIP – Private Investment Partnership	1.00	8.00	0.08
Diversifying Strategies	6.00	5.80	0.35
Cash	2.00	3.00	0.06
Leverage	(3.00)	3.50	(0.11)
Total	100.00%		<u><u>7.07%</u></u>

\*Expected arithmetic nominal return 7.07%

\* The above allocation provides for a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including inflation of 2.50%.

### *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, 2024, 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 which was 113% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2024 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 eligible 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 was 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	<u>\$ 2,479,545</u>	<u>\$ 1,594,429</u>	<u>\$ 879,373</u>

### *OPEB Plan Fiduciary Net Position*

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

---

## **Note 12 – 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.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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, 2023 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	245
Inactive members	
Vested inactive members	114
Non-vested inactive members	140
LTD	1
Inactive members active elsewhere in VRS	119
Total inactive members	374
Active members	376
Total covered employees	<b>995</b>

### *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 Political Subdivision's contractually required contribution rate for the year ended June 30, 2025 was 10.57% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

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 \$4,140,493 and \$4,166,711 for the years ended June 30, 2025 and 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$156,479 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

mandatory contribution totaled \$209,600 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$15,648,118 for the year ended June 30, 2025.

### *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, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024.

### *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, 2023, 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, 2024.

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

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

### *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 for the VRS pension plans are the same as those used for the various VRS OPEB plans and are summarized in the table in Note 11.

### *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. For the year ended June 30, 2024, the employer contribution was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rate. 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.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2023	\$ 143,187,601	\$ 130,338,410	\$ 12,849,191
Changes for the year			
Service cost	3,483,905	-	3,483,905
Interest	9,683,165	-	9,683,165
Differences between expected and actual experience	3,933,894	-	3,933,894
Contributions – employer	-	4,166,712	(4,166,712)
Contributions – employee	-	1,736,909	(1,736,909)
Net investment income	-	12,694,976	(12,694,976)
Benefit payments, including refunds of employee contributions	(6,434,423)	(6,434,423)	-
Administrative expenses	-	(80,169)	80,169
Other changes	-	2,782	(2,782)
Net changes	10,666,541	12,086,787	(1,420,246)
Balances at June 30, 2024	<u>\$ 153,854,142</u>	<u>\$ 142,425,197</u>	<u>\$ 11,428,945</u>

### *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 was calculated using a discount rate that is one percentage point lower (5.75)% or one percentage point higher (7.75)% than the current rate:

	1.00% Decrease (5.75)%	Current Discount Rate (6.75)%	1.00% Increase (7.75)%
Political Subdivision's net pension liability (asset)	<u>\$ 31,691,881</u>	<u>\$ 11,428,945</u>	<u>\$ (5,075,209)</u>

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

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

For the year ended June 30, 2025, the Political Subdivision recognized pension expense of \$2,552,600. At June 30, 2025, 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	\$ 3,036,045	\$ -
Net difference between projected and actual earnings on pension plan investments	-	3,623,521
Employer contributions subsequent to the measurement date	4,140,493	-
	<b>\$ 7,176,538</b>	<b>\$ 3,623,521</b>

The \$4,140,493 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 Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	<b>Effect on Pension Expense</b>
2026	\$ (1,418,435)
2027	2,264,314
2028	(649,824)
2029	(783,531)
2030	-
Thereafter	-
	<b>\$ (587,476)</b>

### *Pension Plan Data*

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at [varetire.org/media/shared/pdf/publications/2024-annual-report.pdf](http://varetire.org/media/shared/pdf/publications/2024-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, 2025, \$353,403 was payable to the VRS for the legally required contributions related to June 2025 payroll.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

### Note 13 – Summary of Pension and Other Postemployment Benefits Elements

	Governmental Activities	Business-Type Activities	Total Primary Government
Deferred outflows of resources – pensions			
Difference between expected and actual experience			
VRS	\$ 2,398,476	\$ 637,569	\$ 3,036,045
Employer contributions subsequent to the measurement date			
VRS	3,270,989	869,504	4,140,493
Total deferred outflows of resources – pensions	<b>\$ 5,669,465</b>	<b>\$ 1,507,073</b>	<b>\$ 7,176,538</b>
Deferred outflows of resources – OPEB			
Difference between expected and actual experience			
VRS GLI	\$ 198,668	\$ 52,810	\$ 251,478
Change in assumptions			
Local plan	1,754,736	466,449	2,221,185
VRS GLI	7,180	1,908	9,088
Net difference between projected and actual investment earnings on OPEB plan investments			
Local plan	238,211	63,322	301,533
Change in proportionate share			
VRS GLI	93,789	24,931	118,720
Employer contributions subsequent to the measurement date			
VRS GLI	151,772	40,346	192,118
Total deferred outflows of resources – OPEB	<b>\$ 2,444,356</b>	<b>\$ 649,766</b>	<b>\$ 3,094,122</b>
Net pension liability			
VRS	\$ 9,028,867	\$ 2,400,078	\$ 11,428,945
Total net pension liability	<b>\$ 9,028,867</b>	<b>\$ 2,400,078</b>	<b>\$ 11,428,945</b>
Net OPEB liability			
Local plan	\$ 2,002,463	\$ 532,300	\$ 2,534,763
VRS GLI	1,259,599	334,830	1,594,429
Total net OPEB liability	<b>\$ 3,262,062</b>	<b>\$ 867,130</b>	<b>\$ 4,129,192</b>
Deferred inflows of resources – pension			
Net difference between projected and actual investment earnings on OPEB plan investments			
VRS	\$ 2,862,582	\$ 760,939	\$ 3,623,521
Total deferred inflows of resources – pension	<b>\$ 2,862,582</b>	<b>\$ 760,939</b>	<b>\$ 3,623,521</b>

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Deferred inflows of resources – OPEB			
Difference between expected and actual experience			
Local plan	\$ 1,440,432	\$ 382,900	\$ 1,823,332
VRS GLI	30,768	8,179	38,947
Net difference between projected and actual investment earnings on OPEB plan investments			
VRS GLI	106,171	28,223	134,394
Change in assumptions			
Local plan	164,562	43,744	208,306
VRS GLI	62,423	16,594	79,017
Change in proportionate share			
VRS GLI	928	246	1,174
Total deferred inflow of resources – OPEB	<u>\$ 1,805,284</u>	<u>\$ 479,886</u>	<u>\$ 2,285,170</u>
Pension expense			
VRS	\$ 2,016,554	\$ 536,046	\$ 2,552,600
Total pension expense	<u>\$ 2,016,554</u>	<u>\$ 536,046</u>	<u>\$ 2,552,600</u>
OPEB expense (benefit)			
Local plan	\$ (1,417,309)	\$ (376,753)	\$ (1,794,062)
VRS GLI	65,241	17,343	82,584
Total OPEB expense (benefit)	<u>\$ (1,352,068)</u>	<u>\$ (359,410)</u>	<u>\$ (1,711,478)</u>

### Note 14 – Deferred Compensation Plan

The Town has a deferred compensation plan under which the participants may defer a portion of their annual compensation subject to *Internal Revenue Code (IRC)* Section 457 limitations. Any contributions made to the deferred compensation plan are not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions to the plan are administered by a third party administrator. In compliance with the provisions of the *IRC* Section 457(g), the plan assets are in custodial accounts for the exclusive benefit of the plan’s participants and beneficiaries. Consequently, these assets and the related liability are not reported in the accompanying financial statements. Contributions by Town to the plan for 2025 were \$211,880.

### Note 15 – Risk Management

The Town is insured for workers’ compensation, general liability, health, and other risks. The risk of management programs are as follows:

#### *Worker’s Compensation*

Worker’s compensation insurance is provided through the Virginia Risk Sharing Association (VRSAs). During 2024-2025, total premiums paid were approximately \$449,154. Benefits are those afforded through Commonwealth of Virginia as outlined in the *Code of Virginia* Section 65.2-100; premiums are based upon covered payroll, job rates, and claims experience.

# Town of Leesburg, Virginia

## Notes to Financial Statements

June 30, 2025

### General Liability

The Town provided general liability, automobile, property, and other insurance through policies with Virginia Risk Sharing Association (VRSA). During 2024-2025, total premiums paid were approximately \$358,873. General liability and business automobile have a \$1,000,000 limit per occurrence. Boiler and machinery coverage and property insurance have a \$100,000,000 blanket policy. The Town maintains an addition \$10,000,000 per occurrence umbrella policy over all forms of liability insurance. Police professional liability and public officials' liability insurance with \$1,000,000 limit are included in the Town's general liability policy with VRSA. Line of Duty Act (LODA) coverages and benefits are stipulated under the *Code of Virginia* statute. During 2024-2025, the premiums paid for LODA was approximately \$53,194.

There were no significant reductions in insurance coverage from the prior year and no settlements that exceeded the amount of insurance coverage.

### Cyber Security

The Town is insured for cyber liability expenses through a policy with Cowbell Insurance Agency. The aggregate coverage limit for the cyber liability insurance is \$5,000,000. During 2024-2025, the total premium paid for the Town's cyber security liability insurance was approximately \$35,000.

### 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 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 2025.

<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, 2024	\$ 940,103	\$ 5,300,380	\$ 5,185,108	\$ 1,055,375
June 30, 2025	1,055,375	6,043,828	5,917,723	1,181,480

---

## Note 16 – New Accounting Standards

---

In April 2024, the GASB issued **Statement No. 103**, Financial Reporting Model Improvements. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

In September 2024, the GASB issued **Statement No. 104**, *Disclosure of Certain Capital Assets*. This statement requires certain information regarding capital assets to be presented by major class. Certain types of capital assets are to be disclosed separately in the capital assets note disclosures required by Statement No. 34. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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



# **Required Supplementary information**

---

Town of Leesburg, Virginia

Required Supplementary Information  
 Schedule of Changes in Net OPEB Liability and Related Ratios – Local Plan  
 June 30, 2025

	Plan Year								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>									
Service cost	\$ 203,732	\$ 214,624	\$ 186,051	\$ 325,183	\$ 519,132	\$ 289,793	\$ 412,508	\$ 400,493	\$ 349,000
Interest	1,428,686	1,351,901	1,354,404	1,406,787	1,525,699	1,372,800	1,288,983	1,362,031	648,747
Benefit payments, including refunds of employee contributions	(627,613)	(555,774)	(508,034)	(395,192)	(385,904)	(394,478)	(590,275)	(500,009)	(350,446)
Difference between actual and expected experience	(1,385,407)	(474,735)	(408,976)	(3,283,081)	(3,986,589)	(789,486)	-	(1,325,151)	-
Changes in assumptions	-	522,594	833,919	1,205,836	(3,526,395)	4,043,398	642,914	(1,874,770)	-
Net change in total OPEB liability	(380,602)	1,058,610	1,457,364	(740,467)	(5,854,057)	4,522,027	1,754,130	(1,937,406)	647,301
<b>Total OPEB liability – beginning</b>	<b>22,220,603</b>	<b>21,161,993</b>	<b>19,704,629</b>	<b>20,445,096</b>	<b>26,299,153</b>	<b>21,777,126</b>	<b>20,022,996</b>	<b>21,960,402</b>	<b>21,313,101</b>
<b>Total OPEB liability – ending</b>	<b>21,840,001</b>	<b>22,220,603</b>	<b>21,161,993</b>	<b>19,704,629</b>	<b>20,445,096</b>	<b>26,299,153</b>	<b>21,777,126</b>	<b>20,022,996</b>	<b>21,960,402</b>
<b>Plan Fiduciary Net Position</b>									
Contributions – employer	627,613	555,774	508,034	619,147	601,045	569,478	765,275	825,009	675,446
Net investment income (loss)	905,916	2,045,556	1,287,072	(2,676,486)	3,413,497	853,811	781,063	871,303	1,106,629
Benefit payments	(627,613)	(555,774)	(508,034)	(395,192)	(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	905,916	2,045,556	1,287,072	(2,452,531)	3,628,638	1,028,811	900,360	1,143,195	1,399,622
<b>Plan fiduciary net position – beginning</b>	<b>18,399,322</b>	<b>16,353,766</b>	<b>15,066,694</b>	<b>17,519,225</b>	<b>13,890,587</b>	<b>12,861,776</b>	<b>11,961,416</b>	<b>10,818,221</b>	<b>9,418,599</b>
<b>Plan fiduciary net position – ending</b>	<b>19,305,238</b>	<b>18,399,322</b>	<b>16,353,766</b>	<b>15,066,694</b>	<b>17,519,225</b>	<b>13,890,587</b>	<b>12,861,776</b>	<b>11,961,416</b>	<b>10,818,221</b>
<b>Net OPEB liability – ending</b>	<b>\$ 2,534,763</b>	<b>\$ 3,821,281</b>	<b>\$ 4,808,227</b>	<b>\$ 4,637,935</b>	<b>\$ 2,925,871</b>	<b>\$ 12,408,566</b>	<b>\$ 8,915,350</b>	<b>\$ 8,061,580</b>	<b>\$ 11,142,181</b>
Plan fiduciary net position as a percentage of total OPEB liability	<b>88.39%</b>	<b>82.80%</b>	<b>77.28%</b>	<b>76.46%</b>	<b>85.69%</b>	<b>52.82%</b>	<b>59.06%</b>	<b>59.74%</b>	<b>49.26%</b>
Covered-employee payroll	<b>\$ 18,302,850</b>	<b>\$ 18,862,303</b>	<b>\$ 19,244,246</b>	<b>\$ 18,817,696</b>	<b>\$ 19,151,423</b>	<b>\$ 17,651,501</b>	<b>\$ 18,430,633</b>	<b>\$ 23,652,124</b>	<b>\$ 20,250,454</b>
Net OPEB liability as a percentage of covered-employee payroll	<b>13.85%</b>	<b>20.26%</b>	<b>24.99%</b>	<b>24.65%</b>	<b>15.28%</b>	<b>70.30%</b>	<b>48.37%</b>	<b>34.08%</b>	<b>55.02%</b>

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

# Town of Leesburg, Virginia

Exhibit 14

## Required Supplementary Information Schedules of OPEB Contributions – Local Plan June 30, 2025

Entity Fiscal Year Ended June 30,	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2025	\$ 420,000	\$ 627,613	\$ (207,613)	\$ 18,302,850	3.43 %
2024	370,000	555,774	(185,774)	18,862,303	2.95
2023	438,000	508,034	(70,034)	19,244,246	2.64
2022	468,000	619,147	(151,147)	18,817,696	3.29
2021	825,000	601,045	223,955	19,151,423	3.14
2020	550,092	569,478	(19,386)	17,651,501	3.23
2019	550,092	765,275	(215,183)	18,430,633	4.15
2018	983,426	825,009	158,417	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 2017 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-employee payroll amounts above are for the entity's fiscal year – i.e., the total payroll of employees participating in the plan.

**Required Supplementary Information  
Schedule of Investment Returns – Local OPEB Trust Fund  
June 30, 2025**

<b>Entity Fiscal Year Ended June 30,</b>	<b>Annual Money-Weighted Rate of Return, Net of Investment Expense</b>
2025	6.31 %
2024	7.22
2023	7.16
2022	6.98
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.

