

**THE TOWN OF LEESBURG, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2012**

Prepared by the  
Department of Finance

# TOWN OF LEESBURG, VIRGINIA

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## **INTRODUCTORY SECTION**



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JOHN WELLS  
Town Manager

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December 14, 2012

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the Town of Leesburg (the Town) for the fiscal year ended June 30, 2012. This report is designed to present fairly the financial position of the governmental activities, the 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 provisions. The CAFR includes all disclosures necessary to enable the reader to gain the maximum understanding of the financial affairs of the Town. The management's discussion and analysis (MD&A) summarizes the Town's financial position and activities for the fiscal year ended June 30, 2012.

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) and;
- Uniform financial reporting standards for counties, cities, and towns issued by the Commonwealth of Virginia's Auditor of Public Accounts (APA).

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

#### Profile of the Town

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

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 capital of the United States when valuable papers of the federal government including the Declaration of Independence and the

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 World War II general, and later U. S. Secretary of State, George C. Marshall, architect of the famous Marshall Plan that re-built Europe after the war. Radio personality Arthur Godfrey, who donated land for the Town's first airport, also called Leesburg home.

Today, the Town continues to serve as the center of government and commerce for Loudoun County. The Old and Historic District was placed on the National Registry of Historic Places in 1970 and cited as one of the best preserved and most picturesque downtowns in Virginia. In the September 2011 edition of Money magazine, the Town of Leesburg was listed as one of the "best places to live in America."

### Overview of Town Government

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

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

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

The Town has eleven operating departments: finance; police; public works; planning and zoning; plan review; parks and recreation; utilities; information technology; human resources; capital projects management; and airport operations. Each department has a director or manager who reports to the Town Manager.

### Local Economy Condition and Outlook

The Town's economy is not immune from the economic challenges; however, the fiscal state of the Town remains strong. The Town faces these challenges 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 manage its funding sources carefully.

Falling within the Washington, D.C. metropolitan area, the Town's economic and demographic conditions reflect the prevailing conditions of the region. Though the unemployment rate for the Town has remained rather stable, only decreasing slightly, over the last two years from 4.7% to 3.8 %, the Town continues to be well below the Virginia and national rates of unemployment. This can be attributed in large part to Leesburg's location in Northern Virginia and its close proximity to Washington, D.C. and the federal government.

Looking realistically to the future, it is evident that the economic recovery appears modest at best. Residential property values have stabilized and have increased slightly; revenues from consumer spending are beginning to trend upward; investment earnings are almost nonexistent; and federal and state revenues have declined and are uncertain. In planning for a future based on this new economic reality, the Town needs to be able to tell residents, the business community, and the workforce the following: 1) how it is going to operate in the future; 2) what services will be provided and at what levels; and 3) what type of organization we will be. The FY 2013 budget answered these questions by establishing a long-range budget plan that balanced services and capital investments with taxpayer affordability.

The FY 2013 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

- Economic Development and Downtown Improvements
- Operational Efficiency and Fiscal Management
- Community Safety/Quality of Life
- Land Development Process Improvements
- Capital Infrastructure
- Legislative Initiatives

The importance of long-term budget sustainability was evident in light of the effects of the severe recession on our residents and its ripple impacts on the federal, state, and county governments. The Town of Leesburg under the Council's direction has worked its way through the past few years with strategic reductions in costs, increased staff efficiency, and deferral of certain costs while providing Town employees with modest pay increases. During this time, the Council has provided the policy leadership that has allowed the Town to maintain most services with limited service level impacts and stabilized real estate tax bills while maintaining a healthy financial position in accordance with our fiscal policies.

#### Financial Condition

The Town government continues to be in very sound financial condition as demonstrated by the financial statements and schedules included in this CAFR. Within the context of a fiscally prudent budget, the Town has maintained the level of services provided to residents and taxpayers, achieved many of the programmatic goals and enhanced the quality of life of the residents of the Town.

The need to moderate real estate tax rates continued to exert pressure on maintaining services at existing levels and to maintain the capital promises to the residents. Keeping existing programs funded and addressing the continuing demands of the community also put a strain on the budgeting process. The Town Council adopted a strategic plan to ensure focus was maintained on Town priorities. The six priority areas that reflect the key issues of interest and concern facing the community are:

- promote financial stability by establishing clear, concise and consistent guidelines;
- direct attention to the total financial picture of the Town rather than to single issues;
- promote the view of linking long-term financial planning with day-to-day operations;
- provide the Town Council, Town Manager, residents and taxpayers with a framework for measuring the impact of services against established fiscal guidelines;
- contribute significantly to the Town's ability to shield itself from fiscal crises; and
- enhance short- and long-term credit availability by helping to achieve and maintain the highest credit and bond ratings possible.

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 federal depository insurance 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 and the State Non-Arbitrage Pool.

#### Budgetary Accounting and Internal Controls

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

The types of funds used by the Town include governmental funds (general fund and capital projects fund) and a proprietary fund (utilities fund). All funds are subject to appropriation by the Town Council. The Town maintains budgetary controls designed to monitor compliance with expenditure limitations contained in annual budget appropriations approved by the Town Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by department within the General Fund. The Town Manager has authority to amend or transfer appropriations between departments. The Town also maintains an encumbrance recording system as one technique for accomplishing budgetary control. Open encumbrances for the General Fund are reported as assigned on the fund balance at the end of the year. Capital Projects fund balance is committed for scheduled projects and has been reported as committed on the fund balance at the end of the fiscal year.

Town management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Town are protected from loss, theft or misuse. Internal controls are intended to provide reasonable, but not absolute, assurance that these objectives are met. The

Department of Finance is always reviewing and assessing the soundness and adequacy of the Town's financial systems and internal controls to ensure the strongest possible structure has been established and maintained.

#### Other Information

Independent Audit. Section 2-161 of the *Town Code* requires an annual audit of the financial affairs of the Town by a qualified and competent certified accountant. Further, 15.2-2511 of the *Code of Virginia* requires an annual audit be performed by independent certified public accountants. Audits must be performed in accordance with auditing standards generally accepted in the United States of America and the standards set forth in the Government Accountability Office's *Government Auditing Standards*. In addition, the auditor must conduct the compliance examinations required by the Single Audit Act Amendments of 1996, the related U.S. Office of Management and Budget's Circular A-133, and the *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. The Town Council has selected the accounting firm of PBGH, 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 to the Town for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. The GFOA awards a certificate to governmental units that exemplify excellence in financial reporting and conform to stringent reporting requirements promulgated by that association and various authoritative bodies.

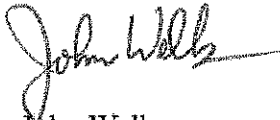
To earn a Certificate of Achievement, a CAFR must be clear, thorough and understandable. The report must be efficiently organized, employ certain standardized terminology and formatting conventions, minimize ambiguities and potentials for misleading inference, enhance understanding of current generally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

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues the 25-year tradition of conforming to the Certificate of Achievement Program requirements and standards. We are submitting this CAFR to GFOA to determine its eligibility for another certificate for fiscal year 2012.

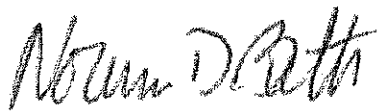
Acknowledgements. This report was prepared by the professional staff of the Department of Finance. The staff's hard work, dedication and continuing efforts to improve the quality of this report directly benefit all who read and use it. Special recognition goes to Kim Williams, deputy director of finance/controller; Kathleen Ault, accounting manager; and Carrie Curry, staff accountant, for their technical expertise, review and dedicated service in the preparation of this CAFR.

This Comprehensive Annual Financial Report reflects the commitment of the Town Council and administration to the residents and taxpayers of Leesburg and the financial community to provide information in conformance with the highest standards of financial accountability.

Sincerely,

A handwritten signature in cursive script that reads "John Wells".

John Wells  
Town Manager

A handwritten signature in cursive script that reads "Norman D. Butts".

Norman D. Butts  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Leesburg  
Virginia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

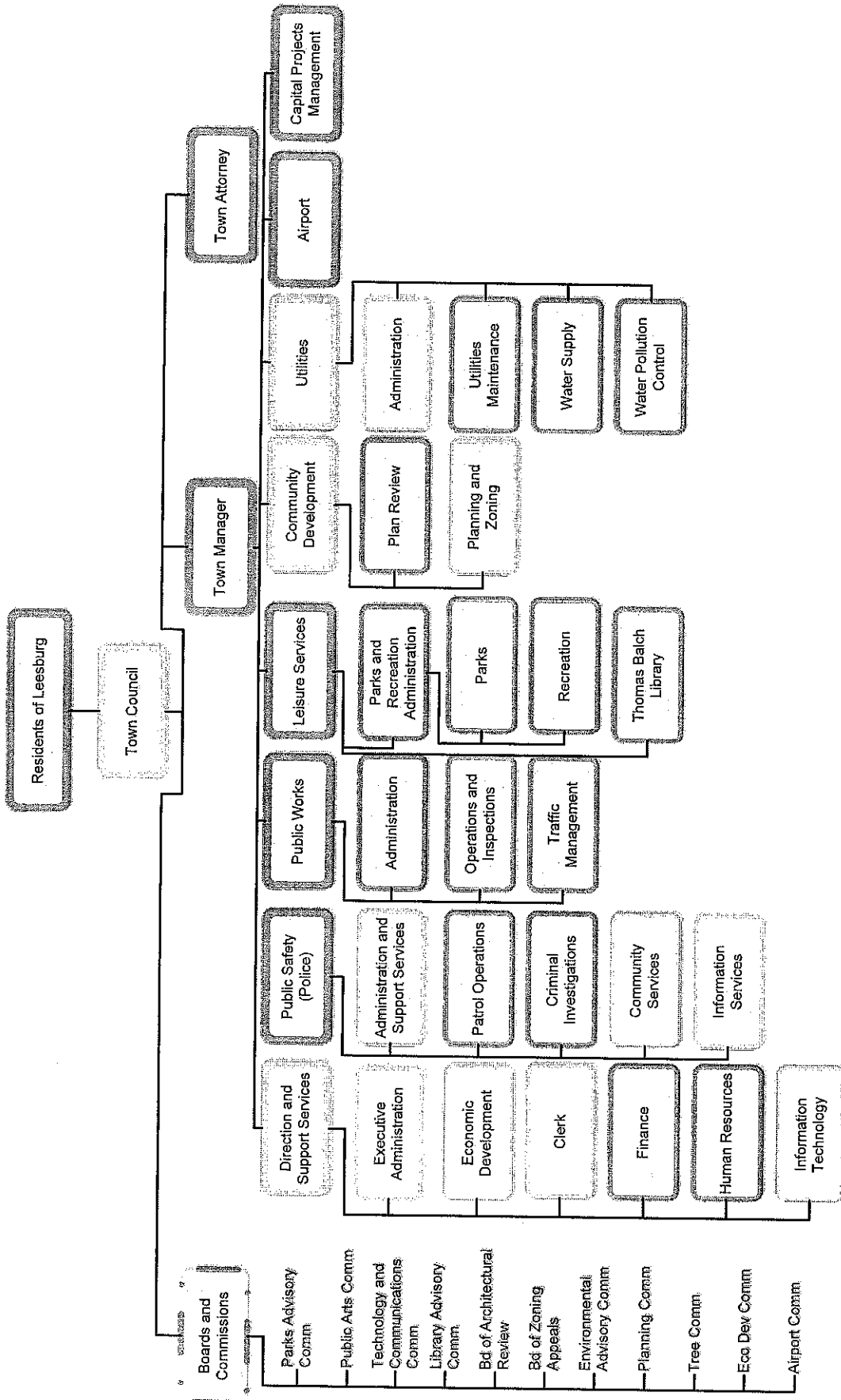


*Christopher P. Moynell*

President

*Jeffrey R. Emswiler*

Executive Director





**TOWN OF LEESBURG, VIRGINIA**

**LIST OF PRINCIPAL OFFICIALS**

**June 30, 2012**

**TOWN COUNCIL**

Kristen C. Umstattd, Mayor  
Kevin D. Wright, Vice Mayor  
Kelly Burk  
David S. Butler  
Thomas S. Dunn, II  
Katie Sheldon Hammler  
Fernando "Marty" Martinez

**TOWN OFFICIALS**

John Wells, Town Manager  
Kaj Dentler, Deputy Town Manager  
Norman D. Butts, Director of Finance  
Jeanette Irby, Town Attorney  
Lee Ann Green, Clerk of Council  
Thomas A. Mason, Director of Public Works  
Susan Berry-Hill, Director of Planning and Zoning  
Amy Wyks, Director of Utilities  
Rich Williams, Director of Parks and Recreation  
Nancy Fixx, Director of Human Resources  
Annie Carlson, Information Technology Manager  
Joseph R. Price, Police Chief  
William Ackman, Director of Plan Review  
Scott Coffman, Airport Manager



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## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Leesburg, Virginia, (Town) as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the budgetary comparison for the General Fund of the Town, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2012 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information on pages 12-29 and 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying schedules listed in the table of contents as supplemental schedules are presented for purposes of additional analysis and are 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the Town's basic financial statements. The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied to the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

PBGH, LLP

Harrisonburg, Virginia  
December 14, 2012

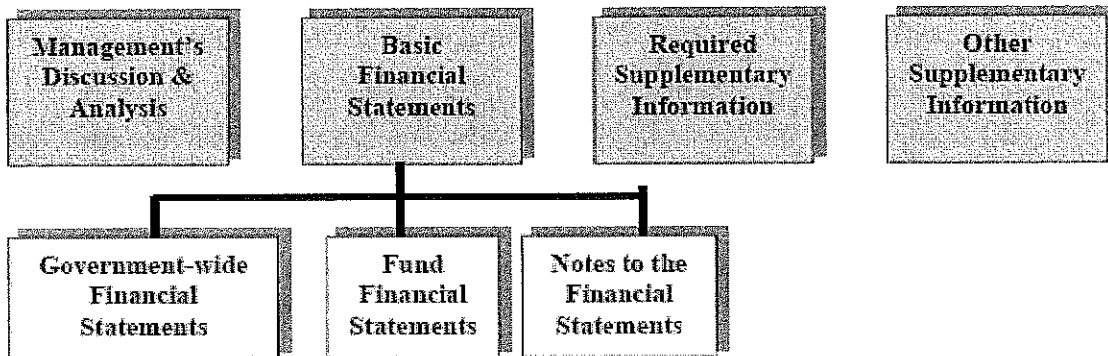
## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Leesburg, Virginia (Town) presents the following management discussion and analysis (MD&A) as an overview of the Town's financial position and activities for the fiscal year ending June 30, 2012. We encourage readers to read this discussion and analysis in conjunction with the letter of transmittal from the Town Manager and the Director of Finance and the Town's basic financial statements and related notes, which are also contained in this Comprehensive Annual Financial Report (CAFR).

## USING THE FINANCIAL SECTION OF THIS CAFR REPORT

This Comprehensive Annual Financial Report 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 fund financial statements. The government-wide financial statements provide information on an accrual basis and focus on both long-term and short-term information about the Town's overall financial condition. The fund financial statements provide information on a current financial resource basis only and focus on the individual parts of the Town government, reporting the Town's operations in more detail than in the government-wide statements. Both perspectives (government-wide and individual funds) allow the user to address relevant financial questions, broaden the basis of comparison (year to year or government to government) and enhance the Town's accountability.

## GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Town as a whole using accounting methods similar to private-sector companies. Specifically, the Statement of Net Assets (Exhibit 1) and the Statement of Activities (Exhibit 2), report information about the Town's assets, liabilities and its 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.

Revenues and expenses are the principal factors affecting the change in the Town's net assets as shown in Exhibit 2, while the Town's total net assets cumulated over time are presented in Exhibit 1 as the difference between the Town's total assets and liabilities. At June 30, 2012, this statement presents the Town's net position as of a snapshot in time. The Town's net position is one way to measure the Town's financial health over time, as increases or decreases in the Town's net assets are one indicator of whether its financial position is improving or declining. Other nonfinancial factors need to be considered, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall financial health of the Town.