**Required Supplementary Information**  
**Schedule of Employer’s Share of Net OPEB Liability – VRS GLI**  
 June 30, 2025

<b>Entity Fiscal Year Ended June 30,</b>	<b>Employer’s Proportion of the Net OPEB Liability (Asset)</b>	<b>Employer’s Proportionate Share of the Net OPEB Liability (Asset)</b>	<b>Employer’s Covered Payroll</b>	<b>Employer’s Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
<b>Virginia Retirement System – Group Life Insurance – General Employees</b>					
2025	0.14288 %	\$ 1,594,429	\$ 36,686,054	4.35 %	73.41 %
2024	0.13587	1,629,507	32,004,702	5.09	69.30
2023	0.13244	1,594,705	28,757,188	5.55	67.21
2022	0.13181	1,534,626	27,117,559	5.66	67.45
2021	0.13086	2,184,000	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 current fiscal year.

**Town of Leesburg, Virginia**

**Required Supplementary Information  
Schedule of OPEB Contributions – VRS GLI  
June 30, 2025**

Entity Fiscal Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Virginia Retirement System – Group Life Insurance – General Employees</b>					
2025	\$ 192,118	\$ 192,118	\$ -	\$ 39,177,531	0.49 %
2024	198,105	198,105	-	36,686,054	0.54
2023	172,825	172,825	-	32,004,702	0.54
2022	155,587	155,587	-	28,757,188	0.54
2021	146,962	146,962	-	27,117,559	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

Exhibit 18

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios – Virginia Retirement System

June 30, 2025

	Plan Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 3,483,905	\$ 3,356,162	\$ 3,053,217	\$ 3,001,969	\$ 2,926,714	\$ 2,568,975	\$ 2,482,892	\$ 2,528,010	\$ 2,707,578	\$ 2,756,117
Interest	9,683,165	9,169,728	8,734,431	7,919,257	7,503,239	7,039,500	6,835,511	6,574,956	6,094,951	5,739,077
Benefit payments, including refunds of employee contributions	(6,434,423)	(5,964,922)	(5,432,665)	(4,810,559)	(4,402,784)	(4,398,201)	(3,880,198)	(3,432,679)	(3,117,573)	(2,632,670)
Difference between actual and expected experience	3,933,894	1,152,508	57,051	(1,932,360)	339,942	1,912,417	(2,265,073)	(809,317)	1,329,813	(536,148)
Changes in assumptions	-	-	-	5,156,184	-	3,474,412	-	(915,005)	-	-
Net change in total pension liability	10,666,541	7,713,476	6,412,034	9,334,491	6,367,111	10,597,103	3,173,132	3,945,965	7,014,769	5,326,376
<b>Total pension liability – beginning</b>	<b>143,187,601</b>	<b>135,474,125</b>	<b>129,062,091</b>	<b>119,727,600</b>	<b>113,360,489</b>	<b>102,763,386</b>	<b>99,590,254</b>	<b>95,644,289</b>	<b>88,629,520</b>	<b>83,303,144</b>
<b>Total pension liability – ending</b>	<b>153,854,142</b>	<b>143,187,601</b>	<b>135,474,125</b>	<b>129,062,091</b>	<b>119,727,600</b>	<b>113,360,489</b>	<b>102,763,386</b>	<b>99,590,254</b>	<b>95,644,289</b>	<b>88,629,520</b>
<b>Plan Fiduciary Net Position</b>										
Contributions – employer	4,166,712	3,667,240	3,091,539	2,937,379	2,409,743	2,290,800	2,147,461	2,071,096	1,918,622	1,945,907
Contributions – employee	1,736,909	1,502,296	1,390,152	1,337,124	1,287,395	1,223,924	1,183,157	1,131,997	1,126,655	1,146,789
Net investment income (loss)	12,694,976	8,004,087	(166,263)	26,950,250	1,851,717	6,126,069	6,360,318	9,410,583	1,328,647	3,306,840
Benefit payments, including refunds of employee contributions	(6,434,423)	(5,964,922)	(5,432,665)	(4,810,559)	(4,402,784)	(4,398,201)	(3,880,198)	(3,432,679)	(3,117,573)	(2,632,670)
Administrative expenses	(80,169)	(78,579)	(76,939)	(65,767)	(62,277)	(59,974)	(54,244)	(53,518)	(46,512)	(44,184)
Other	2,782	3,227	2,895	2,760	(2,211)	(3,870)	(5,697)	(8,408)	(563)	(706)
Net change in plan fiduciary net position	12,086,787	7,133,349	(1,191,281)	26,351,187	1,081,583	5,178,748	5,750,797	9,119,071	1,209,276	3,721,976
<b>Plan fiduciary net position – beginning</b>	<b>130,338,410</b>	<b>123,205,061</b>	<b>124,396,342</b>	<b>98,045,155</b>	<b>96,963,572</b>	<b>91,784,824</b>	<b>86,034,027</b>	<b>76,914,956</b>	<b>75,705,680</b>	<b>71,983,704</b>
<b>Plan fiduciary net position – ending</b>	<b>142,425,197</b>	<b>130,338,410</b>	<b>123,205,061</b>	<b>124,396,342</b>	<b>98,045,155</b>	<b>96,963,572</b>	<b>91,784,824</b>	<b>86,034,027</b>	<b>76,914,956</b>	<b>75,705,680</b>
<b>Net pension liability – ending</b>	<b>\$ 11,428,945</b>	<b>\$ 12,849,191</b>	<b>\$ 12,269,064</b>	<b>\$ 4,665,749</b>	<b>\$ 21,682,445</b>	<b>\$ 16,396,917</b>	<b>\$ 10,978,562</b>	<b>\$ 13,556,227</b>	<b>\$ 18,729,333</b>	<b>\$ 12,923,840</b>
Plan fiduciary net position as a percentage of total pension liability	<b>92.57%</b>	<b>91.03%</b>	<b>90.94%</b>	<b>96.38%</b>	<b>81.89%</b>	<b>85.54%</b>	<b>89.32%</b>	<b>86.39%</b>	<b>80.42%</b>	<b>85.42%</b>
Covered payroll	<b>\$ 36,676,183</b>	<b>\$ 32,000,035</b>	<b>\$ 28,757,188</b>	<b>\$ 27,117,559</b>	<b>\$ 26,958,776</b>	<b>\$ 25,303,778</b>	<b>\$ 23,700,718</b>	<b>\$ 22,666,448</b>	<b>\$ 22,378,363</b>	<b>\$ 23,045,393</b>
Net pension liability as a percentage of covered payroll	<b>31.16%</b>	<b>40.15%</b>	<b>42.66%</b>	<b>17.21%</b>	<b>80.43%</b>	<b>64.80%</b>	<b>46.32%</b>	<b>59.81%</b>	<b>83.69%</b>	<b>56.08%</b>

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.

The amounts above are for the measurement period, which is the twelve months prior to the entity's current fiscal year.

**Required Supplementary Information**  
**Schedule of Pension Contributions – Virginia Retirement System**  
 June 30, 2025

<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>					
2025	\$ 4,140,493	\$ 4,140,493	\$ -	\$ 39,172,948	10.57 %
2024	4,166,711	4,166,711	-	36,676,183	11.36
2023	3,664,402	3,664,402	-	32,000,035	11.45
2022	3,091,539	3,091,539	-	28,757,188	10.75
2021	2,937,586	2,937,586	-	27,117,559	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

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, 2025**

---

**Note 1 – Changes of Benefit Terms**

---

*VRS – Pension and Other Postemployment Benefits (OPEB)*

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

*Local Plan – Other Postemployment Benefits (OPEB)*

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

---

**Note 2 – Changes of Assumptions**

---

*VRS - Pension and Other Postemployment Benefits (OPEB)*

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. 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 PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale
- No change to line of duty rates.
- No change to discount rates.

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No changes to salary scale
- No change to line of duty rates.
- No change to discount rate.

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.

# Town of Leesburg, Virginia

## Notes to Required Supplementary Information

June 30, 2025

- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

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

- Update mortality tables to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rates.

### *Local Plan – Other Postemployment Benefits (OPEB)*

The actuarial assumptions for retirement, termination, and disability used in the July 1, 2025, valuation for the local OPEB plan are based on the same actuarial experience study for the period from July 1, 2016 through June 30, 2020 completed by the Virginia Retirement System. See the key changes discussed above.



# **Other Supplementary Information**

---

# Town of Leesburg, Virginia

Exhibit A-1

## General Fund – Comparative Balance Sheets June 30, 2025 (With Comparative Amounts for 2024)

	2025	2024
<b>ASSETS</b>		
Cash, cash equivalents, and temporary cash investments	\$ 49,868,281	\$ 47,841,900
Receivables (net of allowance for doubtful accounts)		
Property taxes, including penalties	17,303,095	12,469,497
Utility taxes	159,518	133,655
Local taxes	1,420,765	1,196,846
Accounts	301,616	444,427
Leases	3,234,550	3,612,270
Due from other governments	9,392,327	8,909,889
Due from other funds	66,872	-
Lease deposit	-	-
Inventory	2,972	2,972
Prepaid items	324,797	714,149
Restricted cash	2,778,495	2,809,575
Total assets	<b>\$ 84,853,288</b>	<b>\$ 78,135,180</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 2,303,492	\$ 2,807,702
Due to other governments	181,820	147,555
Accrued payroll	1,567,801	1,574,669
Accrued liabilities – other	633,772	578,952
Customer deposits	129,231	127,526
Performance bonds	2,716,205	2,709,135
Reserve for proffers	115,589	110,078
Unearned revenues	92,288	74,112
Total liabilities	7,740,198	8,129,729
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Leases	3,083,238	3,468,170
Property taxes	18,127,838	12,939,751
Total deferred inflows of resources	21,211,076	16,407,921
<b>FUND BALANCE</b>		
Nonspendable		
Inventory	2,972	2,972
Prepaid items	324,797	714,149
Restricted		
Parks and recreation (Symmington) - park improvements	50,521	50,521
Police	-	147,340
Gas tax - road improvements	1,580,736	2,018,083
Parking in lieu - public parking spaces	588,399	552,932
Esummons - electronic summons system improvements	186,400	215,556
Forfeiture - promote public safety	103,741	-
Assigned		
Debt service reserve	9,753,620	9,753,620
Other reserves	9,618,777	8,226,400
Expenditures designated for future years	3,105,275	4,680,191
Unassigned	30,586,776	27,235,766
Total fund balances	55,902,014	53,597,530
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 84,853,288</b>	<b>\$ 78,135,180</b>

Town of Leesburg, Virginia

General Fund – Schedule of Revenues and Other Financing Sources – Budget and Actual  
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenue from local sources:				
General property taxes:				
Real estate taxes:				
Current	\$ 10,103,730	\$ 10,103,730	\$ 11,475,776	\$ 1,372,046
Deferred	9,905,618	9,905,618	10,027,839	122,221
Personal property taxes:				
Current	1,982,000	2,092,000	5,286,660	3,194,660
Deferred	1,982,000	1,982,000	2,578,067	596,067
Public service corporation taxes	270,000	270,000	278,805	8,805
Penalties and interest	226,631	226,632	263,540	36,908
Total general property taxes	<u>24,469,979</u>	<u>24,579,980</u>	<u>29,910,687</u>	<u>5,330,707</u>
Other local taxes:				
Utility	1,598,500	1,598,500	1,619,374	20,874
Daily rental	5,800	5,800	6,206	406
Meals	8,065,000	8,065,000	8,244,540	179,540
Bank franchise	1,678,800	1,678,800	1,664,651	(14,149)
Cigarette	597,500	597,500	525,179	(72,321)
Business and occupational licenses	4,750,000	4,750,000	5,366,510	616,510
Motor vehicle licenses	900,000	900,000	115,909	(784,091)
Right of Way tax	150,000	150,000	158,467	8,467
Proffers and gas tax	320,000	470,000	-	(470,000)
Transient occupancy	900,000	900,000	1,253,124	353,124
Total other local taxes	<u>18,965,600</u>	<u>19,115,600</u>	<u>18,953,960</u>	<u>(161,640)</u>
Permits, fees, and licenses:				
Zoning, subdivision, and development fees	688,000	688,000	1,149,454	461,454
Permits	5,800	5,800	24,280	18,480
Airport:				
Fuel flow fees	45,000	45,000	57,885	12,885
Annual user fees	40,000	40,000	43,899	3,899
Annual FBO license fees	65,000	65,000	103,732	38,732
Other	38,000	38,000	57,122	19,122
Total permits, fees, and licenses	<u>881,800</u>	<u>881,800</u>	<u>1,436,372</u>	<u>554,572</u>
Fines and forfeitures:				
Police forfeitures	10,000	10,000	-	(10,000)
Traffic fines	650,000	650,000	390,210	(259,790)
Parking fines	181,800	181,800	258,476	76,676
Parking ticket penalties	-	-	94,407	94,407
Total fines and forfeitures	<u>841,800</u>	<u>841,800</u>	<u>743,093</u>	<u>(98,707)</u>
Use of money and property:				
Interest	1,700,000	1,700,000	2,750,012	1,050,012
Parking meters	63,000	63,000	63,473	473
Parking facility revenues	154,400	154,400	152,938	(1,462)
Insurance recoveries	110,000	110,000	74,386	(35,614)
Airport:				
Hangar rentals	1,215,000	1,215,000	1,194,059	(20,941)
Tie-downs	165,600	165,600	155,548	(10,052)
Commercial tenant leases	529,496	529,496	368,655	(160,841)
Recreational facility rental	3,000	3,000	2,490	(510)
Other	71,000	71,000	86,323	15,323
Total use of money and property	<u>4,011,496</u>	<u>4,011,496</u>	<u>4,847,884</u>	<u>836,388</u>

# Town of Leesburg, Virginia

Exhibit A-2

## General Fund – Schedule of Revenues and Other Financing Sources – Budget and Actual Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Charges for services:</b>				
False alarm	100,000	100,000	2,720	(97,280)
Fingerprinting	1,300	1,300	884	(416)
Extradition	10,000	10,000	4,587	(5,413)
EV charging station	-	-	21	21
<b>Special events:</b>				
Recreation	225,000	225,000	258,656	33,656
Other	224,800	224,800	176,455	(48,345)
Parks and recreation user fees	5,122,815	5,122,815	5,711,969	589,154
Total charges for services	<u>5,683,915</u>	<u>5,683,915</u>	<u>6,155,292</u>	<u>471,377</u>
<b>Miscellaneous:</b>				
Contributions	61,000	61,000	54,488	(6,512)
Miscellaneous	26,300	33,250	19,161	(14,089)
Total miscellaneous	<u>87,300</u>	<u>94,250</u>	<u>73,649</u>	<u>(20,601)</u>
Total revenues from local sources	<u>54,941,890</u>	<u>55,208,841</u>	<u>62,120,937</u>	<u>6,912,096</u>
<b>Intergovernmental:</b>				
<b>Revenue from local sources:</b>				
<b>Local aid:</b>				
Misc. donations	-	6,465	-	(6,465)
Loudoun County	745,842	745,842	1,690,177	944,335
Total local aid	<u>745,842</u>	<u>752,307</u>	<u>1,690,177</u>	<u>937,870</u>
<b>Revenue from the Commonwealth:</b>				
<b>Non-categorical:</b>				
Motor vehicles carrier tax	500	500	112	(388)
Mobile home titling tax	200	200	-	(200)
Rental car tax	185,000	185,000	172,485	(12,515)
Cable TV franchise	256,000	256,000	173,495	(82,505)
Miscellaneous	12,000	120,236	78,380	(41,856)
Personal property tax relief	1,468,941	1,468,941	1,468,941	-
Sales and use tax	7,000,000	7,000,000	6,273,594	(726,406)
Communication sales and use tax	1,400,000	1,400,000	1,403,811	3,811
Total non-categorical aid	<u>10,322,641</u>	<u>10,430,877</u>	<u>9,570,818</u>	<u>(860,059)</u>
<b>Categorical:</b>				
VA Commission for the Arts	4,500	4,500	4,500	-
State fire programs funds	240,000	247,278	247,278	-
Miscellaneous state revenue	-	31,109	31,109	-
Law enforcement assistance	1,056,596	1,104,699	1,104,699	-
Highway maintenance	5,100,000	5,100,000	5,237,927	137,927
VDOT funding	-	-	243,290	243,290
Department of Aviation	100,000	100,000	62,073	(37,927)
Total categorical aid	<u>6,501,096</u>	<u>6,587,586</u>	<u>6,930,876</u>	<u>343,290</u>
Total revenue from the Commonwealth	<u>16,823,737</u>	<u>17,018,463</u>	<u>16,501,694</u>	<u>(516,769)</u>
<b>Revenue from the federal government:</b>				
<b>Categorical aid:</b>				
E-Summons	43,700	43,700	30,982	(12,718)
Byrne Coronavirus Emergency Supplemental Relief	-	22,361	18,491	(3,870)
Miscellaneous	7,937	88,859	24,470	(64,389)
Total categorical aid	<u>51,637</u>	<u>154,920</u>	<u>73,943</u>	<u>(80,977)</u>
Total revenue from the federal government	<u>51,637</u>	<u>154,920</u>	<u>73,943</u>	<u>(80,977)</u>
Total intergovernmental	<u>17,621,216</u>	<u>17,925,690</u>	<u>18,265,814</u>	<u>340,124</u>
Total revenues	<u>72,563,106</u>	<u>73,134,531</u>	<u>80,386,751</u>	<u>7,252,220</u>