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

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

Business-type activities: The Town charges fees to users to cover all, or a significant portion, of the costs associated with the provision of certain services. These business-type activities are intended to be self-supporting and included both the Airport Fund and the Utilities Fund through June 29, 2012, on which date the activities of the Airport Fund were transferred to the General Fund.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide additional information about the Town's most significant funds – not the Town as a whole. The basis of accounting and the related statements required for presentation in the CAFR are based upon the 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. Including the basic governmental services, the General Fund functions as the main operating fund of the Town, and, therefore, it is the largest of the governmental funds. The Capital Projects Fund accounts for the daily operations of the Office of Capital Projects Management including the design, architecture and construction of major capital projects and helps provide control over the resources that have been segregated for capital projects.

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

Because 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 differences between the individual governmental fund statements and the government-wide statements. In these reconciliations, information related to noncurrent assets and noncurrent liabilities such as bonds payable, compensated absences, other postemployment benefits, deferred activities, and the changes in these balances are presented.

Proprietary Funds – The Town's proprietary funds consist of two enterprise funds, the Airport Fund and the Utilities Fund, which operate in a manner similar to private business enterprises, where costs are recovered primarily through user charges or fees. Proprietary fund financial statements provide both short-term and long-term financial information in the Statement of Net Assets (Exhibits 8), the Statement of Revenues, Expenses and Changes in Fund Net Assets (Exhibits 9) along with the Statement of Cash Flows (Exhibit 10) as required when using the accrual basis of accounting.

Because these proprietary fund statements are stated on the same basis of accounting as the governmental-wide statements, no additional information is needed for reconciliation to the government-wide statements. Instead, the totals of assets, liabilities and net assets from Exhibits 8 and 9 are presented in the business type column on the Statement of Net Assets (Exhibit 1), and the proprietary fund revenues and expenditures are similarly summarized on the Statement of Activities (Exhibit 2).

Fiduciary Funds – The Town's fiduciary funds consist of the Other Postemployment Benefits Trust Fund, which account for activities of the Town's other postemployment benefits. The fund accumulates resources for health insurance costs for retired employees. Fiduciary fund financial statements encompass all of the economic resources associated with the operations of the fund in the Statement of Fiduciary Net Assets (Exhibit 11) and the Statement of Changes in Fiduciary Net Assets (Exhibit 12). Unlike the proprietary funds, fiduciary funds are not required to report a statement of cash flows.



## FINANCIAL HIGHLIGHTS FOR FY 2012

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 for accounting, financial reporting, asset, revenue, budget, debt, cash and the reserve funds management are designed to promote the fiscal well-being of the Town and to link long-term financial planning 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 and long-term credit availability while helping to achieve and maintain the highest credit and bond ratings possible.

The Town's total net assets, on a government-wide basis totaled \$402.8 million, of which \$28.6 million is unrestricted at June 30, 2012 (Exhibit 1). The Statement of Activities (Exhibit 2) presents all the factors attributed to the \$6.7 million, or 1.7 percent, increase in the Town's net assets from \$396.2 million in 2011 as a function of governmental and business type activities. Excluding the \$28.7 million transferred between governmental activities and business type activities, the \$6.7 million increase in net assets is comprised of the following factors: \$35.1 million in general revenues, less net expenditures of \$30.4 million, plus a net of \$2 million from business type activities (Exhibit 2). The \$6.7 million increase is further categorized as \$33.4 million governmental-wide net asset increase offset by a \$26.8 million decrease in business-type net assets, including the \$26.5 million fund transfer of the Airport Fund between the two fund types. Correspondingly, net assets remaining in the business type activities include \$128.6 million attributable only to the Utilities Fund which is further detailed in Exhibit 9.

Town Council resolutions that were adopted in fiscal year 2012 amended that part of fiscal policy affecting the Town's individual funds by increasing the capital asset replacement reserve, establishing a debt service reserve, and restructuring long-term debt service in an effort to reduce the impact on real estate tax rates for the anticipated level of governmental services over the next 5 to 10 years. Effective June 29, 2012, the activity of the Airport Fund was transferred from a business type activity to a governmental activity eliminating approximately \$3 million in intra-governmental fund loans between the General Fund and the Airport Fund with no impact on the Town's overall financial condition.

The General Fund reported a \$5.3 million decrease in fund balance (Exhibit 5), of which the most significant factor was a \$5 million increase in debt service expenditures related to the 2007 Bond Anticipation Note payoff. Other contributing factors included increases in general governmental revenues by approximately \$793 thousand, and a decrease in total expenditures of \$1.1 million. Of these total expenditures, governmental services increased in the areas of public safety, library, and public works, from fiscal year 2011 and decreased in the areas of parks and recreation and town administrative departmental activities.

The Capital Projects Fund's fund balance increased \$3.4 million for fiscal year 2012 (Exhibit 5). Intergovernmental funding of \$4.6 million is the largest component of \$5.1 million in revenue. The other factors contributing to the overall increase in the fund balance included expenditures of \$9.9 million offset by other funding sources of \$19.9 million in bond proceeds and premiums on issuance of debt, net of an \$11 million bond refunding and net transfers-out of \$861 thousand.

## FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

### Statement of Net Assets

Table 1 below summarizes and compares the Statements of Net Assets for the Town as of June 30, 2012 and 2011.

**Table 1.**

**Summary of Net Assets  
June 30, 2012 and 2011  
(\$ In Thousands)**

	Governmental Activities		Business-type Activities		Total Reporting Entity	
	2012	2011	2012	2011	2012	2011
<b>Assets:</b>						
Current and other assets	\$ 41,505	\$ 44,418	\$ 22,572	\$ 15,828	\$ 64,077	\$ 60,246
Capital assets, net	314,044	273,400	177,850	213,157	491,894	486,557
<b>Total assets</b>	<b>355,549</b>	<b>317,818</b>	<b>200,422</b>	<b>228,985</b>	<b>555,971</b>	<b>546,803</b>
<b>Liabilities:</b>						
Current liabilities	18,345	19,119	2,916	3,311	21,261	22,430
Long-term liabilities	63,025	57,958	68,858	70,263	131,883	128,221
<b>Total liabilities</b>	<b>81,370</b>	<b>77,077</b>	<b>71,774</b>	<b>73,574</b>	<b>153,144</b>	<b>150,651</b>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	262,170	223,911	111,238	145,743	373,408	369,654
Restricted	827	5,852	-	-	827	5,852
Unrestricted	11,181	10,978	17,411	9,668	28,592	20,646
<b>Total net assets</b>	<b>\$ 274,178</b>	<b>\$ 240,741</b>	<b>\$ 128,649</b>	<b>\$ 155,411</b>	<b>\$ 402,827</b>	<b>\$ 396,152</b>

Total net assets for the Town's governmental activities increased approximately \$34 million (14 percent), to \$274 million primarily due to a \$41 million increase in capital assets net of related debt. Airport assets net of related debt transferred from business type to governmental type funds account for approximately \$33.5 million of this increase, and corresponding part of the \$35.3 million decrease in business-type activities invested in capital assets net of related debt.

The Governmental Activities restricted net assets decreased \$5 million in 2012 because the Town paid off the 2007 Bond Anticipation Note that was issued specifically for parks and recreation capital projects.

The above balances presented in Table 1 for fiscal year 2011 were not restated to reflect the Airport Fund activity that was transferred to the Town's Governmental Activities in fiscal year 2012.

## Statement of Activities

Table 2 summarizes and compares the Statements of Activities for the Town for the years ended June 30, 2012 and 2011.

**Table 2.**

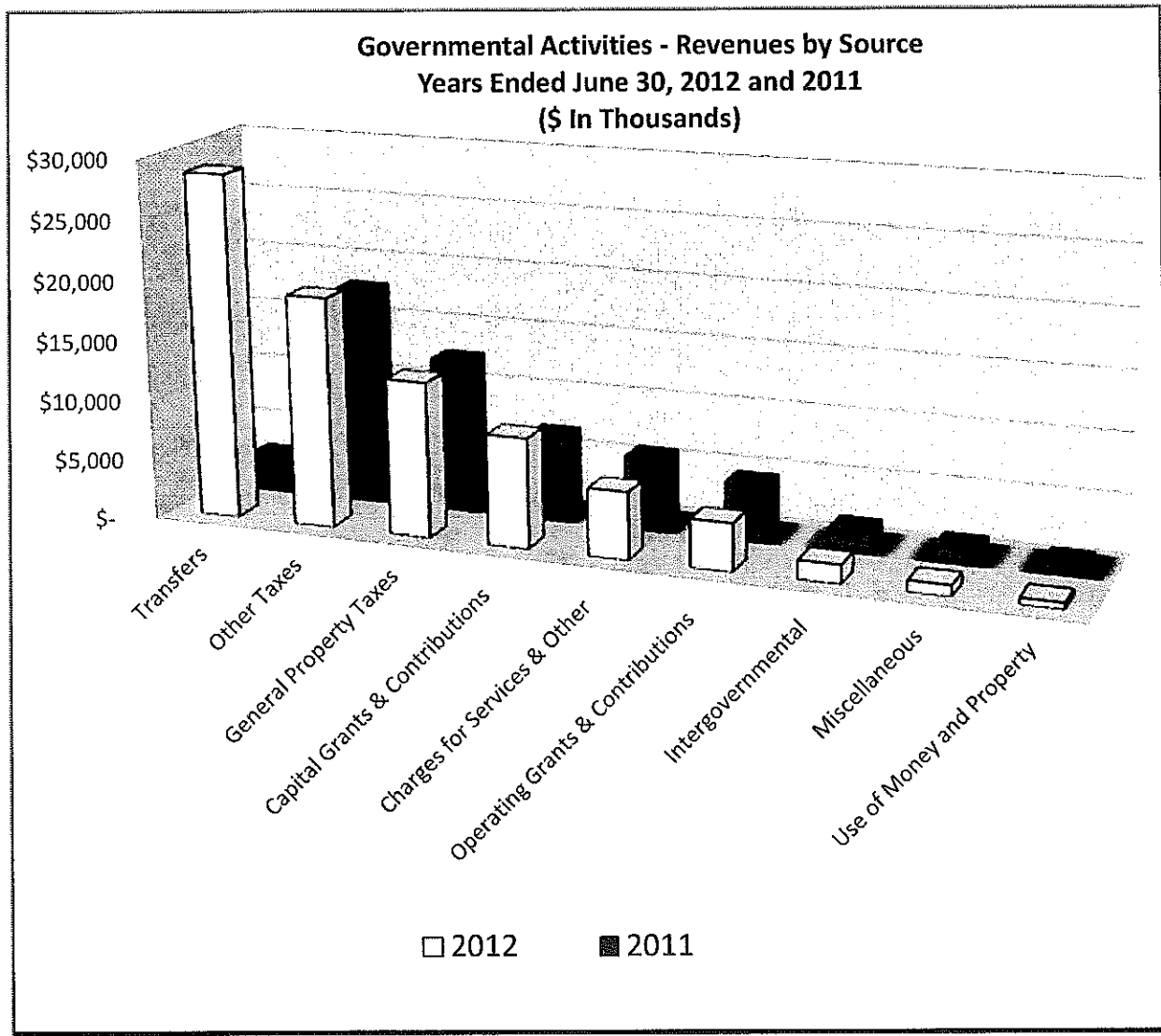
**Summary of Changes in Net Assets  
Years Ended June 30, 2012 and 2011  
(\$ In Thousands)**

	Governmental Activities		Business-type Activities		Total Reporting Entity	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 5,607	\$ 5,805	\$ 16,236	\$ 15,885	\$ 21,843	\$ 21,690
Operating grants and contributions	3,982	4,510	135	146	4,117	4,656
Capital grants and contributions	9,171	6,855	4,701	6,434	13,872	13,289
General revenues:						
Property taxes	12,944	12,536	-	-	12,944	12,536
Other local taxes	19,190	17,840	-	-	19,190	17,840
Other	2,978	3,347	605	413	3,583	3,760
<b>Total revenues</b>	<b>53,872</b>	<b>50,893</b>	<b>21,677</b>	<b>22,878</b>	<b>75,549</b>	<b>73,771</b>
Operating Expenses:						
Legislative	2,242	1,930	-	-	2,242	1,930
Executive	3,710	4,193	-	-	3,710	4,193
Legal	416	405	-	-	416	405
Planning and zoning	1,396	1,914	-	-	1,396	1,914
Plan Review	1,217	1,570	-	-	1,217	1,570
Finance	2,082	2,262	-	-	2,082	2,262
Public safety	11,701	11,365	-	-	11,701	11,365
Parks and recreation	7,722	8,003	-	-	7,722	8,003
Balch library	597	628	-	-	597	628
Public works	15,319	15,522	-	-	15,319	15,522
Interest	2,747	2,519	-	-	2,747	2,519
Airport	2	-	1,660	1,804	1,662	1,804
Water and sewer	-	-	18,064	17,888	18,064	17,888
<b>Total expenses</b>	<b>49,151</b>	<b>50,311</b>	<b>19,724</b>	<b>19,692</b>	<b>68,875</b>	<b>70,003</b>
<b>Increase in net assets before transfers</b>	<b>4,721</b>	<b>582</b>	<b>1,953</b>	<b>3,186</b>	<b>6,674</b>	<b>3,768</b>
Transfers in (out)	28,716	2,696	(28,716)	(2,696)	-	-
<b>Increase in net assets</b>	<b>33,437</b>	<b>3,278</b>	<b>(26,763)</b>	<b>490</b>	<b>6,674</b>	<b>3,768</b>
Net assets, beginning	240,741	237,463	155,411	154,921	396,152	392,384
<b>Net assets, ending</b>	<b>\$ 274,178</b>	<b>\$ 240,741</b>	<b>\$ 128,648</b>	<b>\$ 155,411</b>	<b>\$ 402,826</b>	<b>\$ 396,152</b>

## Governmental Activities

Total revenues for the Town's governmental activities was \$53.9 million for fiscal year 2012 compared to \$50.9 million for fiscal year 2011 (Table 2). In addition to this revenue, transfers of \$28.7 are shown in Chart 1 below. This \$28.7 million is compared to \$2.7 million in 2011. This significant increase in transfers for fiscal year 2012 was caused by the transfer of the Airport Fund to the general government on June 29, 2012. Transfers and all governmental sources of revenue for fiscal years 2012 and 2011 are comprised of the following items:

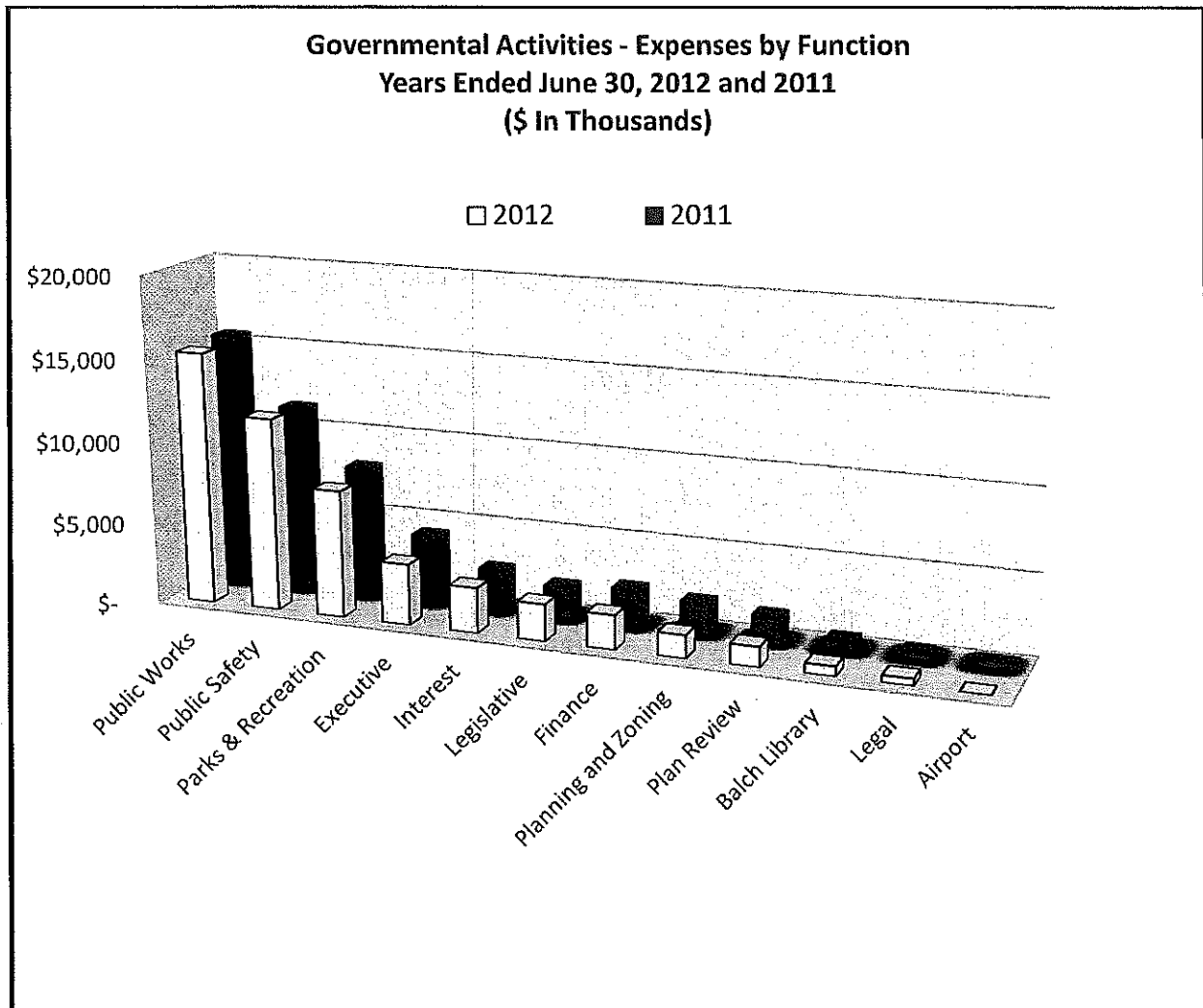
Chart 1.



Taxes constitute the largest source of Town revenue, with general property taxes of \$12.9 million in 2012, compared to \$12.5 million in 2011 (Table 2). The slight increase in general property tax revenue is attributed to increased assessed values for residential property within the Town. Other local taxes, \$19.2 million in 2012 and \$17.8 million in 2011, are generated through business and occupational licenses and consumption based taxes such as taxes on meals, sales and use, cigarettes and utilities.

As shown in Table 2, total expenses for governmental activities for fiscal year 2012 were \$49.2 million, compared to \$50.3 million in fiscal year 2011. Table 2 and the following chart illustrate total expenses by function. Public works continues to be the Town's largest function with the Town's cost of service totaling \$15.3 million or 30.1 percent of total expenses. Public safety expenses, which total \$11.7 million, or 22.6 percent, represent the second largest expense category for governmental activities.

**Chart 2.**



General revenue, primarily in the form of taxes and state aid, is essential to providing support for the services offered by the Town. In addition, as illustrated in Table 3, governmental activities generate revenue that helps offset the cost of these services. The table presents the total cost of services and the net costs 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 fees, zoning fees and permits. The Town obtains grants and contributions primarily for public safety and public works. After recognizing the total revenue from these fees, grants, and contributions of \$18.8 million in 2012, the net cost of governmental activities was \$30.4 million, compared to total costs of \$49.2 million.

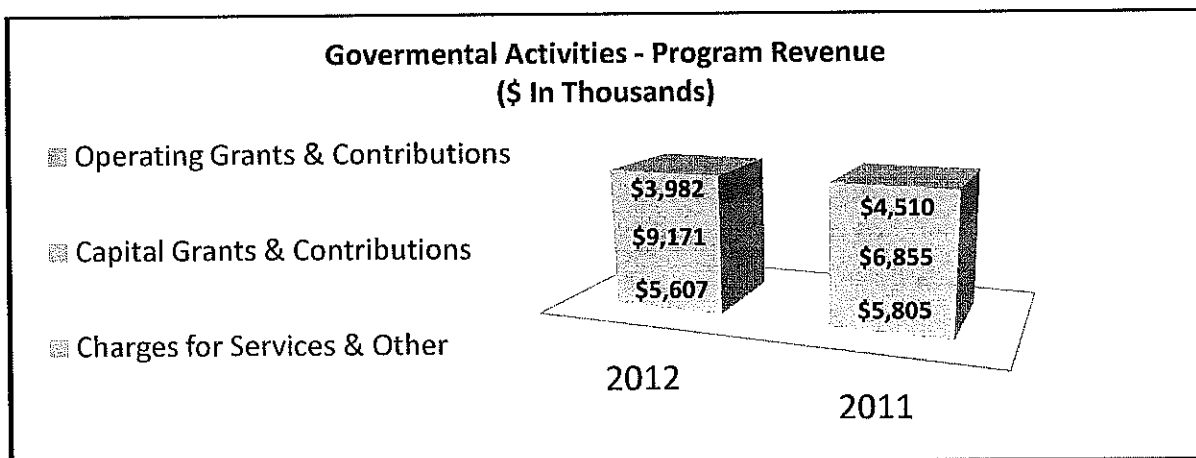
**Table 3.**

**Net Cost of Governmental Activities  
Years Ended June 30, 2012 and 2011  
(\$ In Thousands)**

	Total Cost of Services		Net Cost of Services	
	2012	2011	2012	2011
Legislative	\$ 2,242	\$ 1,930	\$ 2,242	\$ 1,930
Executive	3,710	4,193	3,710	4,193
Legal	416	405	416	405
Planning and zoning	1,396	1,914	1,113	1,653
Plan Review	1,217	1,570	1,217	1,570
Finance	2,082	2,262	2,082	2,262
Public safety	11,701	11,365	10,214	9,685
Parks and recreation	7,722	8,003	3,043	3,158
Balch library	597	628	591	255
Public Works	15,319	15,522	3,014	5,511
Airport	2	-	2	-
Interest	2,747	2,519	2,747	2,519
<b>Total</b>	<b>\$ 49,151</b>	<b>\$ 50,311</b>	<b>\$ 30,391</b>	<b>\$ 33,141</b>

The change in program revenues including charges for services, contributions and grants is illustrated in Chart 3. Revenue charged for services declined \$200 thousand in 2012. Other program revenue for operating grants and contributions decreased \$528 thousand to \$4 million in fiscal year 2012. The decrease is attributed to a one-time donation in 2011 of \$368 thousand received from a benefactor to be used specifically for the Balch Library. Capital grants and contributions increased \$2.3 million to \$9.2 million in 2012. The increase in capital grants and contributions was primarily from increased Virginia Department of Transportation funding for streets and highways.

**Chart 3.**



## **Business-type Activities**

Business-type activities are generally intended to be self-supporting as fees are established to recover the cost associated with providing the service. The Airport Fund was established to account for the Leesburg Executive Airport as an enterprise fund by Town Council ordinance on June 21, 1965. Historically, the Airport Fund revenues and grants have been insufficient to pay for daily operations and the debt service for capital projects to maintain and improve airport infrastructure. The ordinance to establish the Airport Fund was repealed and a new ordinance passed, effective June 29, 2012, to move future airport appropriations and revenues for operations to the General Fund and appropriations and revenues collected for airport capital projects to the Capital Projects Fund.

The Airport Fund transfer is apparent upon review of the basic financial statements as the fund was eliminated from the proprietary funds Statement of Net Assets (Exhibit 8) and its noncurrent assets, accumulated depreciation and amortization, noncurrent liabilities and net assets transferred to the governmental-wide Statement of Net Assets (Exhibit 1). However, the current year activity through June 29, 2012 for the airport is presented in the Statement of Revenues, Expenses and Changes in Fund Net Assets for the proprietary funds (Exhibit 9).

Accordingly, Table 2 summarizes the business-type activities for 2012 including both the Airport Fund and the Utilities Fund. These activities increased the Town's net assets by \$2 million before net transfers. Revenues totaled \$21.7 million of which 75 percent was generated by charges for services (including user fees) totaling \$16.2 million. The total expenses were \$19.7 million, of which 92 percent was associated with the Utilities Fund. Expenses for both the Utilities and Airport Funds remained relatively equivalent to 2011.

Exhibit 8 presents the Statement of Net Assets for the Utilities Fund. In fiscal year 2012, the Utilities Fund's total assets and liabilities were \$200.4 million and \$72 million, respectively. Total net assets in fiscal year 2012 were \$128.7, a decrease of approximately \$226 thousand. Of the total net assets, \$17.4 million is unrestricted. Airport Fund assets are not presented in Exhibit 8, because all Airport Fund assets were transferred to the general government on June 29, 2012.

The Statement of Revenues, Expenses and Changes in Fund Net Assets (Exhibit 9) shows total Utilities Fund revenues of \$15.4 million, an increase of \$262 thousand in charges for services from fiscal year 2011. Total operating expenses increased \$238 thousand to \$15.3 million, leaving an operating profit of \$122 thousand for fiscal year 2012. Non-operating revenues and expenses for interest, installation and connection charges resulted in a net decrease of \$1 million. Finally, the change in net assets includes developer donated assets of \$2.4 million and transfers out of \$1.8 million used in noncapital and related financing activities. The Airport Fund's \$1.2 million in revenue for fiscal year 2012 was derived solely from charges for services, remaining stable from 2011. Total operating expenses were \$1.5 million, a decrease of \$111 thousand from prior year, resulting in an operating loss of \$300 thousand.

## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

The Town uses fund accounting on a current financial resources basis to ensure compliance with finance-related legal requirements. As a result, the focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Town's financing requirements.

The Town has two governmental funds, the General Fund and the Capital Projects Fund. Their fund balances are classified as non-spendable, restricted, committed, assigned, and unassigned. These fund classifications are designed for better management of the governmental funds' current resources whereas net assets within the government wide financial statements include both current and noncurrent assets and liabilities. 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, 2012 and 2011.

The General Fund is the main operating fund of the Town, and its fund balance decreased \$5.3 million to \$17.1 million for fiscal year 2012 (Exhibit 5). Of this total, unassigned fund balance was \$9.4 million (Exhibit 3) and equal to 18.8 percent of the General Fund's total expenditures. In comparison, at the end of fiscal year 2011, the unassigned fund balance was \$9.1 million representing 19.7 percent of the General Fund's total expenditures.

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of Town infrastructure including facilities, streets, curbs sidewalks, and other capital projects other than those financed by the Utilities Fund. As of June 30, 2012 the Capital Projects Fund balance was \$6.3 million (Exhibit 3) compared to \$2.9 million in 2011. This increase is a result of bonds issued in 2012. The Capital Projects Fund balance will be used to begin, continue and complete projects that are included in the six-year capital improvement plan.

**Table 4.**

**Governmental Fund Balances  
As of June 30, 2012 and 2011  
(\$ In Thousands)**

	2012	2011	Change
Nonspendable			
Prepaid expense	\$ 151	\$ 284	\$ (133)
Due from other funds	-	3,082	(3,082)
Restricted			
Balch Library	730	725	5
Parks and Recreation	51	5,083	(5,032)
Police	47	44	3
Committed			
Revenue stabilization	-	1,400	(1,400)
Capital projects - streets and highways	5,300	2,878	2,422
Assigned			
Debt service reserve	3,400	-	3,400
Capital asset reserve	1,971	1,196	775
Expenditures designated for future years	2,349	1,522	827
Unassigned	9,396	9,103	293
Total fund balances	<u>\$ 23,395</u>	<u>\$ 25,317</u>	<u>\$ (1,922)</u>



The five categories of fund balance changed significantly with the adoption of new resolutions. One resolution established a \$3.4 million debt service reserve by transferring \$2 million from unassigned fund balance and \$1.4 million from revenue stabilization. Other resolutions increased the capital asset replacement reserve by \$1.5 million and gave approval to spend funds for the replacement or repair of vehicles, heavy equipment and other assets, resulting in a net increase of \$775 thousand.

Non-spendable funds decreased \$3 million due to the transfer of the Airport Fund to the general government. The unassigned fund balance increased \$293 thousand to \$9.3 million.

The restricted fund balance for use at the Balch Library, parks and recreation, and police decreased \$5 million due to the payment of the 2007 Bond Anticipation Note.

The committed category of fund balance, increased in total by \$1 million from prior year. This change was a result of a Council resolution moving the \$1.4 million revenue stabilization reserve to the capital asset replacement reserve. Further, an additional \$2.4 million was committed to capital projects for streets and highways.

The unassigned fund balance remained stable from the prior year. The ending fiscal year 2012 governmental fund balance was \$23.4 million, a decrease of \$1.9 million from fiscal year 2011.

## BUDGETARY HIGHLIGHTS

### General Fund

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

Table 5.

**Condensed Budgetary Comparison  
General Fund  
Year Ended June 30, 2012  
(\$ In Thousands)**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
Revenues:			
Taxes	\$ 28,596	\$ 28,596	\$ 29,836
Other	7,027	7,027	6,839
Intergovernmental	8,014	8,014	7,752
Total revenues	<u>43,637</u>	<u>43,637</u>	<u>44,427</u>
Expenditures:			
Expenditures	<u>46,269</u>	<u>48,278</u>	<u>49,936</u>
Deficiency of revenues under expenditures	(2,632)	(4,641)	(5,509)
Other financing sources:			
Transfers (net)	<u>861</u>	<u>861</u>	<u>220</u>
Change in fund balance	<u>\$ (1,771)</u>	<u>\$ (3,780)</u>	<u>\$ (5,289)</u>

Taxes received were greater than the amended budget with a positive variance of \$1.2 million. This increase is attributed to meals tax and sales and use tax which exceeded the budget by \$950 thousand and \$462 thousand, respectively. Other financing sources (net of other financing uses) did not meet budget expectations, a variance of \$641 thousand. See Exhibit B-2 for a detailed schedule comparing budgeted revenues to actual revenues.

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

- Amendments for operating and capital projects that were incomplete in the prior fiscal year, and subsequently reappropriated in the new fiscal year.
- Amendments for supplemental appropriation for new projects, and/or change orders for prior approved projects.
- Amendments for transfers and adjustments to support revised priorities and account code restructuring.

The original budgeted expenditures increased by \$2 million for the fiscal year (Exhibit B-3). This increase is a result of supplemental appropriations throughout the year. The most significant supplemental appropriations by department included \$320 thousand for economic development, \$219 thousand for public safety, \$829 thousand for public works, \$159 thousand for parks and recreation, and \$229 thousand for plan review. The details for these and other changes to the original budget as compared to actual expenditures are presented in Exhibit B-3. The budget for any 2012 uncompleted contractual services will be carried forward and the expenditures will occur in fiscal year 2013.

## 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, 2012 and 2011.

Table 6.

	Capital Assets					
	June 30, 2012 and 2011					
	(\$ In Thousands)					
	Governmental Activities			Business-Type Activities		
	2012	2011	Change	2012	2011	Change
Land	\$ 53,146	\$ 41,710	\$ 11,436	\$ 1,586	\$ 12,205	\$ (10,619)
Buildings and improvements	75,000	68,567	6,433	-	8,904	(8,904)
Water and sewer plant	-	-	-	115,749	125,334	(9,585)
Water and sewer lines	-	-	-	111,693	98,920	12,773
Equipment	8,120	5,834	2,286	1,108	5,676	(4,568)
Vehicles	4,694	4,161	533	2,401	-	2,401
Hangars	6,057	-	6,057	-	6,057	(6,057)
Runway	15,620	-	15,620	-	15,620	(15,620)
Infrastructure	216,984	206,135	10,849	-	-	-
Construction in progress	15,708	10,967	4,741	943	845	98
Accumulated depreciation and amortization	(81,285)	(63,974)	(17,311)	(55,630)	(60,404)	4,774
Total Capital Assets, net	\$ 314,044	\$ 273,400	\$ 40,644	\$ 177,850	\$ 213,157	\$ (35,307)

The Town's governmental investment in capital assets (net of accumulated depreciation and amortization) as of June 30, 2012 and 2011 amounted to approximately \$ 314 million and \$273 million, respectively. The net increase in capital assets (including additions, retirements, depreciation and amortization) was \$40.6 million in total governmental activities including \$33.5 million in assets transferred from the Airport Fund. The additional \$7 million increase is attributed to developer contributions of streets, sidewalks, gutters, and storm drainage.