Town of Leesburg, Virginia

Exhibit A-2

General Fund – Schedule of Revenues and Other Financing Sources – Budget and Actual  
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources:				
Transfers in	4,356,787	4,466,787	4,438,297	(28,490)
Use of fund balance	5,627,080	9,831,698	-	(9,831,698)
Total other financing sources	9,983,867	14,298,485	4,438,297	(9,860,188)
Total General Fund revenues and other financing sources	<u>\$ 82,546,973</u>	<u>\$ 87,433,016</u>	<u>\$ 84,825,048</u>	<u>\$ (2,607,968)</u>

# Town of Leesburg, Virginia

Exhibit A-3

## General Fund – Schedule of Expenditures and Other Financing Uses – Budget and Actual Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Legislative:</b>				
Town council:				
Personnel services	\$ 154,210	\$ 154,210	\$ 153,430	\$ 780
Contractual services	158,250	166,154	144,718	21,436
Materials and supplies	10,900	13,133	11,080	2,053
Transfer payments	25,000	25,000	25,000	-
Capital outlay	-	319	319	-
Total town council	<u>348,360</u>	<u>358,816</u>	<u>334,547</u>	<u>24,269</u>
Total legislative	<u>348,360</u>	<u>358,816</u>	<u>334,547</u>	<u>24,269</u>
<b>Executive:</b>				
Town manager:				
Personnel services	1,657,017	1,513,126	1,541,749	(28,623)
Contractual services	33,632	84,796	79,908	4,888
Materials and supplies	33,075	20,258	6,431	13,827
Transfer payments	50,000	22,926	-	22,926
Continuous charges	9,960	9,024	8,987	37
Capital outlay	1,000	42,496	41,418	1,078
Total town manager	<u>1,784,684</u>	<u>1,692,626</u>	<u>1,678,493</u>	<u>14,133</u>
Public arts commission:				
Personnel services	9,205	9,205	6,377	2,828
Contractual services	15,250	11,480	11,380	100
Materials and supplies	150	150	250	(100)
Transfer payments	10,000	13,770	13,770	-
Total public arts commission	<u>34,605</u>	<u>34,605</u>	<u>31,777</u>	<u>2,828</u>
Economic development operations:				
Personnel services	594,642	594,653	594,861	(208)
Contractual services	64,720	77,373	76,574	799
Materials and supplies	17,857	18,406	15,548	2,858
Grants and contributions	130,000	126,000	125,000	1,000
Continuous charges	81,113	81,114	80,719	395
Capital outlay	150	150	120	30
Total economic development operations	<u>888,482</u>	<u>897,696</u>	<u>892,822</u>	<u>4,874</u>
Economic development commission:				
Personnel services	9,205	9,205	3,448	5,757
Contractual services	1,200	1,272	-	1,272
Grants and contributions	-	-	1,272	(1,272)
Total economic development commission	<u>10,405</u>	<u>10,477</u>	<u>4,720</u>	<u>5,757</u>
Diversity commission:				
Personnel services	9,205	9,205	3,725	5,480
Contractual services	3,850	3,850	2,297	1,553
Total diversity commission	<u>13,055</u>	<u>13,055</u>	<u>6,022</u>	<u>7,033</u>
Public information:				
Personnel services	370,637	370,666	373,480	(2,814)
Contractual services	58,140	57,752	42,653	15,099
Materials and supplies	700	677	561	116
Total public information	<u>429,477</u>	<u>429,095</u>	<u>416,694</u>	<u>12,401</u>
Emergency management:				
Personnel services	409,959	409,966	232,231	177,735
Contractual services	23,750	21,476	3,132	18,344
Materials and supplies	3,950	6,850	4,545	2,305
Total emergency management	<u>437,659</u>	<u>438,292</u>	<u>239,908</u>	<u>198,384</u>
ADA compliance:				
Contractual services	41,000	52,876	18,949	33,927
Materials and supplies	16,000	10,844	-	10,844
Total ADA compliance	<u>57,000</u>	<u>63,720</u>	<u>18,949</u>	<u>44,771</u>
Performing arts commission				
Contractual services	9,205	9,205	2,581	6,624
Materials and supplies	1,795	1,795	810	985
Total performing arts commission	<u>11,000</u>	<u>11,000</u>	<u>3,391</u>	<u>7,609</u>
Total executive	<u>3,666,367</u>	<u>3,590,566</u>	<u>3,292,776</u>	<u>297,790</u>

# Town of Leesburg, Virginia

Exhibit A-3

## General Fund – Schedule of Expenditures and Other Financing Uses – Budget and Actual Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Legal:</b>				
Town attorney:				
Personnel services	781,806	781,829	830,652	(48,823)
Contractual services	57,880	132,780	67,132	65,648
Materials and supplies	3,400	3,170	3,094	76
Transfer payments	-	3,591	3,591	-
Continuous charges	242	220	219	1
Total town attorney	<u>843,328</u>	<u>921,590</u>	<u>904,688</u>	<u>16,902</u>
Clerk of council:				
Personnel services	452,507	452,516	440,782	11,734
Contractual services	50,825	59,991	44,523	15,468
Materials and supplies	2,900	3,100	2,061	1,039
Total clerk of council	<u>506,232</u>	<u>515,607</u>	<u>487,366</u>	<u>28,241</u>
Total legal	<u>1,349,560</u>	<u>1,437,197</u>	<u>1,392,054</u>	<u>45,143</u>
<b>Finance:</b>				
Finance:				
Personnel services	3,479,307	3,479,412	3,463,844	15,568
Contractual services	668,198	815,646	701,085	114,561
Materials and supplies	16,800	16,800	5,835	10,965
Transfer payments	-	-	1,378	(1,378)
Continuous charges	18,477	17,341	15,948	1,393
Capital outlay	6,000	134,043	126,043	8,000
Total finance	<u>4,188,782</u>	<u>4,463,242</u>	<u>4,314,133</u>	<u>149,109</u>
Human resources:				
Personnel services	927,400	927,416	907,459	19,957
Contractual services	322,850	322,070	213,047	109,023
Materials and supplies	6,650	11,650	6,174	5,476
Continuous charges	2,600	2,600	-	2,600
Total human resources	<u>1,259,500</u>	<u>1,263,736</u>	<u>1,126,680</u>	<u>137,056</u>
Information technology operations:				
Personnel services	1,893,706	1,893,749	1,864,577	29,172
Contractual services	2,210,235	2,251,199	1,326,157	925,042
Materials and supplies	45,900	74,845	56,448	18,397
Continuous charges	55,911	62,333	51,557	10,776
Capital outlay	125,000	193,106	186,967	6,139
Total information technology operations	<u>4,330,752</u>	<u>4,475,232</u>	<u>3,485,706</u>	<u>989,526</u>
Information technology commission:				
Personnel services	9,205	9,205	2,384	6,821
Total information technology commission	<u>9,205</u>	<u>9,205</u>	<u>2,384</u>	<u>6,821</u>
Total department of finance	<u>9,788,239</u>	<u>10,211,415</u>	<u>8,928,903</u>	<u>1,282,512</u>
<b>Public safety:</b>				
Administrative support:				
Personnel services	2,462,069	2,577,349	2,420,699	156,650
Contractual services	851,923	733,268	660,087	73,181
Materials and supplies	153,560	153,695	110,845	42,850
Transfer payments	-	7,357	-	7,357
Continuous charges	283,075	319,583	296,536	23,047
Capital outlay	17,480	105,874	144,472	(38,598)
Total administrative support	<u>3,768,107</u>	<u>3,897,126</u>	<u>3,632,639</u>	<u>264,487</u>
Patrol operations:				
Personnel services	6,490,675	6,430,107	6,279,773	150,334
Contractual services	116,003	124,811	35,165	89,646
Materials and supplies	122,601	98,564	62,860	35,704
Capital outlay	55,000	59,803	51,772	8,031
Total patrol operations	<u>6,784,279</u>	<u>6,713,285</u>	<u>6,429,570</u>	<u>283,715</u>
Criminal investigations:				
Personnel services	2,402,518	2,404,582	1,940,313	464,269
Contractual services	39,991	47,636	39,438	8,198
Materials and supplies	20,520	6,522	1,537	4,985
Continuous charges	19,440	9,885	10,770	(885)
Total criminal investigations	<u>2,482,469</u>	<u>2,468,625</u>	<u>1,992,058</u>	<u>476,567</u>

# Town of Leesburg, Virginia

Exhibit A-3

## General Fund – Schedule of Expenditures and Other Financing Uses – Budget and Actual Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Community services:				
Personnel services	2,193,782	2,212,324	2,070,887	141,437
Contractual services	23,962	23,021	5,997	17,024
Materials and supplies	30,494	5,732	4,609	1,123
Continuous charges	-	-	2,333	(2,333)
Total community services	<u>2,248,238</u>	<u>2,241,077</u>	<u>2,083,826</u>	<u>157,251</u>
Information services:				
Personnel services	2,596,530	2,631,647	2,340,661	290,986
Contractual services	234,779	247,589	212,847	34,742
Materials and supplies	10,942	12,147	8,747	3,400
Continuous charges	6,000	-	-	-
Capital outlay	78,090	95,819	40,007	55,812
Total information services	<u>2,926,341</u>	<u>2,987,202</u>	<u>2,602,262</u>	<u>384,940</u>
Citizens support team:				
Materials and supplies	1,395	1,320	1,153	167
Continuous charges	5,052	6,165	6,102	63
Total citizens support team	<u>6,447</u>	<u>7,485</u>	<u>7,255</u>	<u>230</u>
Fire and rescue:				
Grants and contributions	240,000	357,278	357,278	-
Total fire and rescue	<u>240,000</u>	<u>357,278</u>	<u>357,278</u>	<u>-</u>
Total public safety	<u>18,455,881</u>	<u>18,672,078</u>	<u>17,104,888</u>	<u>1,567,190</u>
Public works:				
Public works administration:				
Personnel services	1,431,984	1,438,698	1,458,365	(19,667)
Contractual services	262,570	588,584	439,202	149,382
Materials and supplies	1,800	20,816	5,821	14,995
Continuous charges	133,013	133,059	10,231	122,828
Capital outlays	5,500	87,549	57,741	29,808
Total public works administration	<u>1,834,867</u>	<u>2,268,706</u>	<u>1,971,360</u>	<u>297,346</u>
Engineering and inspections:				
Personnel services	781,312	781,465	656,997	124,468
Contractual services	50,800	168,520	45,320	123,200
Materials and supplies	5,900	5,900	1,291	4,609
Capital outlay	5,000	5,000	-	5,000
Total engineering and inspections	<u>843,012</u>	<u>960,885</u>	<u>703,608</u>	<u>257,277</u>
Streets and grounds maintenance:				
Personnel services	3,341,564	3,345,859	3,223,579	122,280
Contractual services	809,300	951,032	701,613	249,419
Materials and supplies	289,750	310,464	189,647	120,817
Transfer payments	-	662	662	-
Continuous charges	48,790	25,740	22,502	3,238
Capital outlay	11,500	35,280	19,799	15,481
Total streets and grounds maintenance	<u>4,500,904</u>	<u>4,669,037</u>	<u>4,157,802</u>	<u>511,235</u>
Building maintenance:				
Personnel services	792,289	792,585	798,705	(6,120)
Contractual services	605,760	784,852	628,704	156,148
Materials and supplies	113,750	124,250	103,952	20,298
Continuous charges	160,720	161,120	137,343	23,777
Capital outlay	255,900	434,311	287,662	146,649
Total building maintenance	<u>1,928,419</u>	<u>2,297,118</u>	<u>1,956,366</u>	<u>340,752</u>
Fleet maintenance:				
Personnel services	1,236,142	1,236,622	1,240,886	(4,264)
Contractual services	130,500	136,081	93,858	42,223
Materials and supplies	314,000	334,049	333,082	967
Grants and contributions	20,000	20,000	9,110	10,890
Continuous charges	458,000	455,700	343,776	111,924
Capital outlay	3,000	3,000	2,833	167
Total fleet maintenance	<u>2,161,642</u>	<u>2,185,452</u>	<u>2,023,545</u>	<u>161,907</u>
Refuse collection and recycling:				
Contractual services	4,314,900	4,315,288	4,082,111	233,177
Materials and supplies	13,500	13,111	515	12,596
Total refuse collection and recycling	<u>4,328,400</u>	<u>4,328,399</u>	<u>4,082,626</u>	<u>245,773</u>