The business-type activities investment in capital assets (net of accumulated depreciation and amortization) as of June 30, 2012 amounted to approximately \$178 million for the Utilities Fund compared to \$213.2 million in 2011, which also included the airport assets. The \$35 million net decrease in business type capital assets (including additions, retirements, depreciation and amortization) was due to the transfer of airport assets to the general government, and a \$12.8 million increase in water and sewer lines.

The Town's fiscal year 2012 – 2017 Capital Improvement Program (CIP), approved by Town Council, sets forth a six-year, \$63.6 million program of public improvements for the Town. This six year plan includes \$13.1 million in water and sewer projects and \$50.5 million in governmental activity projects including \$1.9 million in storm drainage, \$32.8 million in streets and highways, \$8.7 million in airport projects, and \$7 million in general projects such as downtown improvements and lighting and police station renovation and expansion. Additional information pertaining to the Town's capital assets can be found in Note 6 of the notes to the financial statements.

### Long-term Debt

The Town's current bond ratings are as follows:

- Moody's Investors Services, Inc. Aa1
- Standard and Poor's AA+
- Fitch Credit Rating Services AA+

The Town's legal limit for outstanding general obligation debt is 10 percent of total assessed real property within the Town, which was \$5.9 billion in 2012 and \$5.7 billion in 2011. The Town's total long-term obligations of \$126.9 million as of June 30, 2012 and \$124.3 million as of June 30, 2011, are well within the limits set by the Constitution of the Commonwealth of Virginia. Revenue bonds are not included in calculating the legal limit.

**Table 7.**

**Outstanding Long-Term Bonded Debt  
June 30, 2012 and 2011  
(\$ In Thousands)**

	Governmental Activities			Business-Type Activities		
	2012	2011	Change	2012	2011	Change
General obligation bonds	\$ 59,916	\$ 55,684	\$ 4,232	\$ 62,809	\$ 62,361	\$ 448
Revenue bonds	-	-	-	4,205	6,283	(2,078)
<b>Total</b>	<b>\$ 59,916</b>	<b>\$ 55,684</b>	<b>\$ 4,232</b>	<b>\$ 67,014</b>	<b>\$ 68,644</b>	<b>\$ (1,630)</b>

In the governmental activities, total long-term bonded debt as of June 30, 2012 and 2011 was \$59.9 million and \$55.7 million, respectively. Outstanding long-term bonded debt for business activities decreased from \$68.6 million as of June 30, 2011 to \$67.0 million as of June 30, 2012. The increase in general obligation bonds for governmental activities is due to a general obligation refunding issuance in August 2011 for \$30.8 million. The general obligation bond was issued to fund various construction projects and to refund portions of the Series 2001, 2003, 2005, 2006, 2006B, 1999 Utility Revenue Bonds, and the remaining 2000 bond.

In making debt decisions, the Town uses the following practices:

- The Town will not fund current operations from the proceeds of borrowed funds and will confine long-term borrowing and capital leases to capital improvement projects, or equipment that cannot be financed from current financial resources.

- The goal of the Town is to finance at least 25 percent of the current portion of construction cost of capital improvements (in excess of proffers) from current financial resources. The amount provided in current resources may be applied equally to all projects or only to specific projects.
- The Town will, when financing capital improvements or other projects or equipment by issuing bonds or entering capital leases, repay the debt within a period not to exceed the expected useful life of the project or equipment. Debt related to equipment ancillary to a construction project may be amortized over a period less than that of the primary project.
- The Town is cognizant of its higher than average debt burden and will continue to offset its impact through rapid payback. An average payback of at least 60 percent in ten years will be maintained, except for projects with a known revenue stream.
- The Town will annually calculate target debt ratios. The Town's debt capacity will be maintained within the following primary goals:
  - Debt service expenditures as a percentage of governmental fund expenditures will not exceed 15 percent.
  - Bonded debt of the Town will not exceed 1.5 percent of the total assessed value of taxable property in the Town.
- The Town will follow a policy of full disclosure in every annual financial report and financing official statement/offering document.
- The Town will maintain good communications about its financial condition with bond holders and credit rating institutions.

Additional information relative to the Town's long-term debt can be found in Note 8 of the notes to the financial statements.

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

### **Economic Factors**

- The average unemployment rate for the County of Loudoun, in which the Town of Leesburg lies, declined to 3.8 percent in June 2012 compared to 4.2 percent in 2011. This compares favorably to the State's rate of 5.7 percent and the national rate of 8.2 percent.
- The Town's population was estimated to be 43,556, and slightly increasing each year. Population estimates for the last ten years are provided in the statistical section of this report at Table 15.
- Per capita personal income is not kept on a Town basis. However, the County of Loudoun's per capita personal income was \$55,468, as reported by the U.S. Department of Commerce Bureau of Economic Analysis. Loudoun County is considered one of "the wealthiest" counties in the nation.
- The Town government's full-time equivalency (FTE) employment decreased in fiscal year 2012 by 30.4 FTE positions, or 6.9 percent, and affected many departments. Workforce numbers by department for the last ten years are provided in the statistical section of this report at Table 17.

### **Fiscal Year 2013 Budget and Rates**

- For fiscal year 2013, the adopted budget for the General Fund is \$47.6 million, consistent with fiscal year 2012 expenditures. Revenues are comprised primarily of general taxes at 28 percent, other local taxes 24.7 percent, charges for services 10.3 percent, donations and transfers 5.3 percent, intergovernmental assistance 26.2 percent and other revenues at 5.4 percent.
- In fiscal year 2013, the Town continues to prioritize its services. The police department accounts for \$12.2 million or 25.7 percent of the budgeted expenditures. The public works department is a close second, accounting for \$11 million or 23.2 percent of budgeted expenditures.
- Tax rate for real property remained at \$0.195 per \$100 of assessed value for fiscal year 2012. The personal property tax rate remained unchanged at \$1.00 per \$100 of assessed value. Detail on the tax rates is provided in the statistical section of this report.

## **REQUESTS FOR INFORMATION**

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



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## **BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET ASSETS**  
**June 30, 2012**

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash, cash equivalents and temporary cash investments	\$ 19,811,512	\$ 16,975,140	\$ 36,786,652
Receivables, net:			
Property taxes, including penalties	6,483,480	-	6,483,480
Utility taxes	121,782	-	121,782
Local taxes	1,451,437	-	1,451,437
Trade and other accounts	245,533	3,545,722	3,791,255
Accrued interest	28,065	-	28,065
Inventory	-	285,082	285,082
Prepaid expense	151,402	-	151,402
Due from other governments	3,083,918	-	3,083,918
Restricted cash	9,433,010	1,376,295	10,809,305
Deferred charges, net	694,328	389,639	1,083,967
Capital assets:			
Land	53,146,767	1,586,356	54,733,123
Construction in progress	15,707,939	942,863	16,650,802
Buildings and improvements	74,999,841	-	74,999,841
Water and sewer plant	-	115,748,497	115,748,497
Water and sewer lines	-	111,693,346	111,693,346
Furniture, equipment and software	5,635,552	1,108,044	6,743,596
Computer equipment and software	2,483,636	-	2,483,636
Vehicles	4,693,754	2,401,438	7,095,192
Infrastructure	210,306,149	-	210,306,149
Hangars	6,057,289	-	6,057,289
Runway	15,619,842	-	15,619,842
Terminals	6,677,993	-	6,677,993
Less: accumulated depreciation and amortization	(81,284,616)	(55,630,398)	(136,915,014)
<b>Total assets</b>	<b>355,548,613</b>	<b>200,422,024</b>	<b>555,970,637</b>
<b>LIABILITIES</b>			
Accounts payable	1,727,715	603,736	2,331,451
Accrued payroll	731,146	207,868	939,014
Other accrued liabilities	178,503	-	178,503
Accrued interest	1,069,390	1,209,231	2,278,621
Arbitrage payable	382,346	-	382,346
Retainage payable	60,895	48,567	109,462
Customer deposits and contingent charges	1,734,211	846,102	2,580,313
Reserve for proffers	5,376,042	-	5,376,042
Unearned revenue	7,085,134	-	7,085,134
Noncurrent liabilities:			
Due within one year			
Compensated absences	1,652,632	452,657	2,105,289
Bonds payable	3,025,619	625,000	3,650,619
Due in more than one year			
Other postemployment benefits	1,123,655	367,163	1,490,818
Compensated absences	250,991	98,179	349,170
Bonds payable	56,972,108	67,315,258	124,287,366
<b>Total liabilities</b>	<b>81,370,387</b>	<b>71,773,761</b>	<b>153,144,148</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	262,169,923	111,237,616	373,407,539
Restricted			
Balch Library	729,481	-	729,481
Parks and recreation (Symmington)	50,521	-	50,521
Police	47,450	-	47,450
Unrestricted	11,180,851	17,410,647	28,591,498
<b>Total net assets</b>	<b>\$ 274,178,226</b>	<b>\$ 128,648,263</b>	<b>\$ 402,826,489</b>

TOWN OF LEESBURG, VIRGINIA

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2012

Exhibit 2

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
<b>Primary Government:</b>							
Governmental activities:							
Legislative	\$ 2,242,274	\$ -	\$ -	-	\$ (2,242,274)	\$ -	(2,242,274)
Executive	3,709,476	-	-	-	(3,709,476)	-	(3,709,476)
Legal	416,116	-	-	-	(416,116)	-	(416,116)
Planning and zoning	1,395,917	283,241	-	-	(1,112,676)	-	(1,112,676)
Plan review	1,216,828	-	-	-	(1,216,828)	-	(1,216,828)
Finance	2,082,232	-	-	-	(2,082,232)	-	(2,082,232)
Public safety	11,701,344	498,411	988,734	-	(10,214,199)	-	(10,214,199)
Parks and recreation	7,721,607	4,670,693	-	8,000	(3,042,914)	-	(3,042,914)
Baich Library	596,845	-	5,500	-	(591,345)	-	(591,345)
Public works	15,319,444	154,495	2,987,613	9,163,209	(3,014,127)	-	(3,014,127)
Airport	2,444	-	-	-	(2,444)	-	(2,444)
Interest	2,746,447	-	-	-	(2,746,447)	-	(2,746,447)
<b>Total governmental activities</b>	<b>49,150,974</b>	<b>5,606,840</b>	<b>3,981,847</b>	<b>9,171,209</b>	<b>(30,391,078)</b>	<b>-</b>	<b>(30,391,078)</b>
Business-type activities:							
Airport	1,660,120	1,182,366	65,443	633,503	-	221,192	221,192
Utilities	18,063,523	15,053,935	69,245	4,066,836	-	1,126,493	1,126,493
<b>Total business-type activities</b>	<b>19,723,643</b>	<b>16,236,301</b>	<b>134,688</b>	<b>4,700,339</b>	<b>-</b>	<b>1,347,685</b>	<b>1,347,685</b>
<b>Total government</b>	<b>\$ 68,874,617</b>	<b>\$ 21,843,141</b>	<b>\$ 4,116,535</b>	<b>\$ 13,871,548</b>	<b>(30,391,078)</b>	<b>1,347,685</b>	<b>(29,043,393)</b>
General Revenues:							
Taxes:							
General property taxes, including penalties					12,943,508	-	12,943,508
Other local taxes:							
Communication sales and use					6,717,220	-	6,717,220
Meals					4,418,067	-	4,418,067
Business and occupational licenses					2,860,659	-	2,860,659
Utility					1,495,345	-	1,495,345
Cigarette					1,133,071	-	1,133,071
Other					2,565,675	-	2,565,675
Intergovernmental, non-categorical aid					1,562,312	-	1,562,312
Use of money and property					514,491	254,237	768,728
Miscellaneous					901,963	350,704	1,252,667
Transfers					28,715,628	(28,715,628)	-
<b>Total general revenues and transfers, net</b>					<b>63,827,939</b>	<b>(28,110,687)</b>	<b>35,717,252</b>
<b>Change in net assets</b>					<b>33,436,861</b>	<b>(26,763,002)</b>	<b>6,673,859</b>
Net assets, beginning					240,741,365	155,411,265	396,152,630
Net assets, ending					\$ 274,178,226	\$ 128,648,263	\$ 402,826,489

See Notes to Financial Statements.

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
 June 30, 2012

	General	Capital Projects	Total Governmental Funds
<b>ASSETS</b>			
Cash, cash equivalents, and temporary cash investments	\$ 15,961,088	\$ 3,850,424	\$ 19,811,512
Receivables, net			
Property taxes, including penalties	6,483,480	-	6,483,480
Utility taxes	121,782	-	121,782
Local taxes	1,451,437	-	1,451,437
Accounts	220,533	25,000	245,533
Accrued interest	28,065	-	28,065
Due from other governments	2,007,782	1,076,136	3,083,918
Prepaid expense	151,402	-	151,402
Restricted cash	863,867	8,569,143	9,433,010
<b>Total assets</b>	<b>\$ 27,289,436</b>	<b>\$ 13,520,703</b>	<b>\$ 40,810,139</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 878,964	\$ 848,751	\$ 1,727,715
Accrued payroll	651,642	79,504	731,146
Other accrued liabilities	178,503	-	178,503
Retainage payable	-	60,895	60,895
Customer deposits and contingent charges	1,734,211	-	1,734,211
Reserve for proffers	-	5,376,042	5,376,042
Deferred revenues	6,696,572	910,304	7,606,876
<b>Total liabilities</b>	<b>10,139,892</b>	<b>7,275,496</b>	<b>17,415,388</b>
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid expense	151,402	-	151,402
Restricted			
Balch Library	729,481	-	729,481
Parks and recreation (Symmington)	50,521	-	50,521
Police	47,450	-	47,450
Committed			
Capital projects - streets and highways	-	5,299,780	5,299,780
Assigned			
Debt service reserve	3,400,000	-	3,400,000
Capital asset reserve	1,971,375	-	1,971,375
Expenditures designated for future years	1,403,382	945,427	2,348,809
Unassigned	9,395,933	-	9,395,933
<b>Total fund balances</b>	<b>17,149,544</b>	<b>6,245,207</b>	<b>23,394,751</b>
<b>Total liabilities and fund balances</b>	<b>\$ 27,289,436</b>	<b>\$ 13,520,703</b>	<b>\$ 40,810,139</b>

**RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
June 30, 2012**

Total fund balances - governmental funds		\$ 23,394,751
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.</p>		
Governmental capital assets	\$ 395,328,762	
Less: accumulated depreciation and amortization	(81,284,616)	
Net capital assets		314,044,146
<p>Deferred revenue represents amounts that were not available to fund current expenditures and, therefore, is not reported as revenue in the governmental funds.</p>		
		521,742
<p>Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Deferred charges, net		694,328
<p>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.</p>		
Bonds payable	(59,997,727)	
Compensated absences	(1,903,623)	
Other postemployment benefits	(1,123,655)	
Arbitrage payable	(382,346)	
Interest payable	(1,069,390)	
		(64,476,741)
<b>Net assets of governmental activities</b>		<b>\$ 274,178,226</b>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2012**

	General	Capital Projects	Total Governmental Funds
<b>Revenues:</b>			
General property taxes	\$ 12,854,369	\$ -	\$ 12,854,369
Other local taxes	16,981,945	-	16,981,945
Permits, fees and licenses	435,554	-	435,554
Fines and forfeitures	482,049	-	482,049
Use of money and property	330,208	184,283	514,491
Charges for services	4,689,237	-	4,689,237
Contributions and proffers	8,500	334,239	342,739
Miscellaneous	893,025	8,938	901,963
Intergovernmental	7,751,751	4,603,113	12,354,864
<b>Total revenues</b>	<b>44,426,638</b>	<b>5,130,573</b>	<b>49,557,211</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Legislative	960,836	-	960,836
Executive	3,127,240	-	3,127,240
Legal	412,454	-	412,454
Planning and zoning	1,382,400	-	1,382,400
Plan review	1,248,341	-	1,248,341
Finance	2,073,242	-	2,073,242
Public safety	11,262,769	-	11,262,769
Parks and recreation	6,916,341	-	6,916,341
Balch Library	454,610	-	454,610
Public works	11,590,650	-	11,590,650
Airport	2,444	-	2,444
Capital projects	-	9,673,741	9,673,741
<b>Debt service:</b>			
Principal	8,184,465	-	8,184,465
Interest and fiscal charges	2,319,700	224,704	2,544,404
<b>Total expenditures</b>	<b>49,935,492</b>	<b>9,898,445</b>	<b>59,833,937</b>
<b>Revenues under expenditures</b>	<b>(5,508,854)</b>	<b>(4,767,872)</b>	<b>(10,276,726)</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from issuance of debt	-	8,253,567	8,253,567
Proceeds from refunding of debt	-	10,251,077	10,251,077
Premiums on issuance of debt	-	1,388,795	1,388,795
Payment to refunded bond escrow agent	-	(10,980,442)	(10,980,442)
Transfers in	2,564,883	83,244	2,648,127
Transfers out	(2,345,026)	(861,232)	(3,206,258)
<b>Other financing sources, net</b>	<b>219,857</b>	<b>8,135,009</b>	<b>8,354,866</b>
<b>Net change in fund balances</b>	<b>(5,288,997)</b>	<b>3,367,137</b>	<b>(1,921,860)</b>
Fund balances, beginning	22,438,541	2,878,070	25,316,611
Fund balances, ending	\$ 17,149,544	\$ 6,245,207	\$ 23,394,751

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2012**

	Governmental Funds
Net change in fund balances - total governmental funds	\$ (1,921,860)
Reconciliation of amounts reported for governmental activities in the Statement of Activities:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.	
Expenditure for capital assets	\$ 9,801,397
Less: depreciation and amortization expense	<u>(6,885,704)</u>
Excess of capital outlay over depreciation and amortization	2,915,693
The net effect of various miscellaneous transactions involving capital assets. (i.e. donations, disposals and transfers)	37,727,762
The net effect of various miscellaneous transactions involving noncurrent liabilities.	(4,238,474)
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	89,139
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which proceeds were greater than repayments.	
Debt issued or incurred:	
Bonds payable	(18,504,644)
Premiums on bonds payable	(1,388,795)
Principal repayments:	
General obligation debt	8,184,465
Payment to refunded bond escrow agent	<u>10,980,442</u>
	(728,532)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	(125,733)
Arbitrage	(273,108)
Compensated absences	(207,595)
Other postemployment benefits	2,771
Debt issuance costs	224,704
Amortization of premiums	121,122
Amortization of deferred gains	(100,607)
Amortization of issuance cost	<u>(48,421)</u>
	<u>(406,867)</u>
<b>Change in net assets of governmental activities</b>	<b>\$ 33,436,861</b>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
General property taxes	\$ 13,169,723	\$ 13,169,723	\$ 12,854,369	\$ (315,354)
Other local taxes	15,426,130	15,426,130	16,981,945	1,555,815
Permits, fees and licenses	550,000	550,000	435,554	(114,446)
Fines and forfeitures	383,000	383,000	482,049	99,049
Use of money and property	290,000	290,000	330,208	40,208
Charges for services	5,002,612	5,002,612	4,689,237	(313,375)
Contributions	7,000	7,000	8,500	1,500
Miscellaneous	793,796	793,796	893,025	99,229
Intergovernmental	8,014,375	8,014,375	7,751,751	(262,624)
<b>Total revenues</b>	<b>43,636,636</b>	<b>43,636,636</b>	<b>44,426,638</b>	<b>790,002</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Legislative	917,862	984,283	960,836	(23,447)
Executive	3,415,746	3,793,514	3,127,240	(666,274)
Legal	426,501	473,421	412,454	(60,967)
Finance	2,118,063	2,140,259	2,073,242	(67,017)
Public safety	11,698,404	11,916,665	11,262,769	(653,896)
Public works	11,395,189	12,223,992	11,590,650	(633,342)
Parks and recreation	6,986,548	7,146,198	6,916,341	(229,857)
Balch library	435,265	469,987	454,610	(15,377)
Planning and zoning	1,414,724	1,439,933	1,382,400	(57,533)
Plan review	1,245,604	1,474,640	1,248,341	(226,299)
Airport	-	-	2,444	2,444
<b>Debt service:</b>				
Principal	3,244,452	3,244,452	8,184,465	4,940,013
Interest and fiscal charges	2,970,247	2,970,247	2,319,700	(650,547)
<b>Total expenditures</b>	<b>46,268,605</b>	<b>48,277,591</b>	<b>49,935,492</b>	<b>1,657,901</b>
<b>Revenues under expenditures</b>	<b>(2,631,969)</b>	<b>(4,640,955)</b>	<b>(5,508,854)</b>	<b>(867,899)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	861,232	861,232	2,564,883	1,703,651
Transfers out	-	-	(2,345,026)	(2,345,026)
<b>Other financing sources, net</b>	<b>861,232</b>	<b>861,232</b>	<b>219,857</b>	<b>(641,375)</b>
<b>Net change in fund balance</b>	<b>(1,770,737)</b>	<b>(3,779,723)</b>	<b>(5,288,997)</b>	<b>(1,509,274)</b>
Fund Balance, beginning	1,770,737	3,779,723	22,438,541	18,658,818
Fund Balance, ending	\$ -	\$ -	\$ 17,149,544	\$ 17,149,544



**STATEMENT OF NET ASSETS  
 PROPRIETARY FUND  
 June 30, 2012**

	Business-type Activities - Enterprise Fund Utilities
<b>ASSETS</b>	
Current Assets:	
Cash, cash equivalents, and temporary cash investments	\$ 16,975,140
Accounts receivables, net	3,545,722
Inventory	285,082
Restricted cash	1,376,295
<b>Total current assets</b>	<b>22,182,239</b>
Noncurrent Assets:	
Deferred charges	389,639
Capital assets:	
Land	1,586,356
Water and sewer plant	115,748,497
Water and sewer lines	111,693,346
Furniture, equipment and software	1,108,044
Vehicles	2,401,438
Construction in progress	942,863
Less: accumulated depreciation and amortization	(55,630,398)
<b>Total capital assets, net</b>	<b>177,850,146</b>
<b>Total noncurrent assets</b>	<b>178,239,785</b>
<b>Total assets</b>	<b>200,422,024</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	603,736
Accrued payroll	207,868
Accrued interest	1,209,231
Compensated absences	452,657
Retainage payable	48,567
Bonds payable	625,000
Customer deposits and contingent charges	846,102
<b>Total current liabilities</b>	<b>3,993,161</b>
Noncurrent Liabilities:	
Compensated absences	98,179
Other postemployment benefits	367,163
Bonds payable	67,315,258
<b>Total noncurrent liabilities</b>	<b>67,780,600</b>
<b>Total liabilities</b>	<b>71,773,761</b>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	111,237,616
Unrestricted	17,410,647
<b>Total net assets</b>	<b>\$ 128,648,263</b>

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
Year Ended June 30, 2012**

	Business-type Activities - Enterprise Funds		
	Airport	Utilities	Totals
Operating Revenues:			
Charges for services	\$ 1,182,366	\$ 15,053,935	\$ 16,236,301
Other	-	350,704	350,704
<b>Total operating revenues</b>	<b>1,182,366</b>	<b>15,404,639</b>	<b>16,587,005</b>
Operating Expenses:			
Personnel service	247,721	6,968,938	7,216,659
Contractual services	226,251	626,022	852,273
Depreciation and amortization	895,998	4,999,350	5,895,348
Materials and supplies	22,904	1,231,961	1,254,865
Continuous charges	89,196	1,293,173	1,382,369
Claims and settlements	-	1,181	1,181
Capital outlay	-	161,613	161,613
<b>Total operating expenses</b>	<b>1,482,070</b>	<b>15,282,238</b>	<b>16,764,308</b>
<b>Operating income (loss)</b>	<b>(299,704)</b>	<b>122,401</b>	<b>(177,303)</b>
Nonoperating Revenue (Expenses):			
Commonwealth of Virginia grants	18,668	-	18,668
Federal grants	-	69,245	69,245
Contributions	46,775	-	46,775
Interest on investments	206,882	47,355	254,237
Installation and connection charges	-	1,658,836	1,658,836
Interest and fiscal charges	(178,050)	(2,781,285)	(2,959,335)
<b>Total nonoperating revenues (expenses), net</b>	<b>94,275</b>	<b>(1,005,849)</b>	<b>(911,574)</b>
<b>Loss before capital grants, assistance and transfers</b>	<b>(205,429)</b>	<b>(883,448)</b>	<b>(1,088,877)</b>
Capital Grants, Assistance and Transfers:			
Commonwealth of Virginia grants	180,911	-	180,911
Federal grants	452,592	-	452,592
Developer donated assets	-	2,408,000	2,408,000
Transfers out	(36,378)	(1,750,517)	(1,786,895)
<b>Total capital grants, assistance and transfers, net before extraordinary items</b>	<b>597,125</b>	<b>657,483</b>	<b>1,254,608</b>
Extraordinary Items:			
Contribution of all assets and liabilities to the general government	(26,928,733)	-	(26,928,733)
<b>Change in net assets</b>	<b>(26,537,037)</b>	<b>(225,965)</b>	<b>(26,763,002)</b>
Net assets, beginning	26,537,037	128,874,228	155,411,265
Net assets, ending	\$ -	\$ 128,648,263	\$ 128,648,263

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds		
	Airport	Utilities	Totals
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers	\$ 1,147,417	\$ 15,142,903	\$ 16,290,320
Payments to suppliers for goods and services	(334,096)	(3,276,450)	(3,610,546)
Payments to employees for services	(280,275)	(7,038,453)	(7,318,728)
Other receipts	-	350,704	350,704
<b>Net cash provided by operating activities</b>	<b>533,046</b>	<b>5,178,704</b>	<b>5,711,750</b>
<b>Cash Flows From Noncapital and Related Financing Activities:</b>			
Operating grants	18,668	81,275	99,943
Contributions	46,775	-	46,775
Transfers out	(36,378)	(1,750,517)	(1,786,895)
<b>Net cash provided by (used in) noncapital and related financing activities</b>	<b>29,065</b>	<b>(1,669,242)</b>	<b>(1,640,177)</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Installation and connection charges	-	1,658,836	1,658,836
Repayment of advances from other funds	(664,317)	-	(664,317)
Capital grant revenue	533,028	-	533,028
Acquisition and construction of capital assets	(503,154)	(1,062,195)	(1,565,349)
Interest and fiscal charges	(280,297)	(3,794,028)	(4,074,325)
Principal paid on bonds	(60,000)	(2,050,000)	(2,110,000)
Proceeds and premiums from debt issuance	205,747	5,699,514	5,905,261
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(768,993)</b>	<b>452,127</b>	<b>(316,866)</b>
<b>Cash Flows From Investing Activities:</b>			
Interest on investments	206,882	50,066	256,948
<b>Net cash provided by investing activities</b>	<b>206,882</b>	<b>50,066</b>	<b>256,948</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>4,011,655</b>	<b>4,011,655</b>
<b>Cash and Cash Equivalents</b>			
Beginning	-	14,339,780	14,339,780
Ending	\$ -	\$ 18,351,435	\$ 18,351,435

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds		
	Airport	Utilities	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided			
By Operating Activities:			
Operating income (loss)	\$ (299,704)	\$ 122,401	\$ (177,303)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	895,998	4,999,350	5,895,348
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(19,453)	91,020	71,567
Increase (decrease) in:			
Accounts payable	44,459	13,173	57,632
Accrued liabilities	(38,321)	(218,094)	(256,415)
Prepays	3,658	59,152	62,810
Inventory	-	24,327	24,327
Unearned revenue	(18,338)	-	(18,338)
Due to other funds	(40,204)	-	(40,204)
Compensated absences	2,109	89,427	91,536
Customer deposits and contingent charges	2,842	(2,052)	790
<b>Net cash provided by operating activities</b>	<b>\$ 533,046</b>	<b>\$ 5,178,704</b>	<b>\$ 5,711,750</b>
Supplemental Disclosure of Noncash Capital and Related Financing Activities:			
Developer donated capital improvements	\$ -	\$ 2,408,000	\$ 2,408,000
Capital assets acquired through incurrence of accounts and retainage payable	\$ -	\$ 86,640	\$ 86,640
Capital assets transferred to the governmental activities, net	\$33,512,233	\$ -	\$33,512,233
Noncurrent liabilities transferred to governmental activities, net	\$ 4,238,474	\$ -	\$ 4,238,474
Current assets and liabilities transferred to the General Fund, net	\$ 2,345,026	\$ -	\$ 2,345,026

STATEMENT OF NET ASSETS  
FIDUCIARY FUND  
June 30, 2012

	<b>OPEB Trust Fund</b>
<hr/>	
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 3,843,268</u>
<b>Total assets</b>	<u>3,843,268</u>
<b>NET ASSETS</b>	
Held in trust for other postemployment benefits (OPEB)	<u><u>\$ 3,843,268</u></u>

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
**June 30, 2012**

	<b>OPEB Trust Fund</b>
<hr/>	
Additions:	
Contributions	\$ 1,471,031
<b>Total contributions</b>	<u>1,471,031</u>
Investment Income:	
From investment activities:	
Realized gain on sale of investments	293
Interest and dividends earned on investments	9
Net increase in fair value of investments	<u>26,663</u>
<b>Total income from investment activities</b>	<u>26,965</u>
Deductions:	
Administrative fees	<u>3,733</u>
<b>Total deductions</b>	<u>3,733</u>
<b>Change in net assets</b>	1,494,263
Net Assets, beginning	<u>2,349,005</u>
Net Assets, ending	<u><u>\$ 3,843,268</u></u>

## TOWN OF LEESBURG, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### 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 as applied to government units promulgated by the Governmental Accounting Standards Board (GASB). The more significant of the Town's accounting policies are described below.

##### A. Reporting Entity

The Town of Leesburg, Virginia 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 accounting principles generally accepted in the United States of America, 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 that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based upon the above, all potential component units were evaluated for inclusion in the reporting entity and it was determined there are no component units requiring inclusion in the Town's reporting.

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

###### Government-Wide Financial Statements

The Statement of Net Assets 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 or 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 proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## TOWN OF LEESBURG, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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

##### C. Basis of Presentation - Fund Accounting

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

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

General Fund – The General Fund is the general operating fund of the Town. All general tax revenues and other receipts that are 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, and library 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.

2. Proprietary Fund types are used to account for activities which are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses and transfers related to the Town's business activities are accounted for through proprietary funds. The measurement focus is on income determination, financial position, and cash flows. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Town has elected to apply all applicable FASB pronouncements, including those issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.



TOWN OF LEESBURG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

C. Basis of Presentation - Fund Accounting (Continued)

Enterprise Funds – 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 comprise the Town's major enterprise funds:

Airport Fund – This fund is used to account for the operation and maintenance of the Town's airport. The Airport Fund also receives funding through State and Federal grants. Effective June 29, 2012, Town Council elected to eliminate the Airport Fund and account for airport activity as part of the general government.

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

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

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the *accrual* basis of accounting, as are the proprietary 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 75 days of the end of the current fiscal period except for property taxes which are recognized as revenue if they have been collected within 45 days after year end. 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.

## TOWN OF LEESBURG, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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

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

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 assets 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 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) 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 funds are charges to customers for commodities and services. Operating expenses for enterprise funds include the cost of commodities and services, administrative expenses and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### E. Budgetary Data

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

## TOWN OF LEESBURG, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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

##### E. Budgetary Data (Continued)

Each year all departments of the government submit requests for appropriation to the Town Manager so that 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 at the department level. The Town Manager has authority to amend or transfer appropriations within the department level. During the year ended June 30, 2012, General Fund supplemental appropriations totaling \$2,008,986 were authorized by Town Council.

##### F. Other Significant Accounting Policies

###### 1. Cash and Cash Equivalents

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

Cash of individual funds are combined to form a pool of cash and investments. The pool consists primarily of government obligations and a local government investment pool. The government securities are stated at fair value based on quoted market prices and the investment in the local government investment pool (a 2a7-like 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 month-end balances.

###### 2. Restricted Cash

Restricted cash of \$9,433,010 and \$1,376,295 for governmental activities and business-type activities, respectively, at June 30, 2012, are comprised of unspent debt proceeds, proffer reserves, performance bonds, police forfeitures, and funds to be used for Balch Library.