# Town of Leesburg, Virginia

Exhibit A-3

## General Fund – Schedule of Expenditures and Other Financing Uses – Budget and Actual Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Traffic management:				
Personnel services	504,585	504,970	529,135	(24,165)
Contractual services	237,200	341,489	218,367	123,122
Materials and supplies	55,500	91,915	83,430	8,485
Continuous charges	656,000	656,000	630,392	25,608
Capital outlay	72,700	178,871	122,214	56,657
Total traffic management	<u>1,525,985</u>	<u>1,773,245</u>	<u>1,583,538</u>	<u>189,707</u>
Emergency weather response:				
Personnel services	99,038	103,442	103,491	(49)
Materials and supplies	93,700	208,630	195,540	13,090
Continuous charges	1,057,250	955,718	552,150	403,568
Total emergency weather response	<u>1,249,988</u>	<u>1,267,790</u>	<u>851,181</u>	<u>416,609</u>
Milling and paving:				
Contractual services	775,000	1,559,947	1,415,362	144,585
Total milling and paving	<u>775,000</u>	<u>1,559,947</u>	<u>1,415,362</u>	<u>144,585</u>
Regional transportation:				
Transfer payments	320,000	470,000	437,347	32,653
Total regional transportation	<u>320,000</u>	<u>470,000</u>	<u>437,347</u>	<u>32,653</u>
Residential traffic commission:				
Personnel services	9,205	9,205	1,333	7,872
Capital outlay	-	36,000	185	35,815
Total residential traffic commission	<u>9,205</u>	<u>45,205</u>	<u>1,518</u>	<u>43,687</u>
Stormwater management:				
Personnel services	460	18,786	47,409	(28,623)
Management services	299,000	1,192,278	726,661	465,617
Field supplies	7,000	43,991	24,658	19,333
Computer equipment	-	39,006	31,899	7,107
Total stormwater management	<u>306,460</u>	<u>1,294,061</u>	<u>830,627</u>	<u>463,434</u>
Urban Forestry:				
Contractual services	-	60,000	-	60,000
Total Urban Forestry	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Capital projects management:				
Personnel services	1,722,816	1,726,770	1,769,753	(42,983)
Contractual services	17,160	475,867	266,199	209,668
Materials and supplies	6,925	5,740	3,243	2,497
Transfer payments	(789,000)	(789,000)	(770,035)	(18,965)
Continuous charges	919	961	966	(5)
Capital outlay	9,250	7,392	-	7,392
Total capital projects management	<u>968,070</u>	<u>1,427,730</u>	<u>1,270,126</u>	<u>157,604</u>
Total public works	<u>20,751,952</u>	<u>24,607,575</u>	<u>21,285,006</u>	<u>3,322,569</u>
Parks and recreation:				
Parks and recreation administration:				
Personnel services	416,416	416,782	410,478	6,304
Contractual services	10,000	13,552	11,679	1,873
Materials and supplies	2,000	2,450	2,429	21
Continuous charges	30,846	32,379	32,255	124
Capital outlay	30,000	30,947	25,623	5,324
Total parks and recreation administration	<u>489,262</u>	<u>496,110</u>	<u>482,464</u>	<u>13,646</u>
Parks:				
Personnel services	1,395,286	1,395,878	1,274,698	121,180
Contractual services	348,905	380,736	158,153	222,583
Materials and supplies	221,870	212,872	194,283	18,589
Continuous charges	67,800	63,407	62,539	868
Capital outlay	13,000	360,373	350,372	10,001
Total parks	<u>2,046,861</u>	<u>2,413,266</u>	<u>2,040,045</u>	<u>373,221</u>
Recreation programs administration:				
Personnel services	264,419	264,574	310,081	(45,507)
Contractual services	20,060	20,060	13,687	6,373
Total recreation programs administration	<u>284,479</u>	<u>284,634</u>	<u>323,768</u>	<u>(39,134)</u>

# Town of Leesburg, Virginia

Exhibit A-3

## General Fund – Schedule of Expenditures and Other Financing Uses – Budget and Actual Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Ida Lee recreation center:				
Personnel services	1,101,636	1,102,098	1,059,522	42,576
Contractual services	277,911	334,421	320,354	14,067
Materials and supplies	62,118	77,318	75,087	2,231
Grants and contributions	-	-	74	(74)
Continuous charges	251,130	251,130	245,455	5,675
Total Ida Lee recreation center	<u>1,692,795</u>	<u>1,764,967</u>	<u>1,700,492</u>	<u>64,475</u>
Fitness programs:				
Personnel services	508,011	508,077	523,379	(15,302)
Contractual services	35,170	26,297	24,815	1,482
Materials and supplies	8,100	9,100	8,857	243
Total fitness programs	<u>551,281</u>	<u>543,474</u>	<u>557,051</u>	<u>(13,577)</u>
Community outreach:				
Personnel services	146,500	146,553	42,065	104,488
Contractual services	13,090	13,090	4,521	8,569
Materials and supplies	7,800	7,800	583	7,217
Total community outreach	<u>167,390</u>	<u>167,443</u>	<u>47,169</u>	<u>120,274</u>
Aquatics:				
Personnel services	1,428,350	1,428,527	1,528,180	(99,653)
Contractual services	33,845	39,845	33,177	6,668
Materials and supplies	128,210	118,267	107,116	11,151
Continuous services	20,000	28,000	27,988	12
Total aquatics	<u>1,610,405</u>	<u>1,614,639</u>	<u>1,696,461</u>	<u>(81,822)</u>
Sports programs:				
Personnel services	238,897	212,641	243,692	(31,051)
Contractual services	170	170	-	170
Materials and supplies	27,300	28,300	28,231	69
Total sports programs	<u>266,367</u>	<u>241,111</u>	<u>271,923</u>	<u>(30,812)</u>
Recreation classes:				
Personnel services	68,904	95,213	63,897	31,316
Contractual services	70	70	15	55
Materials and supplies	5,325	5,325	4,609	716
Total recreation classes	<u>74,299</u>	<u>100,608</u>	<u>68,521</u>	<u>32,087</u>
Special events:				
Personnel services	286,086	286,192	305,858	(19,666)
Contractual services	230,399	231,324	230,541	783
Materials and supplies	76,750	93,132	87,381	5,751
Capital outlay	-	399,257	-	399,257
Total special events	<u>593,235</u>	<u>1,009,905</u>	<u>623,780</u>	<u>386,125</u>
Tennis court complex:				
Personnel services	720,989	721,133	943,688	(222,555)
Contractual services	45,700	46,273	44,536	1,737
Materials and supplies	45,550	21,395	19,242	2,153
Grants and contributions	50,000	-	-	-
Continuous charges	88,000	106,209	106,143	66
Total tennis court complex	<u>950,239</u>	<u>895,010</u>	<u>1,113,609</u>	<u>(218,599)</u>
Camp programs:				
Personnel services	126,451	126,451	128,588	(2,137)
Contractual services	36,500	34,000	28,242	5,758
Materials and supplies	9,500	9,500	9,358	142
Total camp programs	<u>172,451</u>	<u>169,951</u>	<u>166,188</u>	<u>3,763</u>
Parks and recreation commission:				
Personnel services	9,205	9,205	2,295	6,910
Total parks and recreation commission	<u>9,205</u>	<u>9,205</u>	<u>2,295</u>	<u>6,910</u>
Tree commission:				
Personnel services	9,205	9,205	6,593	2,612
Contractual services	1,800	1,800	1,800	-
Total tree commission	<u>11,005</u>	<u>11,005</u>	<u>8,393</u>	<u>2,612</u>
Total parks and recreation	<u>8,919,274</u>	<u>9,721,328</u>	<u>9,102,159</u>	<u>619,169</u>

Town of Leesburg, Virginia

General Fund – Schedule of Expenditures and Other Financing Uses –  
Budget and Actual  
Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Balch Library:				
Library operations:				
Personnel services	597,878	604,838	564,893	39,945
Contractual services	71,614	78,416	57,513	20,903
Materials and supplies	63,100	56,770	32,676	24,094
Continuous charges	28,500	28,500	25,258	3,242
Capital outlay	400	6,130	4,011	2,119
Total library operations	<u>761,492</u>	<u>774,654</u>	<u>684,351</u>	<u>90,303</u>
Library advisory commission:				
Personnel services	9,205	9,205	7,063	2,142
Contractual services	2,675	2,675	561	2,114
Materials and supplies	100	100	49	51
Total library advisory commission	<u>11,980</u>	<u>11,980</u>	<u>7,673</u>	<u>4,307</u>
Total Balch Library	<u>773,472</u>	<u>786,634</u>	<u>692,024</u>	<u>94,610</u>
Community development:				
Personnel services	4,715,982	4,860,051	4,689,669	170,382
Contractual services	812,405	1,416,698	408,503	1,008,195
Materials and supplies	13,600	14,312	13,193	1,119
Continuous charges	148,435	169,817	79,467	90,350
Capital outlay	-	1,500	970	530
Total community development	<u>5,690,422</u>	<u>6,462,378</u>	<u>5,191,802</u>	<u>1,270,576</u>
Airport:				
Leesburg executive airport				
Personnel services	651,218	651,511	652,339	(828)
Contractual services	313,176	324,587	293,310	31,277
Materials and supplies	29,950	46,006	35,655	10,351
Continuous charges	306,103	297,729	118,558	179,171
Capital outlay	25,000	25,000	5,090	19,910
Total Leesburg executive airport	<u>1,325,447</u>	<u>1,344,833</u>	<u>1,104,952</u>	<u>239,881</u>
Airport advisory commission:				
Personnel services	9,205	9,205	4,660	4,545
Total airport advisory commission	<u>9,205</u>	<u>9,205</u>	<u>4,660</u>	<u>4,545</u>
Total airport	<u>1,334,652</u>	<u>1,354,038</u>	<u>1,109,612</u>	<u>244,426</u>
Townwide expenditures:				
Salary savings	(1,371,112)	(1,371,112)	-	(1,371,112)
Budget hold back	204,000	397,855	-	397,855
Total townwide expenditures	<u>(1,167,112)</u>	<u>(973,257)</u>	<u>-</u>	<u>(973,257)</u>
Debt service:				
GO bond retirement principal	6,616,847	5,732,669	5,413,606	319,063
GO bond retirement interest and other fiscal charges	3,130,389	2,512,951	2,501,690	11,261
BAN interest expense	-	159,063	134,779	24,284
Notes payable from financing and direct borrowings principal	409,592	674,697	664,637	10,060
Notes payable from financing and direct borrowings interest	312,672	215,863	69,045	146,818
Lease principal	-	-	289,158	(289,158)
Lease interest	-	-	47,964	(47,964)
SBITA principal	-	-	677,808	(677,808)
SBITA interest	-	-	27,112	(27,112)
Total debt service	<u>10,469,500</u>	<u>9,295,243</u>	<u>9,825,799</u>	<u>(530,556)</u>
Total expenditures	<u>80,380,567</u>	<u>85,524,011</u>	<u>78,259,570</u>	<u>7,264,441</u>
Other financing uses:				
Transfers to capital projects	2,166,406	5,835,007	4,235,994	1,599,013
Transfers to utility fund	-	100,000	25,000	75,000
Total other financing uses	<u>2,166,406</u>	<u>5,935,007</u>	<u>4,260,994</u>	<u>1,674,013</u>
Total General Fund expenditures and other financing uses	<u>\$ 82,546,973</u>	<u>\$ 91,459,018</u>	<u>\$ 82,520,564</u>	<u>\$ 8,938,454</u>

# Town of Leesburg, Virginia

Exhibit B-1

## Utilities Fund – Comparative Statements of Net Position June 30, 2025 (With Comparative Amounts for 2024)

	2025	2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 71,705,776	\$ 73,517,565
Accounts receivable, net	6,490,497	7,009,540
Lease receivable	2,910,034	3,099,861
Prepaid expenses	162,908	23,710
Inventory	1,039,005	1,054,552
Accrued interest	101,008	-
Restricted cash	6,627,863	-
Total current assets	89,037,091	84,705,228
<b>NONCURRENT ASSETS</b>		
Capital assets:		
Nondepreciable	17,874,737	11,411,599
Depreciable assets, net	196,531,913	197,866,797
Total noncurrent assets	214,406,650	209,278,396
Total assets	303,443,741	293,983,624
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension plan	1,507,073	1,139,290
Deferred outflows related to other post employment benefits	649,766	811,733
Deferred loss on refunding	414,439	1,474,907
Total deferred outflows of resources	2,571,278	3,425,930
Total assets and deferred outflows of resources	306,015,019	297,409,554
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	2,802,779	2,464,577
Accrued expenses	473,801	476,060
Accrued interest	866,884	737,918
Compensated absences	1,150,364	650,680
Retainage payable	242,780	404,006
Notes payable	1,978	3,022
Bonds payable	3,323,268	3,538,469
Performance bonds payable	9,000	9,000
Customer deposits and contingent charges	1,497,606	1,508,433
Total current liabilities	10,368,460	9,792,165
<b>NONCURRENT LIABILITIES</b>		
Compensated absences	418,312	236,610
Net pension obligation liability	2,400,078	2,698,330
Net other postemployment benefit liability	867,130	1,144,666
Notes payable	-	1,910
Bonds payable, net	48,059,537	52,389,286
Total noncurrent liabilities	51,745,057	56,470,802
Total liabilities	62,113,517	66,262,967
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to leases	2,714,269	2,942,734
Deferred inflows related to pension plan	760,939	428,362
Deferred inflows related to other postemployment benefits	479,886	895,873
Deferred gain on refunding	1,568,047	54,787
Total deferred inflows of resources	5,523,141	4,321,756
Total liabilities and deferred inflows of resources	67,636,658	70,584,723
<b>NET POSITION</b>		
Net investment in capital assets	166,199,240	152,473,899
Unrestricted	72,179,121	74,350,932
Total net position	\$ 238,378,361	\$ 226,824,831

**Town of Leesburg, Virginia**

Exhibit B-2

**Utilities Fund – Comparative Statements of Revenues, Expenses, and  
Changes in Net Position  
Year Ended June 30, 2025  
(With Comparative Amounts for 2024)**

	2025	2024
OPERATING REVENUES		
Charges for services	\$ 30,147,236	\$ 29,821,199
Other	221,297	76,387
Total operating revenues	30,368,533	29,897,586
OPERATING EXPENSES		
Personnel service	12,796,881	11,669,724
Contractual services	2,009,118	1,885,602
Depreciation and amortization	8,330,032	7,475,223
Materials and supplies	2,695,934	2,419,424
Continuous charges	1,682,992	1,784,070
Internal and other	767,920	575,477
Total operating expenses	28,282,877	25,809,520
Operating income	2,085,656	4,088,066
NONOPERATING REVENUES (EXPENSES)		
Gain on investments	4,068,930	3,735,310
Gain on sale and disposal of assets	121,212	203,688
Rental and other charges	438,221	505,562
Installation and connection charges	5,977,979	17,728,510
Interest and fiscal charges	(2,047,893)	(1,814,870)
Total nonoperating revenues, net	8,558,449	20,358,200
Income before capital contributions and transfers	10,644,105	24,446,266
TRANSFERS AND CAPITAL CONTRIBUTIONS		
Transfers in	25,000	-
Transfers out	(2,180,381)	(2,185,723)
Capital contributions	3,064,806	5,507,095
Total contributions and transfers, net	909,425	3,321,372
Change in net position	11,553,530	27,767,638
Total net position, beginning	226,824,831	199,057,193
Total net position, ending	<b>\$ 238,378,361</b>	<b>\$ 226,824,831</b>

# Town of Leesburg, Virginia

Exhibit B-3

## Utilities Fund – Comparative Statements of Cash Flows

Year Ended June 30, 2025  
(With Comparative Amounts for 2024)

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 30,876,749	\$ 29,269,420
Payments to suppliers for goods and services	(6,339,671)	(7,087,850)
Payments to employees for services	(13,750,688)	(12,266,286)
Net cash provided by operating activities	10,786,390	9,915,284
<b>NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Transfers in	25,000	-
Transfers out	(2,180,381)	(2,185,723)
Net cash used in noncapital and related financing activities	(2,155,381)	(2,185,723)
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Installation and connection charges	5,977,979	17,728,510
Acquisition and construction of capital assets	(10,688,447)	(10,085,900)
Proceeds from sale of capital assets	421,131	237,465
Payment to escrow agent for debt refunding	(21,170,000)	(11,760,173)
Proceeds from bond anticipation note	-	5,567,031
Premiums from bond issuance	2,463,091	671,204
Principal paid on debt	(2,271,422)	(3,465,773)
Proceeds from bond issuance	19,109,979	11,190,000
Principal collected on leases	189,827	182,477
Interest collected on leases	-	20,899
Interest and fiscal charges	(2,024,751)	(2,010,293)
Net cash provided by (used in) capital and related financing activities	(7,992,613)	8,275,447
<b>INVESTING ACTIVITIES</b>		
Investment gain	3,967,922	3,731,741
Rental, lease, and other charges	209,756	277,096
Net cash provided by investing activities	4,177,678	4,008,837
Net increase in cash and cash equivalents	4,816,074	20,013,845
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	73,517,565	53,503,720
Ending	\$ 78,333,639	\$ 73,517,565
<b>RECONCILIATION TO EXHIBIT B-1</b>		
Cash and cash equivalents	\$ 71,705,776	\$ 73,517,565
Cash and cash equivalents, restricted	6,627,863	-
Total cash and cash equivalents	\$ 78,333,639	\$ 73,517,565
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 2,085,656	\$ 4,088,066
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	8,330,032	7,475,223
Pension expense, net of contributions	(333,458)	(261,323)
Other postemployment benefits expense, net of contributions	(531,556)	(415,924)

**Town of Leesburg, Virginia**

Exhibit B-3

**Utilities Fund – Comparative Statements of Cash Flows**  
 Year Ended June 30, 2025  
 (With Comparative Amounts for 2024)

	2025	2024
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	519,043	(763,896)
Prepaid expenses	(139,198)	(11,178)
Inventory	15,547	(251,251)
Increase (decrease) in:		
Accounts payable	172,024	(160,849)
Accrued liabilities and compensated absences	679,127	80,685
Customer deposits and contingent charges	(10,827)	135,731
Net cash provided by operating activities	<b>\$ 10,786,390</b>	<b>\$ 9,915,284</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital contributions	<b>\$ 3,064,806</b>	<b>\$ 5,507,095</b>
Capital assets included in accounts payable	<b>\$ 2,296,882</b>	<b>\$ 1,887,924</b>
Capital assets transferred to governmental activities	<b>\$ -</b>	<b>\$ 40,951</b>

# Town of Leesburg, Virginia

Exhibit B-4

## Enterprise Fund – Utilities Operating Fund – Schedule of Operating Revenues and Expenses – Budget and Actual Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>UTILITIES OPERATIONS</b>				
Use of money and property	\$ 516,142	\$ 516,142	\$ 3,152,053	\$ 2,635,911
Charges for services	30,619,998	30,619,998	31,697,175	1,077,177
Contributions – pro-rata	-	-	3,064,806	3,064,806
Other misc. revenue	10,000	10,000	15,219	5,219
Other finance sources	-	500,000	1,329	(498,671)
Total operating revenue	<u>31,146,140</u>	<u>31,646,140</u>	<u>37,930,582</u>	<u>6,284,442</u>
<b>UTILITIES EXPENSES</b>				
Personnel services	13,333,990	13,333,990	12,796,881	(537,109)
Contractual services	4,430,840	5,262,274	2,767,059	(2,495,215)
Material and supplies	2,845,600	2,944,272	2,695,934	(248,338)
Project management cost	1,952,881	2,024,481	1,981,196	(43,285)
Continuous charges	1,915,065	1,819,560	1,682,992	(136,568)
Depreciation	-	-	8,330,032	8,330,032
Capital outlay	474,300	1,115,284	445,251	(670,033)
Interest expense and fiscal charges	6,193,464	6,193,464	2,047,893	(4,145,571)
Total operating expenses	<u>31,146,140</u>	<u>32,693,325</u>	<u>32,747,238</u>	<u>53,913</u>
Net operating income (loss)	<u>-</u>	<u>(1,047,185)</u>	<u>5,183,344</u>	<u>6,230,529</u>
<b>TRANSFERS</b>				
Transfers in from Utilities Replacement Fund	-	224,600	25,000	(199,600)
Transfers out to Utilities Replacement Fund	-	-	(6,836,140)	(6,836,140)
Total transfers, net	<u>-</u>	<u>224,600</u>	<u>(6,811,140)</u>	<u>(7,035,740)</u>
Change in operating net position	<u>\$ -</u>	<u>\$ (822,585)</u>	<u>\$ (1,627,796)</u>	<u>\$ (805,211)</u>

**Town of Leesburg, Virginia**

Exhibit C-1

**Internal Service Fund – Comparative Statements of Net Position**  
**June 30, 2025**  
**(With Comparative Amounts for 2024)**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,084,289	\$ 1,810,590
Receivables (net of allowance for doubtful accounts):		
Trade and other accounts	33,578	29,614
Accrued interest	2,438	-
Prepaid expenses	52,952	-
Total assets	1,173,257	1,840,204
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	2,917	2,379
Insurance and benefit claims	1,181,480	1,055,375
Total liabilities	1,184,397	1,057,754
<b>NET POSITION</b>		
Unrestricted	(11,140)	782,450
Total net position	\$ (11,140)	\$ 782,450

# Town of Leesburg, Virginia

Exhibit C-2

## Internal Service Fund – Comparative Statements of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2025

(With Comparative Amounts for 2024)

	2025	2024
OPERATING REVENUES		
Charges for services	\$ 5,176,726	\$ 5,004,438
Other	-	52
Total operating revenues	5,176,726	5,004,490
OPERATING EXPENSES		
Risk financing and benefit payments	6,043,828	5,300,380
Total operating expenses	6,043,828	5,300,380
Operating loss	(867,102)	(295,890)
NONOPERATING REVENUES		
Interest on investments	73,512	31,480
Total nonoperating revenues	73,512	31,480
Change in net position	(793,590)	(264,410)
Total net position, beginning	782,450	1,046,860
Total net position, ending	\$ (11,140)	\$ 782,450

**Town of Leesburg, Virginia**

Exhibit C-3

**Internal Service Fund – Comparative Statements of Cash Flows**  
**Year Ended June 30, 2025**  
**(With Comparative Amounts for 2024)**

	<b>2025</b>	<b>2024</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from interfund services provided	\$ 5,172,762	\$ 5,000,485
Claims and benefits paid	(5,970,137)	(5,192,861)
Net cash used in operating activities	(797,375)	(192,376)
<b>INVESTING ACTIVITIES</b>		
Interest on investments	71,074	31,480
Net cash provided by investing activities	71,074	31,480
Net decrease in cash and cash equivalents	(726,301)	(160,896)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	1,810,590	1,971,486
Ending	\$ 1,084,289	\$ 1,810,590
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Operating loss	\$ (867,102)	\$ (295,890)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(3,964)	(4,005)
Prepaid expenses	(52,952)	-
Increase (decrease) in:		
Accounts payable	538	(7,753)
Insurance and benefit claims	126,105	115,272
Net cash used in operating activities	\$ (797,375)	\$ (192,376)

**Town of Leesburg, Virginia**  
**Special Revenue Fund – Balance Sheet**  
June 30, 2025

Exhibit D-1

**Thomas Balch  
Library  
Endowment  
Fund**

---

**ASSETS**

CURRENT ASSETS

Cash, cash equivalents, and investments  
Total assets

\$ 1,458,559  
1,458,559

**LIABILITIES**

CURRENT LIABILITIES

Accrued liabilities - other  
Total liabilities

1,545  
1,545

**FUND BALANCE**

Restricted  
Total fund balance  
Total liabilities and fund balances

1,457,014  
1,457,014  
\$ 1,458,559

Town of Leesburg, Virginia

Exhibit D-2

Special Revenue Fund – Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2025

	<b>Thomas Balch Library Endowment Fund</b>
REVENUES	
Contributions	\$ 13,172
Interest and investment gains	154,606
Total revenues	<u>167,778</u>
EXPENDITURES	
Capital projects	4,530
Contractual services	11,545
Total expenditures	<u>16,075</u>
Net change in fund balance	151,703
Fund balance, beginning	<u>1,305,311</u>
Fund balance, ending	<u><b>\$ 1,457,014</b></u>

---

THIS PAGE INTENTIONALLY LEFT BLANK

# Statistical Section

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.

## Contents

	<b>Tables</b>
<b>Financial Trends</b> .....	<b>1-6</b>
These tables contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b> .....	<b>7-12</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.	
<b>Debt Capacity</b> .....	<b>13-16</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.	
<b>Demographic and Economic Information</b> .....	<b>17-18</b>
These tables offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place.	
<b>Operating Information</b> .....	<b>19-22</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.	

*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

Table 1

## Net Position by Component Last Ten Fiscal Years (Accrual Basis of Accounting) (Unaudited)

	Fiscal Year									
	2016 (1)	2017	2018	2019	2020	2021	2022 (2)	2023	2024	2025
Governmental activities:										
Net investment in capital assets	\$ 260,418,011	\$ 283,018,215	\$ 294,700,876	\$ 305,543,608	\$ 316,442,063	\$ 309,533,766	\$ 341,585,240	\$ 354,834,574	\$ 369,077,599	\$ 365,020,730
Restricted	15,074,126	13,860,762	12,012,955	12,295,849	11,020,631	13,689,817	10,766,067	10,748,017	10,818,408	11,263,362
Unrestricted	12,371,943	12,634,883	10,367,657	11,415,206	11,181,903	21,308,737	27,945,118	38,444,972	39,682,038	48,534,318
Total governmental activities net position	<b>\$ 287,864,080</b>	<b>\$ 309,513,860</b>	<b>\$ 317,081,488</b>	<b>\$ 329,254,663</b>	<b>\$ 338,644,597</b>	<b>\$ 344,532,320</b>	<b>\$ 380,296,425</b>	<b>\$ 404,027,563</b>	<b>\$ 419,578,045</b>	<b>\$ 424,818,410</b>
Business-type activities:										
Net investment in capital assets	\$ 106,514,815	\$ 116,239,800	\$ 119,676,742	\$ 120,511,325	\$ 121,944,564	\$ 132,795,226	\$ 138,069,997	\$ 146,393,320	\$ 152,473,899	\$ 166,199,240
Unrestricted	17,627,323	22,415,979	22,418,522	29,606,252	42,030,504	43,236,895	50,122,305	52,663,873	74,350,932	72,179,121
Total business-type activities net position	<b>\$ 124,142,138</b>	<b>\$ 138,655,779</b>	<b>\$ 142,095,264</b>	<b>\$ 150,117,577</b>	<b>\$ 163,975,068</b>	<b>\$ 176,032,121</b>	<b>\$ 188,192,302</b>	<b>\$ 199,057,193</b>	<b>\$ 226,824,831</b>	<b>\$ 238,378,361</b>
Primary government:										
Net investment in capital assets	\$ 366,932,826	\$ 399,258,015	\$ 414,377,618	\$ 426,054,933	\$ 438,386,627	\$ 442,328,992	\$ 479,655,237	\$ 501,227,894	521,551,498	\$ 531,219,970
Restricted	15,074,126	13,860,762	12,012,955	12,295,849	11,020,631	13,689,817	10,766,067	10,748,017	10,818,408	11,263,362
Unrestricted	29,999,266	35,050,862	32,786,179	41,021,458	53,212,407	64,545,632	78,067,423	91,108,845	114,032,970	120,713,439
Total primary government net position	<b>\$ 412,006,218</b>	<b>\$ 448,169,639</b>	<b>\$ 459,176,752</b>	<b>\$ 479,372,240</b>	<b>\$ 502,619,665</b>	<b>\$ 520,564,441</b>	<b>\$ 568,488,727</b>	<b>\$ 603,084,756</b>	<b>\$ 646,402,876</b>	<b>\$ 663,196,771</b>

(1) Beginning net position was restated as of June 30, 2016.

(2) Beginning net position was restated as of June 30, 2022.

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

# Town of Leesburg, Virginia

## Changes in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting) (Unaudited)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental activities:										
Legislative	\$ 252,822	\$ 258,238	\$ 275,494	\$ 266,921	\$ 306,311	\$ 284,782	\$ 392,862	\$ 320,120	\$ 472,768	\$ 831,373
Executive	2,502,210	2,162,353	2,011,487	2,250,835	2,638,713	3,476,734	2,594,181	3,115,470	3,228,633	3,785,053
Legal	730,310	764,127	850,797	1,449,665	1,281,417	1,094,510	1,616,223	1,802,306	1,768,536	1,480,389
Finance	4,623,142	4,906,502	5,574,621	5,577,072	6,754,364	6,375,565	6,497,089	7,993,864	8,105,600	9,081,577
Public safety	13,091,832	12,749,163	13,696,258	14,103,272	14,496,980	13,741,579	12,970,372	13,623,509	16,754,491	17,761,633
Public works	17,881,225	20,915,538	21,626,022	22,771,022	21,167,673	21,333,317	79,247,778	23,529,213	24,348,678	34,583,751
Parks and recreation	8,474,752	7,323,433	8,550,169	8,611,563	7,720,777	7,093,510	7,870,812	8,729,678	8,692,554	10,476,891
Balch Library	666,442	670,011	521,563	540,759	515,262	482,434	580,140	650,593	732,256	713,962
Planning and zoning	1,634,254	1,649,401	2,050,272	1,892,780	2,155,625	1,967,412	2,124,061	-	-	-
Plan review	1,346,812	1,329,164	1,351,632	1,460,785	1,446,718	1,493,857	1,535,305	-	-	-
Community development	-	-	-	-	-	-	-	3,869,045	4,859,129	5,099,425
Airport	1,887,605	1,949,301	2,145,464	2,313,619	1,703,631	1,667,720	2,170,564	1,977,343	1,655,875	2,062,863
Townwide	-	-	-	-	84,100	5,484,709	-	-	-	-
Interest	3,078,679	2,966,378	2,299,739	2,056,929	2,643,027	2,013,094	1,805,035	1,589,928	2,293,336	3,072,143
<b>Total governmental activities</b>	<b>56,170,085</b>	<b>57,643,609</b>	<b>60,953,518</b>	<b>63,295,222</b>	<b>62,914,598</b>	<b>66,509,223</b>	<b>119,404,422</b>	<b>67,201,069</b>	<b>72,911,856</b>	<b>88,949,060</b>
Business-type activities:										
Utilities	19,288,252	19,168,447	19,891,648	20,814,411	22,969,825	21,657,431	23,384,160	26,616,062	27,624,390	30,330,770
<b>Total business-type activities</b>	<b>19,288,252</b>	<b>19,168,447</b>	<b>19,891,648</b>	<b>20,814,411</b>	<b>22,969,825</b>	<b>21,657,431</b>	<b>23,384,160</b>	<b>26,616,062</b>	<b>27,624,390</b>	<b>30,330,770</b>
<b>Total government</b>	<b>75,458,337</b>	<b>76,812,056</b>	<b>80,845,166</b>	<b>84,109,633</b>	<b>85,884,423</b>	<b>88,166,654</b>	<b>142,788,582</b>	<b>93,817,131</b>	<b>100,536,246</b>	<b>119,279,830</b>
Program revenue:										
Governmental activities:										
Charges for services:										
Legislative	-	319,340	-	-	-	-	-	-	-	-
Public safety	441,899	398,197	431,632	700,562	490,334	293,768	317,789	300,418	436,973	751,284
Public works	265,239	115,470	177,044	159,506	169,809	72,114	162,634	134,906	195,631	176,476
Parks and recreation	4,990,892	4,938,988	5,076,884	5,121,409	3,323,120	3,172,606	4,421,423	5,278,435	5,588,630	5,970,625
Plan review	-	1,280,528	896,791	948,850	1,032,586	1,208,102	677,041	-	-	-
Planning and zoning	513,145	1,919,609	252,393	382,255	458,660	299,752	377,160	-	-	-
Community development	-	-	-	-	-	-	-	996,168	777,856	1,230,856
Airport	-	-	101,252	81,960	91,746	99,390	107,008	200,847	173,769	205,516
Operating grants and contributions:										
Executive	259,066	-	861,824	789,810	916,872	615,674	626,970	564,257	688,368	1,708,668
Public safety	1,562,618	1,216,964	1,104,541	1,119,632	1,172,277	1,196,462	1,298,482	1,363,490	1,300,141	1,382,959
Public works	3,848,932	4,529,490	4,295,620	4,086,213	5,611,524	3,928,356	4,031,336	4,679,808	5,098,015	8,551,548
Parks and recreation	586	5,000	4,500	4,500	-	4,500	4,500	4,500	4,500	4,500
Balch Library	8,872	-	-	-	-	-	-	-	-	-
Airport	113,578	82,780	218,889	259,073	950,083	223,137	438,780	5,030,013	2,364,665	4,976,099
Townwide	-	-	-	-	-	9,458,419	2,971,104	3,004,640	101,713	55,579