###### 3. Investments

Investments are stated at fair value based on quoted market prices.

## TOWN OF LEESBURG, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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

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

###### 4. Property Taxes

Real estate and personal property taxes are assessed annually by Loudoun County, Virginia (County), for all property of record as of January 1. The Town bills and collects its property taxes based on the assessed values provided by the County. 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 October 5 with pro-ration of personal property taxes throughout the year. Prorated personal property taxes levied after June 15 are due March 15.

Collections of real estate and personal property taxes between July 1 and August 15 of the subsequent fiscal year, classified as delinquent at June 30, are recorded as revenue for the fiscal year then ended. Liens attach to the property when the tax remains unpaid after July 1 of the following year. The billings are considered past due after the respective tax billing date at which time the applicable property is subject to a 10% penalty and interest is assessed 30 days therefrom.

###### 5. 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 using the consumption method.

###### 6. 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.

###### 7. 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 estimated fair market value at the date of donation. In implementing GASB 34, the Town identified and included infrastructure assets obtained prior to June 30, 1980.

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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

F. Other Significant Accounting Policies (Continued)

7. Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the government are depreciated and amortized 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
Furniture, equipment and software	5 – 25
Computer equipment and software	5 – 10
Water and sewer plant	10 – 100
Water and sewer lines	10 – 100

The Town's Balch Library contains reference material and library books that are not capitalized. Many of these items are irreplaceable and only available for educational and research purposes to be completed at the library.

8. Deferred Revenue

Deferred revenue in the governmental funds represents amounts due, which are measurable but not available.

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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

F. Other Significant Accounting Policies (Continued)

9. 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.

10. Compensated Absences

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

11. 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 Assets. Bonds payable are reported net of the applicable premium, discount, or losses on refundings.

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

TOWN OF LEESBURG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 1. Summary of Significant Accounting Policies (Continued)

F. Other Significant Accounting Policies (Continued)

12. Bond Premiums, Discounts, Deferred Losses on Refundings, and Issuance Costs

Bond premiums, discounts, deferred losses on refundings and issuance costs are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bond discounts, net of amortization, as well as deferred losses on refundings, net of amortization, are presented as reductions to the face amount of bonds payable on the accompanying Statement of Net Assets. Bond premiums, net of amortization, are presented as an increase to the face amount of bonds payable on the accompanying Statements of Net Assets. Issuance costs, net of amortization, are presented as non-current assets on the accompanying Statements of Net Assets. The actual amounts of each of these items are presented in the schedule in Note 8, Long-Term Debt.

13. Performance Bonds

In the fund financial statements, the General Fund reports approximately \$1.5 million reserve for performance bonds in customer deposits and contingent charges. The Town requires contractors or developers to provide the Town with a performance bond (safety bond) in order to guarantee that the value of the work will not be lost in the case of an event that permits the contractor/developer from completing the project. Upon completion of the work and satisfactory inspection, the performance bond is refunded to the contractor/developer.

14. Reserve for Proffers

In the fund financial statements, the Capital Projects Fund reports a reserve for proffers of approximately \$5.4 million. The Commonwealth of Virginia grants localities the ability to seek voluntary proffers from developers to off-set costs for infrastructure and public services generated by development through the rezoning process. The Town's most common proffered cash contributions are those to off set future capital costs associated with schools, fire and rescue, parks and recreation, specific transportation improvements, and/or general transportation improvements.

TOWN OF LEESBURG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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Note 1. Summary of Significant Accounting Policies (Continued)

F. Other Significant Accounting Policies (Continued)

15. Fund Equity

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

*Nonspendable fund balance* – amounts that are 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 or Director of Finance.

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

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

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. 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 \$1.4 million have been classified as assigned under fund balance. Capital Projects Fund encumbrances totaling approximately \$5.3 million have been classified as committed under fund balance.



## TOWN OF LEESBURG, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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

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

###### 16. Net Assets

Net assets represent the difference between assets and liabilities. The caption net assets "invested in capital assets, net of related debt" 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 assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are 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 assets are available.

###### 17. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

## TOWN OF LEESBURG, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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

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

Custodial Credit Risk (Deposits): This is the risk that in the event of a bank failure, the Town's deposits may not be returned to the Town. The Town requires all deposits to comply with the Virginia Security for Public Deposits Act. At year-end, none of the Town's deposits are exposed to custodial credit risk.

#### Investment Policy:

Investments: The Town's investment policy targets the following objectives, in order of priority: legality, safety, liquidity and yield. The Director of Finance 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 rated P-1 or higher by Moody's and A-1 or higher by Standard & Poor's, provided that the issuing corporation has a net worth of at least \$50 million and its long-term debt is rated A or better by Moody's and Standard & Poor's.

##### 4. *Certificates of Deposit*

Certificates of deposit maturing within one year and issued by domestic banks rated P-1 by Moody's and A-1 by Standard & Poor's.

TOWN OF LEESBURG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

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

**Investment Policy: (Continued)**

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 that 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 fair 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. The LGIP has been assigned an "AAAm" rating by Standard & Poor's.

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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

**Investment Policy: (Continued)**

*10. 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 and seeks to maintain a constant net value (NAV) per share of \$1.00. The Commonwealth of Virginia's Treasury Board has contracted with PFM Asset Management, LLC, Wells Fargo, N.A., U.S. Bank, N.A., and the Bank of New York Mellon Corporation to provide professional services and regulating oversight to the SNAP Program.

*11. 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.

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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

**Investment Policy: (Continued)**

*12. Virginia Municipal League and Virginia Association of Counties (VML/VACo) – OPEB Trust Fund*

Investments in VML/VACo are used for funding Other Post-Employment Benefits (OPEB). The VML/VACo Trust is the only pooled OPEB trust offered in Virginia. Trust participants receive professional investment management on par with the services provided by major pension funds. Investment decisions are made by the Board of Trustees.

The Town currently has \$3,843,268 invested with VML/VACo OPEB Trust. The trust has not been assigned a rating as of June 30, 2012.

**Credit Risk:**

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2012, 78% of the Town's investments were invested in "AAAm" rated Money Market Funds. All credit ratings presented in this paragraph are Standard & Poor's ratings.

**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.

	Fair Value	Less Than 1 Year
LGIP	\$ 10,567,320	\$ 10,567,320
Certificates of deposit	6,777,033	6,777,033
SNAP	14,056,106	14,056,106

**Note 3. 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, 2012, estimated unbilled services included in accounts receivable and revenue amounted to approximately \$2.6 million.

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 4. Receivables**

Receivables at June 30, 2012 for the Town's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Projects Fund	Utilities Fund	Totals
Property taxes	\$ 6,733,480	\$ -	\$ -	\$ 6,733,480
Utility taxes	121,782	-	-	121,782
Local taxes	1,451,437	-	-	1,451,437
Accounts	236,633	25,000	3,620,722	3,882,355
Gross receivables	8,543,332	25,000	3,620,722	12,189,054
Less allowance for uncollectible accounts	(266,100)	-	(75,000)	(341,100)
Net receivables	\$ 8,277,232	\$ 25,000	\$ 3,545,722	\$ 11,847,954

Governmental funds report deferred 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 deferred revenue and unearned revenue reported in the General Fund were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable	\$ 521,742	\$ -
Advance collection of 2012-2013 taxes	-	85,638
2012-2013 property taxes receivable	-	5,609,230
Lease revenue	-	94,109
Business licenses receivable	-	55,877
Motor vehicle decal receivable	-	329,976
Capital projects	-	910,304
	\$ 521,742	\$ 7,085,134

The Capital Projects Fund reported unearned revenue of \$910,304 in connection with contributions received in advance from Loudoun County for the County's share of capital projects undertaken by the Town.

The Town leases a portion of the Town's property at the airport to the federal government for the FAA/Automated Flight Services Station. In 2004, the FAA advanced the Town approximately \$236,000 to assist with capital improvements of the facilities. The advance is being amortized over the remaining lease through April 2018, in which the Town is recognizing approximately \$18,300 in income annually.

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 5. Due From Other Governments**

At June 30, 2012, amounts due from other governments were as follows:

General Fund:

Commonwealth of Virginia:

Local sales tax	\$ 1,344,854
Other taxes and grants	25,088
Car rental tax	10,584
Communication sales and use	377,107
Department of Aviation	12,860
	<u>1,770,493</u>

Federal government:

Federal Aviation Administration	87,615
Department of Justice	26,599
	<u>114,214</u>

Northern Virginia Cigarette Tax Board	<u>97,216</u>
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Other governments	<u>25,859</u>
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<b>Total General Fund</b>	<u><u>\$ 2,007,782</u></u>
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Capital Projects Fund:

Virginia Department of Transportation	<u><u>\$ 1,076,136</u></u>
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TOWN OF LEESBURG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2012 is as follows:

	Beginning Balance	Transfers/ Increases	(Deletions)/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 41,709,729	\$ 11,437,038	\$ -	\$ 53,146,767
Construction in progress	10,966,704	8,127,615	(3,386,380)	15,707,939
<b>Total capital assets, not being depreciated or amortized</b>	<b>52,676,433</b>	<b>19,564,653</b>	<b>(3,386,380)</b>	<b>68,854,706</b>
Capital assets, being depreciated or amortized:				
Buildings and improvements	68,566,566	3,046,895	3,386,380	74,999,841
Furniture, equipment and software	3,421,056	2,228,030	(13,534)	5,635,552
Computer equipment and software	2,414,378	100,358	(31,100)	2,483,636
Vehicles	4,160,818	721,165	(188,229)	4,693,754
Infrastructure	206,135,101	4,171,048	-	210,306,149
Hangers	-	6,057,289	-	6,057,289
Runways	-	15,619,842	-	15,619,842
Terminals	-	6,677,993	-	6,677,993
<b>Total capital assets being depreciated or amortized</b>	<b>284,697,919</b>	<b>38,622,620</b>	<b>3,153,517</b>	<b>326,474,056</b>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(17,648,877)	(2,311,065)	-	(19,959,942)
Furniture, equipment and software	(2,379,060)	(1,148,335)	13,534	(3,513,861)
Computer equipment and software	(1,370,781)	(369,402)	31,100	(1,709,083)
Vehicles	(2,753,050)	(687,100)	177,901	(3,262,249)
Infrastructure	(39,821,893)	(4,188,107)	-	(44,010,000)
Hangers	-	(1,623,259)	-	(1,623,259)
Runway	-	(5,095,986)	-	(5,095,986)
Terminals	-	(2,110,236)	-	(2,110,236)
<b>Total accumulated depreciation and amortization</b>	<b>(63,973,661)</b>	<b>(17,533,490)</b>	<b>222,535</b>	<b>(81,284,616)</b>
<b>Total capital assets being depreciated or amortized, net</b>	<b>220,724,258</b>	<b>21,089,130</b>	<b>3,376,052</b>	<b>245,189,440</b>
Governmental activities capital assets, net	\$ 273,400,691	\$ 40,653,783	(10,328)	\$ 314,044,146

On June 29, 2012, the Airport Fund capital assets were transferred to the general government. As a result, assets with a net book value of \$33,512,233 (cost basis of \$44,160,019 and accumulated depreciation of \$10,647,786) were transferred to the general government.



TOWN OF LEESBURG, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

Note 6. Capital Assets (Continued)

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

Governmental activities:		
Legislative		\$ 8,867
Executive		511,371
Finance		3,469
Public safety		658,614
Parks and recreation		841,775
Balch Library		177,218
Planning and zoning		2,699
Public works		4,681,691
<b>Total depreciation and amortization expense - governmental activities</b>		<u>\$ 6,885,704</u>

	Beginning Balance	Increases	Transfers (Deletions)/ Reclassifications	Ending Balance
Business-type activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 12,205,242	\$ -	\$ (10,618,886)	\$ 1,586,356
Construction in progress	844,958	871,649	(773,744)	942,863
<b>Total capital assets, not being depreciated or amortized</b>	<u>13,050,200</u>	<u>871,649</u>	<u>(11,392,630)</u>	<u>2,529,219</u>
Capital assets, being depreciated or amortized:				
Water and sewer plant	125,333,684	-	(9,585,187)	115,748,497
Water and sewer lines	98,919,990	3,188,169	9,585,187	111,693,346
Furniture, equipment and software	5,676,292	10,000	(4,578,248)	1,108,044
Vehicles	-	30,743	2,370,695	2,401,438
Hangars	6,057,289	-	(6,057,289)	-
Runway	15,619,842	-	(15,619,842)	-
Buildings and improvements	8,903,752	-	(8,903,752)	-
<b>Total capital assets being depreciated or amortized</b>	<u>260,510,849</u>	<u>3,228,912</u>	<u>(32,788,436)</u>	<u>230,951,325</u>
Less accumulated depreciation and amortization for:				
Water and sewer plant	(23,073,546)	(2,314,952)	601,887	(24,786,611)
Water and sewer lines	(24,775,303)	(2,538,586)	(601,887)	(27,915,776)
Furniture, equipment and software	(3,843,944)	(99,476)	2,918,933	(1,024,487)
Vehicles	-	(108,830)	(1,794,694)	(1,903,524)
Hangars	(1,445,600)	(177,659)	1,623,259	-
Runway	(4,794,723)	(301,263)	5,095,986	-
Buildings and improvements	(2,470,767)	(354,582)	2,825,349	-
<b>Total accumulated depreciation and amortization</b>	<u>(60,403,883)</u>	<u>(5,895,348)</u>	<u>10,668,833</u>	<u>(55,630,398)</u>
<b>Total capital assets being depreciated and amortized, net</b>	<u>200,106,966</u>	<u>(2,666,436)</u>	<u>(22,119,603)</u>	<u>175,320,927</u>
Business-type activities capital assets, net	<u>\$ 213,157,166</u>	<u>\$ (1,794,787)</u>	<u>\$ (33,512,233)</u>	<u>\$ 177,850,146</u>

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 6. Capital Assets (Continued)**

On June 29, 2012, the Airport Fund capital assets were transferred to the general government. As a result, assets with a net book value of \$33,512,233 (cost basis of \$44,160,019 and accumulated depreciation of \$10,647,786) were transferred to the general government.

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

Business-type activities:	
Airport	\$ 895,998
Utilities	4,999,350
<b>Total depreciation and amortization expense - business-type activities</b>	<u>\$ 5,895,348</u>

**Note 7. Interfund Assets/Liabilities**

The Airport Fund has not had sufficient cash flow from operations to meet all of its operating expenses and debt service costs. As a result, the General Fund has made operating cash advances to the Airport Fund to provide working capital and cover the annual cash deficits. The airport agreed to lease office space to the General Fund for a term of five years commencing in December 2009 in monthly installments of \$3,222 through December 2014 at which time the lease agreement will automatically renew for an additional five year term unless either party cancels the agreement. On June 29, 2012, advances made to the Airport Fund from the General Fund totaling \$3,041,970 were written off by the Town.

**Note 8. Long-Term Debt**

**General Obligation Bonds**

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 funds 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.

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 8. Long-Term Debt (Continued)**

Outstanding long-term debt at June 30, 2012 includes the following bond issues:

*General Obligation Bonds:*

\$1,350,000, 2003 General Obligation Bonds, due in semi-annual installments of \$49,442 through January 2013; including interest at 3.60%	\$ 96,278
\$9,190,000, 2005 General Obligation Bonds, due in annual principal payments of \$385,000 to \$665,000 through January 2026; plus interest at 4.00% to 5.00%	5,915,000
\$20,035,000, 2006 General Obligation Refunding Bond Series B, due in annual installments of \$300,000 to \$2,295,000 through September 2026; plus interest at 4.00% to 5.00%	13,655,000
\$55,660,000, 2006 "Double Barrel" General Obligation Public Utility Bonds, due in annual installments of \$505,000 to \$3,030,000 through July 2036; plus interest at 3.75% to 5.00%	46,590,000
\$21,695,000, 2009 Build America Bonds (BABS) Taxable, due in annual installments of \$210,000 to \$1,300,000 through February 2039, plus interest at 2.56% to 6.31%	20,693,934
\$6,320,000 2009 Build America Bonds (BABS) Tax-Exempt Refunding, due in annual installments of \$850,000 to \$1,355,000 through February 2017, plus interest at 3.00% to 4.00%	4,905,000
\$26,990,000 2011 Series A General Obligation Tax-Exempt, due in annual installments of \$90,000 to \$4,040,000 through January 2041, plus interest at 2.00% to 5.00%	26,990,000
\$3,880,000 2011 Series B General Obligation Taxable, due in annual installments of \$695,000 to \$1,250,000 through January 2020, plus interest at 2.585% to 3.721%	3,880,000

*Revenue Bonds:*

\$11,000,000, VRA 1999 Utility System Revenue Bonds; due in semi-annual installments of \$391,534 through September 2020; including interest at 3.50%	4,204,897
	<hr/> 126,930,109
	1,007,876
Plus unamortized premiums, discounts and deferred losses, net	<hr/>
Total bonded debt	<u>\$ 127,937,985</u>

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Long-Term Debt (Continued)**

The Town also issues bonds where the Town pledges income derived from the acquired or constructed assets to pay debt service.