# Town of Leesburg, Virginia

Table 2

## Changes in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting) (Unaudited)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Capital grants and contributions:										
Executive	-	36,298	-	-	-	-	-	-	-	-
Public works	8,557,324	12,719,606	21,434,223	15,795,097	14,187,071	10,098,336	89,273,115	12,355,004	10,040,197	1,986,299
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Airport	304,166	-	-	-	-	-	-	-	-	-
Total governmental activities program revenue	<u>20,866,317</u>	<u>27,562,270</u>	<u>34,855,593</u>	<u>29,448,867</u>	<u>28,404,082</u>	<u>30,670,616</u>	<u>104,707,342</u>	<u>33,912,486</u>	<u>26,770,458</u>	<u>27,000,409</u>
Business-type activities:										
Charges for services:										
Utilities	18,639,231	22,387,305	23,873,384	26,416,360	30,306,649	28,103,698	34,665,765	29,578,425	47,549,709	36,125,215
Operating grants and contributions:										
Utilities	1,598,450	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
Utilities	571,739	12,128,538	2,811,012	2,229,789	6,474,287	520,097	2,394,458	7,057,614	5,507,095	2,880,986
Total business-type activities program revenues	<u>20,809,420</u>	<u>34,515,843</u>	<u>26,684,396</u>	<u>28,646,149</u>	<u>36,780,936</u>	<u>28,623,795</u>	<u>37,060,223</u>	<u>36,636,039</u>	<u>53,056,804</u>	<u>39,006,201</u>
Total government program revenues	<u>41,675,737</u>	<u>62,078,113</u>	<u>61,539,989</u>	<u>58,095,016</u>	<u>65,185,018</u>	<u>59,294,411</u>	<u>141,767,565</u>	<u>70,548,525</u>	<u>79,827,262</u>	<u>66,006,610</u>
Net (expense) revenue:										
Governmental activities	(35,303,768)	(30,081,339)	(26,097,925)	(33,846,355)	(34,510,516)	(35,838,607)	(14,697,080)	(33,288,583)	(46,141,398)	(61,948,651)
Business-type activities	1,521,168	15,347,396	6,792,748	7,831,738	13,811,111	6,966,364	13,676,063	10,019,977	25,432,414	8,675,431
Total government net expense	<u>(33,782,600)</u>	<u>(14,733,943)</u>	<u>(19,305,177)</u>	<u>(26,014,617)</u>	<u>(20,699,405)</u>	<u>(28,872,243)</u>	<u>(1,021,017)</u>	<u>(23,268,606)</u>	<u>(20,708,984)</u>	<u>(53,273,220)</u>
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
General property	14,184,837	14,811,321	15,635,984	16,611,960	17,554,757	19,155,387	18,834,777	22,171,204	24,163,922	29,884,179
Communication sales and use	7,234,856	7,426,112	7,230,196	7,528,737	7,882,027	7,993,969	8,681,551	8,884,029	8,121,751	7,677,405
Meals	5,247,114	5,275,413	5,841,127	5,939,892	5,175,671	5,540,382	7,545,383	7,378,289	8,125,216	8,244,540
Business and occupational licenses	3,152,175	3,482,857	3,620,884	3,727,985	3,793,027	4,031,292	4,361,698	4,752,232	4,935,576	5,366,510
Utility	1,525,755	1,521,738	1,544,206	1,530,840	1,494,085	1,488,711	1,495,254	1,555,313	1,590,911	1,619,374
Cigarette	905,450	872,841	821,296	726,665	675,880	616,040	618,476	623,539	564,112	525,179
Bank franchise	-	-	-	-	-	-	-	-	-	1,664,651
Transient occupancy	-	-	-	-	-	-	-	-	-	1,253,124
Motor vehicle license	-	-	-	-	-	-	-	-	-	274,376
Other	2,892,316	2,879,141	3,252,683	3,494,156	3,002,327	3,336,541	3,540,511	3,552,928	3,851,144	6,206
Intergovernmental, non-categorical aid	2,756,311	11,200,431	2,516,960	1,638,232	1,571,043	1,725,059	1,614,703	1,871,034	1,878,479	1,893,413
Use of money and property	2,185,769	2,581,923	2,410,130	3,181,950	2,719,823	2,039,440	2,079,350	3,967,153	5,807,856	6,621,988
Miscellaneous, lease, gains on asset sales	611,090	257,235	82,456	287,813	109,750	361,665	175,628	371,000	426,239	186,510
Transfers	1,723,931	1,422,107	1,324,800	1,351,300	1,421,440	(4,562,156)	1,764,000	1,893,000	2,226,674	1,971,561
Total governmental activities	<u>42,419,604</u>	<u>51,731,119</u>	<u>44,280,722</u>	<u>46,019,530</u>	<u>45,399,830</u>	<u>41,726,330</u>	<u>50,711,331</u>	<u>57,019,721</u>	<u>61,691,880</u>	<u>67,189,016</u>

# Town of Leesburg, Virginia

Table 2

## Changes in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting) (Unaudited)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type activities:										
Use of money and property	236,150	350,671	312,200	901,174	740,938	83,482	(72,008)	2,198,738	3,735,310	4,068,930
Miscellaneous and gains on asset sales	424,837	237,681	481,091	640,701	726,882	445,051	753,452	539,176	826,588	780,730
Transfers	(1,723,931)	(1,422,107)	(1,324,800)	(1,351,300)	(1,421,440)	4,562,156	(1,764,000)	(1,893,000)	(2,226,674)	(1,971,561)
Total business-type activities	<u>(1,062,944)</u>	<u>(833,755)</u>	<u>(531,509)</u>	<u>190,575</u>	<u>46,380</u>	<u>5,090,689</u>	<u>(1,082,556)</u>	<u>844,914</u>	<u>2,335,224</u>	<u>2,878,099</u>
Total primary government	<u>38,960,192</u>	<u>41,356,660</u>	<u>50,897,364</u>	<u>46,210,105</u>	<u>45,446,210</u>	<u>46,817,019</u>	<u>49,628,775</u>	<u>57,864,635</u>	<u>64,027,104</u>	<u>70,067,115</u>
Changes in net position:										
Governmental activities	7,115,836	21,649,780	18,182,797	12,173,175	10,889,314	5,887,723	36,014,251	23,731,138	15,550,482	5,240,365
Business-type activities	458,224	14,513,641	6,261,239	8,022,313	13,857,491	12,057,053	12,593,507	10,864,891	27,767,638	11,553,530
Total primary government	<u>\$ 7,574,060</u>	<u>\$ 36,163,421</u>	<u>\$ 24,444,036</u>	<u>\$ 20,195,488</u>	<u>\$ 24,746,805</u>	<u>\$ 17,944,776</u>	<u>\$ 48,607,758</u>	<u>\$ 34,596,029</u>	<u>\$ 43,318,120</u>	<u>\$ 16,793,895</u>

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 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.

# Town of Leesburg, Virginia

Table 3

## Program Revenues by Function/Program Last Ten Fiscal Years (Accrual Basis of Accounting) (Unaudited)

Function / Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Legislative	\$ -	\$ 319,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Executive	259,066	36,298	861,824	789,810	916,872	615,674	626,970	564,257	688,368	1,708,668
Parks and recreation	4,991,478	4,943,988	5,081,384	5,125,909	3,323,120	3,177,106	4,425,923	5,282,935	5,593,130	5,975,125
Balch Library	8,872	-	-	-	-	-	-	-	-	-
Planning and zoning	513,145	1,919,609	252,393	382,255	458,660	299,752	377,160	-	-	-
Public works	12,671,495	17,364,566	25,906,887	20,040,816	19,968,404	14,098,806	93,467,085	17,169,718	15,333,843	10,714,323
Public safety	2,004,517	1,615,161	1,536,173	1,820,194	1,662,611	1,490,230	1,616,271	1,663,908	1,737,114	2,134,243
Plan review	-	1,280,528	896,791	948,850	1,032,586	1,208,102	677,041	-	-	-
Community development	-	-	-	-	-	-	-	996,168	777,856	1,230,856
Airport	417,744	82,780	320,141	341,033	1,041,829	322,527	545,788	5,230,860	2,538,434	5,181,615
Townwide	-	-	-	-	-	9,458,419	2,971,104	3,004,640	101,713	55,579
Total governmental activities	<u>20,866,317</u>	<u>27,562,270</u>	<u>34,855,593</u>	<u>29,448,867</u>	<u>28,404,082</u>	<u>30,670,616</u>	<u>104,707,342</u>	<u>33,912,486</u>	<u>26,770,458</u>	<u>27,000,409</u>
Business-type activities:										
Utilities	20,809,420	34,515,843	26,684,396	28,646,149	36,780,936	28,623,795	37,060,223	36,636,039	53,056,804	39,006,201
Total business-type activities	<u>20,809,420</u>	<u>34,515,843</u>	<u>26,684,396</u>	<u>28,646,149</u>	<u>36,780,936</u>	<u>28,623,795</u>	<u>37,060,223</u>	<u>36,636,039</u>	<u>53,056,804</u>	<u>39,006,201</u>
Total government	<u><u>\$ 41,675,737</u></u>	<u><u>\$ 62,078,113</u></u>	<u><u>\$ 61,539,989</u></u>	<u><u>\$ 58,095,016</u></u>	<u><u>\$ 65,185,018</u></u>	<u><u>\$ 59,294,411</u></u>	<u><u>\$ 141,767,565</u></u>	<u><u>\$ 70,548,525</u></u>	<u><u>\$ 79,827,262</u></u>	<u><u>\$ 66,006,610</u></u>

**Town of Leesburg, Virginia**  
**Fund Balances – Governmental Funds**  
**Last Ten Fiscal Years**  
*(Modified Accrual Basis of Accounting)*  
**(Unaudited)**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Nonspendable	\$ 217,801	\$ 302,316	\$ 277,338	\$ 224,707	\$ -	\$ 394,248	\$ 469,157	\$ 578,958	\$ 717,121	\$ 327,769
Restricted	1,025,170	1,379,857	716,204	888,975	847,935	3,864,355	3,910,683	3,537,878	2,984,432	2,509,797
Assigned	12,940,397	14,145,306	14,010,719	13,744,579	10,892,207	11,796,983	19,765,448	20,544,627	22,660,211	22,477,672
Unassigned	11,521,249	12,288,356	14,494,275	11,610,081	14,695,778	23,299,386	22,336,003	28,342,103	27,235,766	30,586,776
Total general fund	<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>	<u>\$ 46,481,291</u>	<u>\$ 53,003,566</u>	<u>\$ 53,597,530</u>	<u>\$ 55,902,014</u>
All Other Governmental Funds:										
Nonspendable, reported in:										
Capital projects fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,902	\$ 4,000	\$ 750	\$ 750
Restricted, reported in:										
Capital projects fund	12,595,634	12,480,905	14,277,505	14,487,721	9,052,617	8,493,436	9,932,743	10,330,619	30,506,392	13,122,135
NVTA fund	-	-	-	-	65,449	65,449	65,449	-	-	-
Other governmental funds	-	-	1,130,864	893,187	1,054,630	1,266,577	1,083,372	1,197,640	1,305,311	1,457,014
Committed, reported in:										
Capital projects fund	5,044,819	10,557,120	2,180,641	14,347,994	8,042,273	3,430,156	12,535,347	27,141,488	22,023,449	14,585,531
Assigned, reported in:										
Capital projects fund	-	-	1,271,396	3,105,275	-	3,451,472	-	-	-	1,000,000
Unassigned, reported in:										
Capital projects fund	(3,980,575)	(9,581,537)	-	(8,405,774)	(8,283,240)	-	(8,586,350)	(24,878,600)	(20,587,943)	(8,261,613)
Other governmental funds	-	-	-	-	(32,946)	-	-	-	-	-
Total all other government funds	<u>\$ 13,659,878</u>	<u>\$ 13,456,488</u>	<u>\$ 18,860,406</u>	<u>\$ 24,428,403</u>	<u>\$ 9,898,783</u>	<u>\$ 16,707,090</u>	<u>\$ 15,069,463</u>	<u>\$ 13,795,147</u>	<u>\$ 33,247,959</u>	<u>\$ 21,903,817</u>

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

# Town of Leesburg, Virginia

Table 5

## Changes in Fund Balances – Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting) (Unaudited)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues:</b>										
General property taxes	\$ 14,389,962	\$ 14,816,811	\$ 15,692,223	\$ 16,763,012	\$ 16,540,635	\$ 18,814,097	\$ 20,170,491	\$ 22,236,816	\$ 24,136,710	\$ 29,910,687
Other local taxes	18,864,268	14,031,990	15,080,196	15,419,538	14,140,990	15,012,966	17,561,322	17,862,301	19,066,959	18,953,960
Permits, privilege fees, and regulatory licenses	772,765	1,280,528	1,366,410	1,368,371	1,582,992	1,607,244	1,161,209	1,197,015	951,625	1,436,372
Fines and forfeitures	341,152	378,181	426,404	558,857	426,867	252,776	291,303	300,383	428,805	743,093
Use of money and property	2,185,769	2,574,671	2,403,511	3,181,950	2,719,823	2,039,440	2,079,350	3,967,153	5,807,856	6,621,988
Charges for services	5,097,258	5,075,406	5,263,363	5,422,620	3,556,396	3,285,712	4,610,543	5,413,376	5,792,429	6,155,292
Contributions and proffers	961,402	2,260,800	3,989,498	1,616,097	2,348,880	2,346,144	2,069,033	815,031	1,478,970	1,568,990
Grants	-	-	5,250	8,700	-	-	-	-	-	-
Miscellaneous	611,090	257,235	77,206	279,113	109,750	361,665	(202,008)	119,160	205,395	186,510
Intergovernmental	15,380,716	24,919,385	32,456,282	23,620,180	27,976,350	29,035,495	78,215,432	30,353,274	24,980,982	26,250,171
<b>Total revenues</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>125,956,675</b>	<b>82,264,509</b>	<b>82,849,731</b>	<b>91,827,063</b>
<b>Expenditures:</b>										
Legislative	249,418	247,809	280,712	255,452	280,031	266,202	347,356	295,327	289,628	334,547
Executive	2,251,468	1,887,672	1,689,964	1,886,653	2,368,301	3,087,773	2,323,690	2,731,957	3,348,327	3,292,776
Legal	738,157	761,453	835,408	1,449,337	1,283,155	1,073,543	1,597,631	1,785,037	1,798,608	1,392,054
Finance	4,921,814	4,795,874	5,417,654	5,540,062	5,806,893	6,158,087	6,865,230	7,746,091	7,930,064	8,928,903
Public safety	13,242,169	12,467,978	13,325,521	14,069,073	13,813,223	13,243,794	13,459,096	13,657,147	17,040,733	17,104,888
Public works	12,878,286	14,391,996	14,173,810	14,360,321	14,455,259	14,255,891	69,542,898	16,291,434	20,738,669	21,285,006
Parks and recreation	7,845,039	7,640,573	7,627,827	7,701,535	6,597,044	5,939,831	7,218,136	7,933,830	8,474,765	9,102,159
Balch Library	488,583	490,644	505,607	536,704	500,019	465,980	560,785	635,922	720,543	703,569
Planning and zoning	1,663,251	1,650,178	2,021,595	1,881,100	2,128,753	1,942,018	2,132,944	-	-	-
Plan review	1,388,654	1,333,740	1,334,333	1,464,977	1,426,408	1,490,510	1,526,324	-	-	-
Community development	-	-	-	-	-	-	-	4,007,520	5,077,688	5,191,802
Airport	716,544	771,312	743,773	750,389	705,488	737,823	851,403	1,073,301	1,179,403	1,109,612
Capital projects	8,880,704	10,341,003	15,936,356	13,470,015	18,205,678	9,427,928	17,044,248	19,495,841	19,760,160	26,196,069
Townwide	-	-	-	-	84,100	5,484,709	-	-	-	-
<b>Debt service:</b>										
Principal	2,505,000	5,020,000	5,377,001	5,582,241	5,871,208	2,469,961	6,658,834	8,075,637	7,722,604	7,045,209
Interest and fiscal charges	2,997,383	3,004,766	2,584,951	2,484,035	2,654,883	1,881,416	2,070,717	2,066,537	2,185,731	2,780,590
Debt issuance cost	-	226,075	-	-	159,864	507,390	92,826	-	369,130	164,118
<b>Total expenditures</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>132,292,118</b>	<b>85,795,581</b>	<b>96,636,053</b>	<b>104,631,302</b>
<b>Excess (deficiency) of revenues over expenditures</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>(6,335,443)</b>	<b>(3,531,072)</b>	<b>(13,786,322)</b>	<b>(12,804,239)</b>