The Revenue Bonds constitute special obligations of the Town solely secured by a lien on and pledge of the net revenues of the water and sewer system. The revenue of the water and sewer system and the various special funds established by the bond covenants collateralizes the bonds. The covenants provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Any remaining revenues may then be retained in a surplus account. The covenants also contain certain provisions, which require the Town to maintain revenues, as defined in the covenants of at least 1.25 times the annual debt service requirements. For fiscal year 2012, all revenue bond covenants were met.

The Double Barrel Bonds are secured by the Town's general obligation pledge as well as a pledge of utility revenues.

The allocation of debt to business-type and governmental activities net of premium, discount, and deferred loss is as follows:

Description	Business-Type Activities	Governmental Activities	Totals
Bonded Long-term Debt:			
1999 VRA utility revenue	\$ 4,204,897	\$ -	\$ 4,204,897
2003 General obligation	-	96,278	96,278
2005 General obligation	-	5,915,000	5,915,000
2006 General obligation, Series B	-	13,655,000	13,655,000
2006 General obligation, Public Utility	46,590,000	-	46,590,000
2009 BABS, taxable	5,009,593	15,684,341	20,693,934
2009 BABS, tax-exempt	-	4,905,000	4,905,000
2011 Series A General obligation	11,210,000	15,780,000	26,990,000
2011 Series B General obligation	-	3,880,000	3,880,000
Total bonds payable	67,014,490	59,915,619	126,930,109
Plus: unamortized premiums	1,362,525	2,429,215	3,791,740
Less: deferred loss	(436,757)	(2,347,107)	(2,783,864)
Compensated absences	550,836	1,903,623	2,454,459
	<u>\$ 68,491,094</u>	<u>\$ 61,901,350</u>	<u>\$ 130,392,444</u>

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Long-Term Debt (Continued)**

The following is a summary of long-term liability activity of the Town for the year ended June 30, 2012:

	Beginning Balance	Transfers/ Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 55,683,926	\$ 22,667,235	\$ (18,435,542)	\$ 59,915,619	\$ 3,025,619
Unamortized premiums	1,227,237	1,476,862	(274,884)	2,429,215	-
Deferred loss	(1,735,944)	(850,580)	239,417	(2,347,107)	-
Compensated absences	1,678,849	1,693,309	(1,468,535)	1,903,623	1,652,632
Governmental activities long-term activities					
	<u>\$ 56,854,068</u>	<u>\$ 24,986,826</u>	<u>\$ (19,939,544)</u>	<u>\$ 61,901,350</u>	<u>\$ 4,678,251</u>

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

Year Ending June 30,	Bonded Obligations		Totals
	Principal	Interest	
2013	\$ 3,025,619	\$ 2,698,500	\$ 5,724,119
2014	1,800,000	2,611,059	4,411,059
2015	1,885,000	2,557,119	4,442,119
2016	1,740,000	2,488,951	4,228,951
2017	4,400,000	2,384,101	6,784,101
2018-2022	23,875,000	8,875,027	32,750,027
2023-2027	16,625,000	3,785,537	20,410,537
2028-2031	6,565,000	732,806	7,297,806
	<u>\$ 59,915,619</u>	<u>\$ 26,133,100</u>	<u>\$ 86,048,719</u>

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable	\$ 68,643,958	\$ 11,210,000	\$ (12,839,468)	\$ 67,014,490	\$ 625,000
Unamortized premiums	757,198	928,034	(322,707)	1,362,525	-
Deferred loss	(122,912)	(526,806)	212,961	(436,757)	-
Compensated absences	476,479	481,259	(406,902)	550,836	452,657
Business-type activities long-term liabilities					
	<u>\$ 69,754,723</u>	<u>\$ 12,092,487</u>	<u>\$ (13,356,116)</u>	<u>\$ 68,491,094</u>	<u>\$ 1,077,657</u>

On June 29, 2012, long-term debt instruments of the Airport Fund were transferred to the general government. Bonds payable of \$4,162,589, unamortized premiums of \$170,702, deferred losses of \$153,858 and compensated absences totaling \$17,179 were transferred to the general government.

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 8. Long-Term Debt (Continued)**

Annual requirements to amortize long-term debt are as follows:

Year Ending June 30,	Bonded Obligations		Totals
	Principal	Interest	
2013	\$ 625,000	\$ 2,718,585	\$ 3,343,585
2014	785,000	2,976,992	3,761,992
2015	1,102,948	2,948,744	4,051,692
2016	3,117,686	2,869,555	5,987,241
2017	3,495,730	2,747,911	6,243,641
2018-2022	18,303,533	11,459,805	29,763,338
2023-2027	15,080,000	7,690,798	22,770,798
2028-2032	10,075,000	4,752,611	14,827,611
2033-2037	12,590,000	2,090,323	14,680,323
2038-2041	1,839,593	251,016	2,090,609
	<u>\$ 67,014,490</u>	<u>\$ 40,506,340</u>	<u>\$ 107,520,830</u>

**Advanced Refunding**

The Town refunded its 2000 public improvement bond, portions of its 2001, 2003, 2005, 2006 general obligation bonds, and portions of its 2006B general obligation and refunding bond. The refunding reduced the Town's total debt service over the next 14 years by approximately \$5.9 million and resulted in an economic gain of \$883,630.

As a result of the refunding noted above, the Town placed proceeds totaling approximately \$13.1 million in escrow to repay the refunded debt.

The legal debt margin for the Town mandated by the Commonwealth of Virginia is \$590.9 million, which is computed based upon 10% of the assessed value on real estate subject to taxation less applicable bonded debt.

**Note 9. Interfund Transfers**

	General	Capital Projects	Airport	General Government	Total Transferred Out
Transfer from fund:					
Governmental activities:					
General	\$ -	\$ -	\$ 2,345,026	\$ -	\$ 2,345,026
Capital Projects	861,232	-	-	-	861,232
Business-type activities:					
Airport	-	36,378	-	29,273,759	29,310,137
Utilities	1,703,651	46,866	-	-	1,750,517
Total transferred in	<u>\$ 2,564,883</u>	<u>\$ 83,244</u>	<u>\$ 2,345,026</u>	<u>\$ 29,273,759</u>	<u>\$ 34,266,912</u>

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 9. Interfund Transfers (Continued)**

The transfer from the General Fund to the Airport Fund is for the airport activity assumed by the General Fund as a result of the Airport Fund being eliminated by the Town.

The transfer from the Airport Fund to the Capital Projects Fund is for project administrative services performed by the capital projects office.

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

The transfer from the Airport Fund to the General Government is for the airport activity assumed by the general government as a result of the Airport Fund being eliminated by the Town.

The transfer from the Utilities Fund to the Capital Projects Fund is for project administrative services performed by the capital projects office.

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

**Note 10. 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 that 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.

At June 30, 2012, the Town was contractually obligated for \$3.6 million to complete various construction projects within the Town. The funds for these improvements are expected to come from net asset reserves, the issuance of debt and state funding.

## TOWN OF LEESBURG, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 11. Other Postemployment Benefits

**Plan Description:** The Town participates in the Retiree Healthcare and Life Insurance Benefit Programs which is a single employer benefit plan. 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 (or more) and have 5 years (or more) 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.

**Funding Policy:** 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 law. Employees who retire with 20 or more years, at least 15 but less than 20 years, and at least 10 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. For employees hired after June 30, 2008, the health insurance costs are capped. This will require the Town to pay for increased premium costs for eligible retirees for the next 20 years. However, after that, new retirees will be responsible for all increases in premiums, shifting the cost of the premiums from the Town to the retiree.

The Town will pay between 25% and 90% of the premium for retirees based on years of service.

**Annual OPEB cost and Net OPEB Obligation:** In 2012, the Town had an actuarial valuation of post employment benefits performed as of July 1, 2011. The annual cost of the OPEB under GASB Statement No. 45 is called the annual required contribution or ARC. The phase-in of full funding cost for OPEB benefits is \$1,677,100 and the annual benefit cost is \$1,703,759 for 2012. The percentage of the annual OPEB cost contributed is 100.51%.

GASB Statement No. 45 does not require pre-funding of the OPEB liability. The Town has elected not to pre-fund all of the OPEB liability at this time. The difference between the OPEB annual expense and cash payments for OPEB benefits is treated as a liability in the financial statements when the liability is not pre-funded. At June 30, 2012 the Town has recorded a liability of \$1,490,818 on the Statement of Net Assets and enterprise fund statements.



**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 11. Other Postemployment Benefits (Continued)**

The Town is required to contribute the ARC of the employer, an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows a calculation of the net OPEB obligation at June 30, 2012:

	General	Utilities	Airport	Totals
ARC	\$ 1,309,126	\$ 355,751	\$ 12,223	\$ 1,677,100
Interest on net OPEB obligation	87,787	23,856	820	112,463
Adjustment to ARC	(66,978)	(18,201)	(625)	(85,804)
Annual OPEB cost	1,329,935	361,406	12,418	1,703,759
Contributions made	(1,332,706)	(369,008)	(10,721)	(1,712,435)
Increase (decrease) in net OPEB obligation	(2,771)	(7,602)	1,697	(8,676)
Net OPEB obligation, beginning of year	1,103,716	374,765	21,013	1,499,494
Transfer to General Government	22,710	-	(22,710)	-
Net OPEB obligation, end of year	\$ 1,123,655	\$ 367,163	\$ -	\$ 1,490,818

**Trend Information**

Three-year trend information is as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 1,703,759	100.51%	\$ 1,490,818
June 30, 2011	1,505,128	88.15%	1,499,494
June 30, 2010	1,424,005	63.22%	1,321,185

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 11. Other Postemployment Benefits (Continued)**

**Funding Status and Funding Process:** As of July 1, 2011, the most recent actuarial valuation date, the plan was partially funded. The actuarial value of the assets was \$2,371,258 resulting in an unfunded actuarial accrued liability (UAAL) of \$12,057,242.

Actuarial valuations of an on-going plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made for the future. The schedule of funding progress, presented in the required supplementary information following the notes to the financial statements, present trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The following table shows the funding progress for the Town.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
July 1, 2007	\$ -	\$ 11,225,000	\$ 11,225,000	0.00%	\$ 18,743,000	59.9%
July 1, 2009	213,704	12,996,203	12,782,499	1.6%	20,939,368	61.0%
July 1, 2011	2,371,258	14,428,500	12,057,242	16.4%	22,735,100	53.0%

**Actuarial Methods and Assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

The 2011 actuarial valuation determined the OPEB liability based on the entry age normal cost method. The actuarial assumptions include a discount rate of 7.5%, salary increases comprised of a wage inflation component of 3.75% and a seniority and merit component of .5% and an ultimate healthcare and dental trend rate of 5.0%. The unfunded liability is amortized over a period of 30 years as a level percentage of payroll on an open basis.

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 12. Defined Benefit Pension Plan**

Plan Description

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

VRS administers two defined benefit plans for local government employees – Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal social security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

## TOWN OF LEESBURG, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 12. Defined Benefit Pension Plan (Continued)

##### Plan Description (Continued)

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2011-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

##### Funding Policy

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their compensation toward their retirement. This 5% member contribution has been assumed by the Town. In addition, the Town is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the *Code of Virginia* and approved by the VRS Board of Trustees. The Town's contribution rate for the fiscal year ended June 30, 2012 was 13% of annual covered payroll.

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 12. Defined Benefit Pension Plan (Continued)**

Annual Pension Cost (APC)

For fiscal year 2012, the Town's annual pension cost of \$2,680,338 was equal to the Town's required and actual contributions.

Three-year trend information for the Town is as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2010	\$ 2,926,912	100%	\$ -
June 30, 2011	2,872,482	100%	-
June 30, 2012	2,680,338	100%	-

The fiscal year 2012 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.5% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the Town's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The Town's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the plan was 77.50% funded. The actuarial accrued liability for benefits was \$68,374,294 and the actuarial value of assets was \$52,990,905 resulting in an unfunded actuarial accrued liability (UAAL) of \$15,383,389. The covered payroll (annual payroll of active employees covered by the plan) was \$21,930,184, and ratio of the UAAL to the covered payroll was 70.15%.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**TOWN OF LEESBURG, VIRGINIA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 13. Risk Management**

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

The Town also has coverage with the Virginia Association of Counties (VACO) for workers' compensation. Each Association member jointly and severally agrees to assume, pay and discharge any liability. The Town pays VACO contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the case for both pools, if the event of a loss deficit and depletion of all available excess insurance, the pools may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The Town participates in the Virginia Municipal League (VML), which is a public entity risk pool that provides commercial general liability, property, automobile, and other types of insurance coverage to Virginia localities.

**Note 14. Operating Rental Income Lease**

The Town leases various owned airport properties under non-cancelable operating leases. The leases provide for annual rental increases and pass-through of certain maintenance costs. The Town was contracted at June 30, 2012 with four significant leases, two expiring in June 2014, one in April 2018, and one in January 2026.

<u>Year Ending June 30,</u>	<u>Rental Income</u>
2013	\$ 155,899
2014	161,579
2015	97,149
2016	97,149
2017	103,398
2018-2022	183,097
2023-2026	79,966
	<u>\$ 878,237</u>

## TOWN OF LEESBURG, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

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#### Note 15. Pending GASB Statements

At June 30, 2012, the Governmental Accounting Standards Board (GASB) had issued the following statements not yet implemented by the Town. The statements which might impact the Town are as follows:

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, improves financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. Statement No. 62 will be effective for periods beginning after December 15, 2011.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. Statement No. 63 will be effective for periods beginning after December 15, 2011.

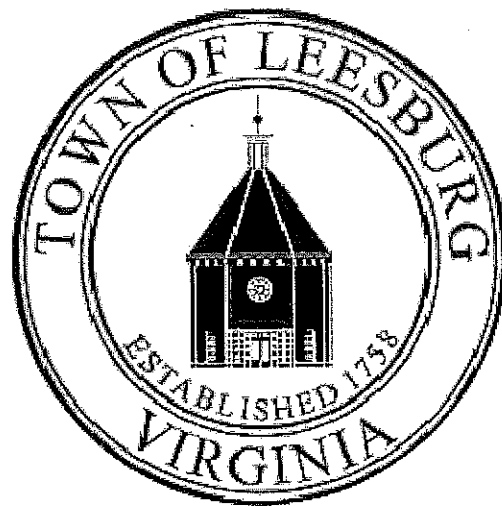
GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. Statement No. 65 will be effective for periods beginning after December 15, 2012.

GASB Statement No. 66, *Technical Corrections – 2012*, will improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 66 will be effective for periods beginning after December 15, 2012.

GASB Statement No. 67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, will improve financial reporting by state and local government pension plans. Statement No. 67 will be effective for fiscal years beginning after June 15, 2013.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. Statement No. 68 will be effective for fiscal years beginning after June 15, 2014.