# Town of Leesburg, Virginia

Table 5

## Changes in Fund Balances – Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting) (Unaudited)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other financing sources (uses):										
Transfers in	6,930,644	5,164,734	3,982,397	9,660,299	5,121,963	7,557,703	6,748,714	5,625,669	7,839,883	8,674,291
Transfers out	(5,423,779)	(3,742,627)	(2,657,597)	(8,308,999)	(3,700,523)	(5,980,705)	(4,984,714)	(3,732,669)	(5,654,160)	(6,518,910)
Issuance of debt	-	-	555,988	1,342,833	9,940,933	6,944,301	16,274,716	6,716,307	36,762,819	7,400,369
Proceeds of refunding bonds	-	13,029,935	-	-	-	8,610,000	-	-	-	-
Payment to refunded bond escrow agent	-	(14,218,960)	-	-	(9,350,000)	(9,380,000)	(6,418,707)	-	(10,673,536)	(6,930,000)
Premium (discount) on issuance debt	-	1,410,812	-	-	1,378,914	1,174,178	-	-	3,911,665	881,682
Issuance of lease	-	-	-	-	-	-	-	-	1,493,122	-
Proceeds from sale of property	-	-	-	-	-	-	136,043	169,724	153,305	257,149
Total other financing sources, net	<u>1,506,865</u>	<u>1,643,894</u>	<u>1,880,788</u>	<u>2,694,133</u>	<u>3,391,287</u>	<u>8,925,477</u>	<u>11,756,052</u>	<u>8,779,031</u>	<u>33,833,098</u>	<u>3,764,581</u>
Net changes in fund balances	<u><b>\$ (655,223)</b></u>	<u><b>\$ 2,207,828</b></u>	<u><b>\$ 6,786,619</b></u>	<u><b>\$ (499,323)</b></u>	<u><b>\$ (3,546,337)</b></u>	<u><b>\$ 13,248,160</b></u>	<u><b>\$ 5,420,609</b></u>	<u><b>\$ 5,247,959</b></u>	<u><b>\$ 20,046,776</b></u>	<u><b>\$ (9,039,658)</b></u>
Total debt service	<u><b>\$ 5,502,383</b></u>	<u><b>\$ 8,024,766</b></u>	<u><b>\$ 7,961,952</b></u>	<u><b>\$ 8,066,276</b></u>	<u><b>\$ 8,526,091</b></u>	<u><b>\$ 4,351,377</b></u>	<u><b>\$ 8,729,551</b></u>	<u><b>\$ 10,142,174</b></u>	<u><b>\$ 9,908,335</b></u>	<u><b>\$ 9,825,799</b></u>
Total expenditures	<u>\$ 60,766,470</u>	<u>\$ 65,031,073</u>	<u>\$ 71,854,512</u>	<u>\$ 71,431,894</u>	<u>\$ 76,340,307</u>	<u>\$ 68,432,856</u>	<u>\$ 132,292,118</u>	<u>\$ 85,795,581</u>	<u>\$ 96,636,053</u>	<u>\$ 104,631,302</u>
Less: capital outlay	<u>(10,812,959)</u>	<u>(10,341,003)</u>	<u>(14,369,653)</u>	<u>(10,284,912)</u>	<u>(18,886,882)</u>	<u>(9,531,634)</u>	<u>(13,204,709)</u>	<u>(20,208,635)</u>	<u>(26,231,904)</u>	<u>(28,413,467)</u>
Noncapital expenditures	<u><b>\$ 49,953,511</b></u>	<u><b>\$ 54,690,070</b></u>	<u><b>\$ 57,484,859</b></u>	<u><b>\$ 61,146,982</b></u>	<u><b>\$ 57,453,425</b></u>	<u><b>\$ 58,901,222</b></u>	<u><b>\$ 119,087,409</b></u>	<u><b>\$ 65,586,946</b></u>	<u><b>\$ 70,404,149</b></u>	<u><b>\$ 76,217,835</b></u>
Debt service as a percentage of noncapital expenditures	<u><b>11.02%</b></u>	<u><b>14.67%</b></u>	<u><b>13.85%</b></u>	<u><b>13.19%</b></u>	<u><b>14.84%</b></u>	<u><b>7.39%</b></u>	<u><b>7.33%</b></u>	<u><b>15.46%</b></u>	<u><b>14.07%</b></u>	<u><b>12.89%</b></u>

# Town of Leesburg, Virginia

Table 6

## Five-Year Summary of Revenues, Expenditures, and Changes in Fund Balance – General Fund (Unaudited)

	Fiscal Year				
	2021	2022	2023	2024	2025
<b>Revenues</b>					
General property taxes	\$ 18,814,097	\$ 20,170,491	\$ 22,236,816	\$ 24,136,710	\$ 29,910,687
Other local taxes	15,012,966	17,561,322	17,862,301	19,066,959	18,953,960
Permits, fees, and licenses	1,607,244	1,161,209	1,197,015	951,625	1,436,372
Fines and forfeitures	252,776	291,303	300,383	428,805	743,093
Use of money and property	2,050,266	2,067,931	3,560,212	5,000,386	4,847,884
Charges for services	3,285,712	4,610,543	5,413,376	5,792,429	6,155,292
Contributions and proffers	319,188	306,983	51,302	67,442	54,488
Miscellaneous	129,480	27,084	17,099	60,502	19,161
Intergovernmental	25,104,481	19,531,074	20,415,509	17,252,654	18,265,814
Loan proceeds	202,011	39,818	-	1,584,261	-
Issuance of leases	-	-	-	1,493,122	-
Transfer from other funds	6,093,703	4,126,022	3,659,253	4,426,552	4,438,297
<b>Total revenues</b>	<b>72,871,924</b>	<b>69,893,780</b>	<b>74,713,266</b>	<b>80,261,447</b>	<b>84,825,048</b>
<b>Expenditures</b>					
Legislative	266,202	347,356	295,327	289,628	334,547
Executive	3,087,773	2,323,690	2,731,957	3,348,327	3,292,776
Legal	1,073,543	1,597,631	1,785,037	1,798,608	1,392,054
Finance	6,158,087	6,865,230	7,746,091	7,930,064	8,928,903
Public safety	13,243,794	13,459,096	13,657,147	17,040,733	17,104,888
Public works	14,255,891	14,542,898	16,291,434	20,738,669	21,285,006
Parks and recreation	5,939,831	7,218,136	7,933,830	8,474,765	9,102,159
Balch library	457,314	550,510	626,206	710,213	692,024
Planning and zoning	1,942,018	2,132,944	131,517	-	-
Plan review	1,490,510	1,526,324	4,932	-	-
Community development	-	-	3,871,071	5,077,688	5,191,802
Airport	737,823	851,403	1,073,301	1,179,403	1,109,612
Townwide	5,484,709	-	-	-	-
<b>Debt Service</b>					
Principal retirement	2,469,961	6,658,834	8,075,637	7,722,604	7,045,209
Interest payments and other fiscal charges	1,881,416	2,070,717	2,066,537	1,943,450	2,780,590
Transfers to other funds	1,464,000	2,622,692	1,900,967	3,413,331	4,260,994
<b>Total expenditures</b>	<b>59,952,872</b>	<b>62,767,461</b>	<b>68,190,991</b>	<b>79,667,483</b>	<b>82,520,564</b>
Net change in fund balances	12,919,052	7,126,319	6,522,275	593,964	2,304,484
Fund balance, beginning of year	26,435,920	39,354,972	46,481,291	53,003,566	53,597,530
<b>Fund balance, end of year</b>	<b>\$ 39,354,972</b>	<b>\$ 46,481,291</b>	<b>\$ 53,003,566</b>	<b>\$ 53,597,530</b>	<b>\$ 55,902,014</b>

# 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	
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	\$ 35,563,953	
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	36,519,496	
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	38,272,227	
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	
2022	19,637,291	1,495,254	213,396	7,135,552	1,545,999	1,629,903	618,476	7,545,383	803,751	4,361,698	898,095	208,762	46,093,560	
2023	21,667,153	1,555,313	198,653	7,382,899	1,501,130	1,660,510	623,539	7,378,289	878,773	4,752,232	892,637	121,008	48,612,136	
2024	24,136,710	1,590,911	186,840	6,711,078	1,410,673	1,688,027	564,112	8,125,216	1,107,411	4,935,576	916,242	325,772	51,698,568	
2025	26,479,683	1,619,374	173,495	6,273,594	1,403,811	1,664,651	525,179	8,244,540	1,253,124	5,366,510	115,909	337,270	53,457,140	
Change 2016-2025		84%	6%	-35%	22%	-33%	69%	-42%	57%	70%	70%	-86%	17%	50%

Notes:  
(1) At its meeting on February 7, 2025, the Leesburg Town Council voted to eliminate the annual \$25.00 vehicle license fee beginning in Tax Year 2025.

(2) "Other" tax revenues for FY 2025 consists of the following sources:

Short-Term (Daily) Rental Tax	\$ 6,206
Right-of-Way Use Tax	158,467
Motor Vehicle Carrier Tax	112
Car Rental Tax	172,485
	<u>\$ 337,270</u>

**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	
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
2022	9,946,385,010	526,527,939	147,413,050	156,589	10,620,482,588
2023	10,815,278,020	602,929,115	149,255,277	103,159	11,567,565,571
2024	11,380,757,780	636,094,717	149,150,848	103,159	12,166,106,504
2025	13,420,737,250	583,133,883	154,463,467	103,769	14,158,438,369

Source: Department of Finance, 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) Beginning in 2022, personal property tax was assessed at 90% of market value. Beginning in 2023, the assessment was 95% of 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
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
2022	8,747,978,270	1,671,230,960	147,413,050	1,198,406,740	11,765,029,020	10,566,622,280	11.6	0.177	9,946,385,010	94
2023	9,475,893,930	1,818,412,490	149,255,277	1,339,384,090	12,782,945,787	11,443,561,697	8.3	0.177	10,815,278,020	95
2024	9,447,447,020	1,935,160,560	154,465,164	1,392,593,600	12,929,666,344	11,537,072,744	0.8	0.177	11,380,757,780	99
2025	10,189,199,440	3,218,311,840	163,007,861	1,390,707,680	14,961,226,821	13,570,519,141	17.6	0.177	13,420,737,250	99

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

Table 10

## Direct and Overlapping Property Tax Rates Last Ten Tax Years (Unaudited)

Tax Year	Tax Rates – Town		Tax Rates – County		Tax Rates – Combined	
	Real Property	Personal Property	Real Property	Personal Property	Real Property	Personal Property
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
2022	0.177	1.00	0.890	4.20	1.07	5.20
2023	0.177	1.00	0.875	4.15	1.05	5.15
2024	0.177	1.00	0.865	4.15	1.04	5.15
2025	0.177	1.00	0.805	4.15	0.98	5.15

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) 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.

# Town of Leesburg, Virginia

Table 11

## Principal Property Taxpayers

Current Year and Nine Years Ago

(Unaudited)

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Microsoft Corp	\$ 1,063,503,740	1	8.74 %	\$ -	-	-
Chelsea GCA Realty Partnership LP	193,249,850	2	1.59	196,055,180	1	2.87
TRC Leesburg Retail Owner LLC	145,284,270	3	1.19	-	-	-
Mainstay Leesburg LLC	91,449,440	4	0.75	-	-	-
GEP X Fieldstone LLC	90,484,360	5	0.74	-	-	-
SI NVA06A LLC	83,109,600	6	0.68	-	-	-
GEP XI Bellemeade LLC	74,461,090	7	0.61	-	-	-
C H Realty III/Battlefield LLC	64,607,990	8	0.53	44,800,320	7	0.66
KRG Leesburg fort Evans LLC	59,865,150	9	0.49	-	-	-
Leesburg Plaza LLC	47,586,000	10	0.39	-	-	-
Carlyle/Cypress Leesburg LLC	-	-	-	188,519,240	2	2.76
Federal Realty Investment Trust	-	-	-	61,313,700	3	0.90
RPAI Leesburg Fort Evans LLC	-	-	-	52,260,870	4	0.76
Potomac Station (E&A) LLC	-	-	-	48,380,830	5	0.71
Windsor at Fieldstone Ltd Partnership	-	-	-	46,302,710	6	0.68
Fund IX CB Leesburg LLC	-	-	-	38,983,380	8	0.57
Toll Road Investors Partnership II LP	-	-	-	32,145,700	9	0.47
NA Properties Inc	-	-	-	30,840,270	10	0.45
	<b>\$ 1,913,601,490</b>		<b>15.71 %</b>	<b>\$ 739,602,200</b>		<b>10.83 %</b>

Note:

(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. Assessed values per taxpayer provided by the Loudon County Commissioner of the Revenue's office.

**Real Property Tax Levies and Collections**  
**Last Ten Calendar Years**  
**(Unaudited)**

Calendar Year	Taxes Levied for the Calendar Year	Collected Within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections through June 30, 2025	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 12,377,675	\$ 12,121,029	97.93 %	\$ 176,987	\$ 12,298,016	99.36 %
2017	12,935,963	12,653,736	97.82	198,970	12,852,706	99.36
2018	13,654,178	13,428,080	98.34	199,490	13,627,570	99.81
2019	14,270,526	7,144,734	50.07	7,129,006	14,273,740	100.02
2020	15,006,768	7,500,786	49.98	7,508,815	15,009,601	100.02
2021	15,775,348	7,980,455	50.59	7,794,873	15,775,328	100.00
2022	17,242,919	8,678,825	50.33	8,564,024	17,242,849	100.00
2023	18,718,196	9,448,976	50.48	9,261,103	18,710,079	99.96
2024	19,732,785	9,955,320	50.45	9,737,860	19,693,180	99.80
2025	23,290,395 (1)	11,782,142	50.59	-	-	-

**Personal Property Tax Levies and Collections**  
**Last Ten Calendar Years**  
**(Unaudited)**

Calendar Year	Taxes Levied for the Calendar Year (2)	Collected Within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections through June 30, 2025	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 2,937,351	\$ 2,753,137	93.73 %	\$ 227,971	\$ 2,981,108	101.49 %
2017	3,195,029	2,746,748	85.97	481,235	3,227,983	101.03
2018	3,207,577	2,840,544	88.56	368,685	3,209,229	100.05
2019	3,265,622	2,911,200	89.15	324,025	3,235,225	99.07
2020	2,902,865	1,297,746	44.71	1,591,612	2,889,358	99.53
2021	3,187,916 (3)	1,485,260	46.59	1,686,098	3,171,358	99.48
2022	3,991,026	1,924,509	48.22	2,036,570	3,961,079	99.25
2023	4,473,988	2,093,851	46.80	2,331,054	4,424,905	98.90
2024	4,686,055	2,225,295	47.49	2,352,898	4,578,193	97.70
2025	11,369,756 (1)	5,777,430	50.81	-	-	-

Note:

(1) The amounts for calendar year 2025 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. The increase in the 2025 personal property tax levy is for the new Microsoft Data Center.

(2) The Real Estate portion of Public Service Corporation is included under Personal Property Tax levied and collected.

(3) Beginning with calendar year 2021, collections are through 6/30 of that year. Prior years have been through 9/30 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 Outstanding General Obligation Bonds	Percentage of Actual Taxable Value of Property	General Bonded Debt Outstanding Debt Per Capita
	General Obligation Bonds	Notes Payable	Subscription Liability	Lease Liability	Revenue Bonds	General Obligation Bonds	Notes Payable						
2016	\$ 72,747,433	\$ -	\$ -	\$ -	\$ 3,234,264	\$ 64,682,401	\$ -	\$ 140,664,098	4.28 %	\$ 3,159	\$ 137,429,834	2.05 %	\$ 3,087
2017	68,240,268	-	-	-	2,558,534	63,572,170	-	134,370,972	3.96	2,997	131,812,438	1.86	2,940
2018	62,453,834	555,988	-	-	1,858,946	61,892,273	-	126,761,041	3.57	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	3.11	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	2.78	2,366	111,391,262	1.34	2,309
2021	53,154,188	4,535,632	-	-	-	57,779,145	13,745	115,482,710	2.55	2,349	110,933,333	1.27	2,256
2022	55,272,803	5,161,834	-	-	-	55,380,491	10,849	115,825,977	2.42	2,336	110,653,294	1.11	2,232
2023	54,305,244	5,031,796	2,070,986	-	-	54,031,039	7,911	115,446,976	2.25	2,303	108,336,283	1.00	2,161
2024	78,355,927	3,659,585	1,326,899	1,336,020	-	55,927,755	4,932	140,611,118	2.64	2,779	134,283,682	1.18	2,654
2025	73,408,662	2,296,874	649,091	1,046,862	-	51,382,805	1,978	128,786,272	2.32	2,499	124,791,467	0.93	2,421

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

Table 14

## Direct and Overlapping Governmental Activities Debt June 30, 2025 (Unaudited)

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
Loudoun County, Virginia	\$ 2,127,623,328	7.87 %	\$ 167,443,956
Town Direct Debt			77,401,489
Total direct and overlapping debt			<b>\$ 244,845,445</b>

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 671,886,518	\$ 708,120,024	\$ 719,751,563	\$ 801,015,032	\$ 844,962,584	\$ 946,985,899	\$ 1,056,662,228	\$ 1,144,356,170	\$ 1,153,707,274	\$ 1,357,051,914
Total net debt applicable to limit	68,115,000	68,240,268	62,453,834	58,452,844	53,895,638	57,689,820	60,434,637	61,408,026	84,678,431	77,401,489
Available legal debt margin	<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>	<u>\$ 996,227,591</u>	<u>\$ 1,082,948,144</u>	<u>\$ 1,069,028,843</u>	<u>\$ 1,279,650,425</u>
Total net debt applicable to the limit as a percentage of debt limit	10.14%	9.64%	8.68%	7.30%	6.38%	6.09%	5.72%	5.37%	7.34%	5.70%
Legal debt margin calculation for fiscal year 2025					Summary of outstanding debt:					
Assessed value of real estate	<u>\$ 13,570,519,141</u>				Gross bonded debt		\$ 128,786,272			
Debt limit (10% of assessed value)	\$ 1,357,051,914				Less: enterprise debt		51,384,783			
Debt applicable to limit:					General obligation debt:		<u>\$ 77,401,489</u>			
Net direct debt outstanding	77,401,489									
Available legal debt margin	<u>\$ 1,279,650,425</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.

# Town of Leesburg, Virginia

Table 16

## 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		
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
2022	35,217,940	15,056,673	20,161,267	3,583,232	2,033,843	5,617,075	3.59
2023	32,178,311	18,029,947	14,148,364	3,548,953	1,915,401	5,464,354	2.59
2024	51,866,967	18,334,297	33,532,670	3,465,773	1,748,573	5,214,346	6.43
2025	40,853,663	19,952,845	20,900,818	2,271,422	1,834,776	4,106,198	5.09

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>
2016	44,522	\$ 3,289,018,228	\$ 73,874	3.20 %
2017	44,841	3,392,266,491	75,651	3.00
2018	45,149	3,550,111,019	78,631	2.60
2019	47,046	3,857,630,862	81,997	2.30
2020	48,250	4,107,956,750	85,139	8.80
2021	49,162	4,523,985,564	92,022	3.60
2022	49,577	4,777,934,644	96,374	2.40
2023	50,139	5,125,659,831	102,229	2.40
2024	50,600	5,329,242,600	105,321	2.70
2025	51,540	5,539,613,040	107,482	3.50

Notes:

(1) 2020: U.S Census Bureau, 2020 Decennial Census.

2015-2017: Loudoun County Department of Planning and Zoning April 24, 2017 Estimates Series.

2018-19, 2021-25: Loudoun County Office of Management and Budget estimates.

(2) Per Capita and Total Personal Income information are not reported for towns in Virginia. The per-capita amounts used here are for the County of Loudoun, Virginia, within which the Town lies. Information for per capita personal income is sourced from the U.S. Bureau of Economic Analysis through 2023. Estimates for 2024 and 2025 are from the Loudoun County Office of Management and Budget.

(3) Unemployment rate information is maintained for some towns in Virginia, including Leesburg. The information provided is sourced from Local Area Unemployment Statistics, Virginia Employment Commission, Month of June each year (accessed August 29, 2025)

# Town of Leesburg, Virginia

Table 18

## Principal Employers Current Year and Nine Years Ago (Unaudited)

Employer	2025			2016		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Loudoun County Government	2,500 - 5,000	1	13.00 %	2,000 - 2,500	1	9.50 %
Loudoun County Public Schools	2,500 - 5,000	2	7.20	1,500 - 2,000	2	7.50
Federal Aviation Administration	500 - 1,000	3	3.30	500 - 1,000	3	2.20
Town of Leesburg	500 - 1,000	4	2.00	500 - 1,000	4	2.00
Wegmans	250 - 500	5	1.50	250 - 500	5	1.70
Commonwealth of Virginia	250 - 500	6	1.20	250 - 500	7	1.30
Dejia, LLC	250 - 500	7	1.20	-	-	-
Target	250 - 500	8	1.10	250 - 500	8	1.20
Costco	250 - 500	9	1.10	100 - 250	10	0.90
Stryker (formerly K2M)	250 - 500	10	0.90	-	-	-
Mastec Services	-	-	-	250 - 500	6	1.60
K2M	-	-	-	250 - 500	9	1.10

Source: Virginia Employment Commission, 1st Quarter 2024.

## Town of Leesburg, Virginia

Table 19

### Full-Time Equivalent Town Government Employees by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year									
	2016 (1)	2017	2018 (2)	2019	2020	2021	2022	2023	2024	2025 (3)
Town Manager's Office	8.0	6.0	6.0	6.0	8.0	8.0	9.0	10.5	11.5	13.0
Town Attorney	5.0	5.0	5.0	4.0	4.0	4.0	5.0	5.0	6.0	6.0
Clerk of Council	1.0	1.0	1.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Finance	17.5	19.5	19.0	19.5	21.5	21.5	21.5	22.0	21.0	22.0
Human Resources	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.5	5.5	5.5
Information Technology	5.0	6.0	6.0	7.0	9.0	9.0	9.0	11.0	11.0	11.5
Public Safety	103.0	103.0	103.0	103.0	108.0	108.0	108.0	108.0	109.0	109.0
Public Works & Capital Projects	53.0	55.0	57.0	61.0	65.0	65.0	65.0	65.0	68.5	69.5
Utilities	81.0	81.0	81.0	83.0	91.0	91.0	96.5	101.0	104.0	105.0
Parks, Recreation, and Cultural	107.5	105.5	37.3	35.0	36.0	36.0	34.0	34.0	39.0	38.0
Balch Library	5.2	5.2	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Planning & Zoning	12.0	12.0	14.0	14.0	14.0	14.0	14.0	15.0	16.0	-
Plan Review	8.0	8.0	8.0	9.0	9.0	9.0	9.0	9.0	10.0	-
Community Development	-	-	-	-	-	-	-	-	-	26.0
Economic Development	2.0	2.0	2.0	2.0	2.5	2.5	2.5	3.5	3.5	4.0
Airport	3.0	3.0	3.0	3.0	3.5	3.5	3.5	5.0	5.0	5.0
	<b><u>415.2</u></b>	<b><u>416.2</u></b>	<b><u>349.3</u></b>	<b><u>355.5</u></b>	<b><u>380.5</u></b>	<b><u>380.5</u></b>	<b><u>386.0</u></b>	<b><u>399.5</u></b>	<b><u>417.0</u></b>	<b><u>421.5</u></b>

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.
- (3) Planning & Zoning and Plan Review Departments were formally merged to form Community Development in fiscal year 2025.

# Town of Leesburg, Virginia

Table 20

## Operating Indicators by Function/Program Last Ten Calendar Years (Unaudited)

Function/Program	Calendar Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)	2025 (1)
<b>Police:</b>										
Calls for service	44,110	45,831	49,695	33,734	24,946	26,881	22,985	30,645	30,779	45,863
Adult arrest	635	1,156	934	636	611	503	558	825	1,140	772
Juvenile arrest	58	227	71	28	20	18	42	47	58	30
Speeding citations only	887	854	1,069	903	405	571	339	394	504	1,310
Traffic citations	4,115	5,572	7,714	5,275	1,953	2,850	2,270	2,376	3,704	6,798
<b>Administration:</b>										
Applications processed (full and part-time)	2,744	3,134	2,886	2,345	1,489	2,083	2,085	2,165	2,471	3,592
Positions advertised (full and part-time)	115	113	103	92	47	74	86	79	71	88
New hires (full and part-time)	155	183	156	139	78	129	152	134	144	145
Reportable accidents	19	19	14	17	9	3	12	15	6	13
All town training sessions	40	50	49	53	10	40	35	64	45	53
<b>Public service:</b>										
Garbage collected (ton)	16,309	15,541	15,842	12,322	12,305	10,365	11,427	11,341	11,341	15,892
Recycle collected (ton)	7,288	7,604	6,016	5,286	5,529	4,259	2,605	3,067	3,067	5,942
<b>Parks and recreation:</b>										
Recreation program attendance	10,363	11,691	11,031	11,206	4,247	7,770	9,281	8,866	9,477	10,952
Aquatics program attendance	8,094	8,256	7,843	7,978	2,941	4,758	6,636	5,259	5,815	7,724
<b>Utilities:</b>										
New water connections	106	132	114	210	217	205	178	91	118	198
New wastewater connections	105	132	111	202	218	202	179	88	118	199
Average daily water consumption (mgd)	4.15	4.11	4.06	4.09	4.10	4.27	4.12	4.42	4.00	4.00
Average daily sewage treatment (mgd)	4.09	3.95	4.55	4.18	4.02	3.87	3.80	3.73	4.00	4.00
<b>Airport:</b>										
Number of hangers rented	57	57	57	57	57	57	57	107	123	132
Number of tie-downs rented	106	106	106	106	110	126	126	126	120	125
Number of incidents on airport property	1	-	-	-	-	1	1	2	1	1

**Note:**

(1) Calendar year 2024 data is through 9/15/24. Because the calendar year is not yet completed when the table is prepared, effective with fiscal year 2025, the Town has begun presenting fiscal year data so that a full years' information (July to June) is presented. This change will also be consistent with other financial data in the annual report.

Source: Various Town departments.

## Town of Leesburg, Virginia

### Capital Asset Statistics by Function/Program

Last Ten Fiscal Years  
(Unaudited)

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Streets:										
Primary (miles)	15	15	15	16	16	16	16	16	16	27
Secondary (miles)	92	93	93	93	94	94	96	96	96	107
Traffic signals	59	59	60	61	61	61	63	63	63	63
Number of street lights	3,089	3,165	3,180	3,221	3,297	3,301	3,326	3,562	3,591	3,651
Parks and recreation:										
Parks – number of acres	370	370	370	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	105	105	105	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	4	3	3	3	3
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	6	6	6	6	6	6	6	6	6	6
Picnic shelters	5	5	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	77,899	94,987	124,737	128,119	130,532	131,349	170,706	148,754	149,558	154,271
Water:										
Wells	1	1	1	1	1	1	1	1	1	1
Water lines (miles)	218	218	220	223	223	237	242	244	249	249
Fire hydrants	2,606	2,606	2,724	2,792	2,837	2,895	2,895	2,978	2,980	3,017
Storage capacity (mgd)	8	8	8	8	8	8	8	8	8	8
Number of customers	15,712	15,791	15,929	16,050	16,256	16,407	16,407	16,701	16,846	17,074
Sewers:										
Sanitary sewers (miles)	174	174	176	178	186	186	188	189	191	192
Storm sewers (miles)	144	144	153	169	162	162	162	164	164	196
Number of customers	15,657	15,734	15,872	16,107	16,377	16,526	16,560	16,768	16,848	17,073
Airport:										
Hangers	57	57	57	57	57	57	57	107	133	133
Tie-downs	120	120	120	120	120	126	126	126	126	126
Take-off and landings	-	-	-	63,641	68,885	84,469	93,328	98,302	96,402	95,553

Source: Various Town departments.

**Town of Leesburg, Virginia**

**Legal Debt Margin Information for Bond Covenant Continuing Disclosure**  
**June 30, 2025**  
**(Unaudited)**

	<b>As of</b>
	<b>June 30, 2025</b>
Assessed Value of Real Estate	\$ 13,570,519,141
Total amount of debt applicable to debt margin (1)	128,786,272
Legal Debt Limit-10% to total Assessed Value of Real Estate	1,357,051,914
Legal Margin for Creation of Additional Debt	<b><u>\$ 1,228,265,642</u></b>

Notes:  
 (1) See Table 15 Gross Bonded Debt.



# Compliance Section

---



# 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*

To the 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, 2025, 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 8, 2025.

## Report on 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 consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.**

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.**

## 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 8, 2025

**Town of Leesburg, Virginia**  
**Summary of Compliance Matters**  
June 30, 2025

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