The Town has reviewed these statements and is in the process of determining the full effect these GASB Statements will have on its financial statements.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF LEESBURG, VIRGINIA**

**SCHEDULE OF FUNDING PROGRESS - VIRGINIA RETIREMENT SYSTEM**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
June 30, 2011	\$ 52,990,905	\$ 68,374,294	\$ 15,383,389	77.50%	\$ 21,930,184	70.15%
June 30, 2010	49,891,563	63,664,902	13,773,339	78.37%	22,483,508	61.26%
June 30, 2009	46,921,071	53,958,657	7,037,586	86.96%	22,550,312	31.21%

**SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
July 1, 2007	\$ -	\$ 11,225,000	\$ 11,225,000	0.00%	\$ 18,743,000	59.9%
July 1, 2009	213,704	12,996,203	12,782,499	1.6%	20,939,368	61.0%
July 1, 2011	2,371,258	14,428,500	12,057,242	16.4%	22,735,100	53.0%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS**

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2010	\$ 1,420,320	63.39%
2011	1,485,844	89.30%
2012	1,677,100	102.11%

## **SUPPLEMENTAL SCHEDULES**



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**GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2012  
(With Comparative Totals for 2011)**

	2012	2011
<b>ASSETS</b>		
Cash, cash equivalents, and temporary cash investments	\$ 15,961,088	\$ 14,541,624
Receivables, net:		
Property taxes, including penalties	6,483,480	6,328,945
Utility taxes	121,782	132,471
Local taxes	1,451,437	1,430,782
Accounts	220,533	81,482
Accrued interest	28,065	31,737
Advances to other funds	-	3,082,174
Due from other governments	2,007,782	1,316,905
Prepaid health insurance and other	151,402	283,699
Restricted cash	863,867	5,888,438
	<u>\$ 27,289,436</u>	<u>\$ 33,118,257</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 878,964	\$ 743,745
Accrued payroll	651,642	1,821,604
Other accrued liabilities	178,503	101,862
Customer deposits and contingent charges	1,734,211	1,675,224
Deferred revenues	6,696,572	6,337,281
	<u>10,139,892</u>	<u>10,679,716</u>
<b>FUND BALANCE</b>		
Nonspendable		
Lease deposit	151,402	-
Prepaid health insurance	-	283,699
Due from other funds	-	3,082,174
Restricted		
Balch Library	729,481	724,949
Parks and recreation (Symmington)	50,521	5,083,483
Police	47,450	43,646
Committed		
Revenue stabilization	-	1,400,000
Assigned		
Debt service reserve	3,400,000	-
Capital asset reserve	1,971,375	1,195,637
Expenditures designated for future years	1,403,382	1,521,624
Unassigned	9,395,933	9,103,329
	<u>17,149,544</u>	<u>22,438,541</u>
<b>Total fund balance</b>	<u>\$ 17,149,544</u>	<u>\$ 22,438,541</u>
<b>Total liabilities and fund balance</b>	<u>\$ 27,289,436</u>	<u>\$ 33,118,257</u>

**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL**  
**Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Revenue from local sources:				
General property taxes:				
Real estate taxes:				
Current	\$ 11,214,723	\$ 11,214,723	\$ 10,762,468	\$ (452,255)
Delinquent	100,000	100,000	61,117	(38,883)
Personal property taxes:				
Current	1,468,000	1,468,000	1,602,122	134,122
Delinquent	60,000	60,000	105,115	45,115
Public service corporation taxes	227,000	227,000	221,488	(5,512)
Penalties and interest	100,000	100,000	102,059	2,059
<b>Total general property taxes</b>	<b>13,169,723</b>	<b>13,169,723</b>	<b>12,854,369</b>	<b>(315,354)</b>
Other local taxes:				
Utility	1,470,000	1,470,000	1,495,345	25,345
Daily rental	17,230	17,230	7,099	(10,131)
Cable TV franchise	104,000	104,000	155,894	51,894
Meals	3,467,720	3,467,720	4,418,067	950,347
Bank franchise	765,000	765,000	791,656	26,656
Telecommunication	150,000	150,000	136,224	(13,776)
Cigarette	1,150,000	1,150,000	1,133,071	(16,929)
Sales and use	4,047,180	4,047,180	4,509,128	461,948
Business and occupational licenses	2,900,000	2,900,000	2,860,659	(39,341)
Motor vehicle licenses	780,000	780,000	812,863	32,863
Transient occupancy	575,000	575,000	661,939	86,939
<b>Total other local taxes</b>	<b>15,426,130</b>	<b>15,426,130</b>	<b>16,981,945</b>	<b>1,555,815</b>
Permits, fees and licenses:				
Zoning, subdivision and development fees	550,000	550,000	308,991	(241,009)
Permits	-	-	126,563	126,563
<b>Total permits, fees and licenses</b>	<b>550,000</b>	<b>550,000</b>	<b>435,554</b>	<b>(114,446)</b>
Fines and forfeitures:				
Police forfeiture	-	-	8,003	8,003
Traffic fines	300,000	300,000	354,231	54,231
Parking fines	83,000	83,000	119,815	36,815
<b>Total fines and forfeitures</b>	<b>383,000</b>	<b>383,000</b>	<b>482,049</b>	<b>99,049</b>
Use of money and property:				
Interest	100,000	100,000	99,304	(696)
Parking meters	60,000	60,000	59,412	(588)
Sales of surplus property	30,000	30,000	74,972	44,972
Parking facility revenues	100,000	100,000	96,520	(3,480)
<b>Total use of money and property</b>	<b>290,000</b>	<b>290,000</b>	<b>330,208</b>	<b>40,208</b>

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL  
Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Revenue from local sources: (Continued)				
Charges for services:				
Publications	\$ 4,000	\$ 4,000	\$ 2,182	\$ (1,818)
Fingerprinting	4,500	4,500	4,410	(90)
Extradition	5,000	5,000	11,952	6,952
Parks and recreation user fees	4,989,112	4,989,112	4,670,693	(318,419)
<b>Total charges for services</b>	<b>5,002,612</b>	<b>5,002,612</b>	<b>4,689,237</b>	<b>(313,375)</b>
Contributions	7,000	7,000	8,500	1,500
Miscellaneous	793,796	793,796	893,025	99,229
<b>Total revenues from local sources</b>	<b>35,622,261</b>	<b>35,622,261</b>	<b>36,674,887</b>	<b>1,052,626</b>
Intergovernmental:				
Revenue from the Commonwealth:				
Non-categorical aid:				
Motor vehicles tax	-	-	520	520
Rental car tax	97,000	97,000	92,246	(4,754)
Mobile home titling tax	-	-	605	605
Personal property tax relief	1,468,941	1,468,941	1,468,941	-
Communication sales and use	2,265,000	2,265,000	2,208,092	(56,908)
<b>Total non-categorical aid</b>	<b>3,830,941</b>	<b>3,830,941</b>	<b>3,770,404</b>	<b>(60,537)</b>
Categorical aid:				
State fire programs funds	80,000	80,000	113,922	33,922
Law enforcement assistance	829,288	829,288	829,288	-
Highway maintenance	2,822,586	2,822,586	2,927,336	104,750
Disaster Grant - Public Assistance	25,000	25,000	15,066	(9,934)
<b>Total categorical aid</b>	<b>3,756,874</b>	<b>3,756,874</b>	<b>3,885,612</b>	<b>128,738</b>
<b>Total revenue from the Commonwealth</b>	<b>7,587,815</b>	<b>7,587,815</b>	<b>7,656,016</b>	<b>68,201</b>
Revenue from the federal government:				
Categorical aid:				
VA Commission for the Arts	5,000	5,000	5,000	-
Bulletproof Vest Grant	-	-	2,102	2,102
Disaster Grant - Public Assistance	-	-	45,211	45,211
Gang Officer	90,000	90,000	31,486	(58,514)
Homeland Security	299,560	299,560	-	(299,560)
Violence Against Women	32,000	32,000	-	(32,000)
Byrne Formula Grant	-	-	11,936	11,936
<b>Total categorical aid</b>	<b>426,560</b>	<b>426,560</b>	<b>95,735</b>	<b>(330,825)</b>
<b>Total revenue from the federal government</b>	<b>426,560</b>	<b>426,560</b>	<b>95,735</b>	<b>(330,825)</b>
<b>Total intergovernmental</b>	<b>8,014,375</b>	<b>8,014,375</b>	<b>7,751,751</b>	<b>(262,624)</b>
<b>Total revenues</b>	<b>43,636,636</b>	<b>43,636,636</b>	<b>44,426,638</b>	<b>790,002</b>

**GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL  
Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Other financing sources:				
Transfers in	\$ 861,232	\$ 861,232	\$ 2,564,883	\$ 1,703,651
<b>Total other financing sources</b>	<b>861,232</b>	<b>861,232</b>	<b>2,564,883</b>	<b>1,703,651</b>
<b>Total General Fund revenues and other financing sources</b>	<b>\$ 44,497,868</b>	<b>\$ 44,497,868</b>	<b>\$ 46,991,521</b>	<b>\$ 2,493,653</b>



## GENERAL FUND

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL

Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Legislative:				
Town council:				
Personnel services	\$ 60,820	\$ 60,820	\$ 58,651	\$ (2,169)
Contractual services	102,914	163,414	151,654	(11,760)
Materials and supplies	1,200	1,700	1,327	(373)
Transfer payments	620,098	620,098	620,098	-
Continuous charges	23,900	23,400	14,654	(8,746)
<b>Total town council</b>	<b>808,932</b>	<b>869,432</b>	<b>846,384</b>	<b>(23,048)</b>
Clerk of council:				
Personnel services	102,910	105,410	105,449	39
Contractual services	3,119	6,340	6,245	(95)
Materials and supplies	1,500	1,800	1,647	(153)
Continuous charges	1,401	1,301	1,111	(190)
<b>Total clerk of council</b>	<b>108,930</b>	<b>114,851</b>	<b>114,452</b>	<b>(399)</b>
<b>Total legislative</b>	<b>917,862</b>	<b>984,283</b>	<b>960,836</b>	<b>(23,447)</b>
Executive:				
Town manager:				
Personnel services	905,058	905,058	865,290	(39,768)
Contractual services	33,612	129,312	112,627	(16,685)
Materials and supplies	7,776	10,266	10,133	(133)
Transfer payments	20,232	5,560	-	(5,560)
Continuous charges	11,347	10,247	9,613	(634)
<b>Total town manager</b>	<b>978,025</b>	<b>1,060,443</b>	<b>997,663</b>	<b>(62,780)</b>
Public arts commission:				
Personnel services	4,520	4,520	4,092	(428)
Contractual services	1,850	1,850	770	(1,080)
Materials and supplies	150	1,150	1,000	(150)
<b>Total public arts commission</b>	<b>6,520</b>	<b>7,520</b>	<b>5,862</b>	<b>(1,658)</b>
Human resources:				
Personnel services	390,779	395,779	396,997	1,218
Contractual services	88,690	94,328	75,104	(19,224)
Materials and supplies	4,341	5,187	4,703	(484)
Continuous charges	5,885	5,885	4,730	(1,155)
<b>Total human resources</b>	<b>489,695</b>	<b>501,179</b>	<b>481,534</b>	<b>(19,645)</b>

## GENERAL FUND

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL

Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Executive: (Continued)				
Information technology operations:				
Personnel services	\$ 612,774	\$ 500,384	\$ 474,991	\$ (25,393)
Contractual services	364,837	564,167	529,462	(34,705)
Materials and supplies	18,800	13,800	9,464	(4,336)
Continuous charges	3,116	2,416	2,148	(268)
Capital outlay	4,460	75,261	75,139	(122)
<b>Total information technology operations</b>	<b>1,003,987</b>	<b>1,156,028</b>	<b>1,091,204</b>	<b>(64,824)</b>
Information technology commission:				
Personnel services	4,520	6,220	6,083	(137)
Contractual services	1,900	1,900	1,118	(782)
Materials and supplies	100	100	-	(100)
<b>Total information technology commission</b>	<b>6,520</b>	<b>8,220</b>	<b>7,201</b>	<b>(1,019)</b>
Economic development operations:				
Personnel services	182,955	185,955	187,067	1,112
Contractual services	96,646	111,303	73,496	(37,807)
Materials and supplies	17,400	16,400	14,901	(1,499)
Continuous charges	3,800	277,118	239,770	(37,348)
Capital outlay	-	29,651	25,418	(4,233)
<b>Total economic development operations</b>	<b>300,801</b>	<b>620,427</b>	<b>540,652</b>	<b>(79,775)</b>
Economic development commission:				
Personnel services	4,520	4,520	2,515	(2,005)
Contractual services	1,200	1,200	609	(591)
<b>Total economic development commission</b>	<b>5,720</b>	<b>5,720</b>	<b>3,124</b>	<b>(2,596)</b>
Non-departmental				
Salary savings	624,478	433,977	-	(433,977)
<b>Total non-departmental</b>	<b>624,478</b>	<b>433,977</b>	<b>-</b>	<b>(433,977)</b>
<b>Total executive</b>	<b>3,415,746</b>	<b>3,793,514</b>	<b>3,127,240</b>	<b>(666,274)</b>
Legal:				
Town attorney:				
Personnel services	380,062	380,062	380,512	450
Contractual services	39,181	84,001	24,281	(59,720)
Materials and supplies	4,500	6,600	5,416	(1,184)
Continuous charges	2,758	2,758	2,245	(513)
<b>Total legal</b>	<b>426,501</b>	<b>473,421</b>	<b>412,454</b>	<b>(60,967)</b>
Finance:				
Personnel services	1,658,733	1,698,733	1,691,444	(7,289)
Contractual services	415,714	396,833	354,301	(42,532)
Materials and supplies	28,650	29,454	15,431	(14,023)
Continuous charges	14,966	15,139	12,036	(3,103)
Capital outlay	-	100	30	(70)
<b>Total finance</b>	<b>2,118,063</b>	<b>2,140,259</b>	<b>2,073,242</b>	<b>(67,017)</b>

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL**  
**Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>Public Safety:</b>				
Administrative support:				
Personnel services	\$ 917,288	\$ 897,288	\$ 823,633	\$ (73,655)
Contractual services	413,542	443,334	375,286	(68,048)
Materials and supplies	77,550	102,871	75,811	(27,060)
Continuous charges	180,875	185,681	183,095	(2,586)
Capital outlay	212,500	402,453	317,615	(84,838)
<b>Total administrative support</b>	<b>1,801,755</b>	<b>2,031,627</b>	<b>1,775,440</b>	<b>(256,187)</b>
Patrol operations:				
Personnel services	5,146,358	5,115,038	4,995,917	(119,121)
Contractual services	15,860	24,919	22,739	(2,180)
Materials and supplies	115,850	96,023	56,494	(39,529)
Capital outlay	-	40,467	26,475	(13,992)
<b>Total patrol operations</b>	<b>5,278,068</b>	<b>5,276,447</b>	<b>5,101,625</b>	<b>(174,822)</b>
Criminal investigations:				
Personnel services	1,417,997	1,389,107	1,279,476	(109,631)
Contractual services	16,810	16,885	14,403	(2,482)
Materials and supplies	14,500	14,500	2,758	(11,742)
Continuous charges	50,652	50,652	30,918	(19,734)
Capital outlay	-	-	9,405	9,405
<b>Total criminal investigations</b>	<b>1,499,959</b>	<b>1,471,144</b>	<b>1,336,960</b>	<b>(134,184)</b>
Community services:				
Personnel services	1,550,108	1,566,108	1,572,023	5,915
Contractual services	7,300	9,285	4,972	(4,313)
Materials and supplies	24,950	25,553	15,102	(10,451)
Continuous charges	48,588	48,588	45,255	(3,333)
<b>Total community services</b>	<b>1,630,946</b>	<b>1,649,534</b>	<b>1,637,352</b>	<b>(12,182)</b>
Information services:				
Personnel services	1,211,289	1,211,289	1,174,888	(36,401)
Contractual services	158,230	158,467	141,711	(16,756)
Materials and supplies	9,650	9,650	2,884	(6,766)
Continuous charges	20,064	20,064	7,432	(12,632)
Capital outlay	4,250	4,250	814	(3,436)
<b>Total information services</b>	<b>1,403,483</b>	<b>1,403,720</b>	<b>1,327,729</b>	<b>(75,991)</b>

**GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL  
Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Over (Under)
<b>Public Safety: (Continued)</b>				
Citizens' support team:				
Contractual services	\$ 1,060	\$ 1,060	\$ 830	\$ (230)
Materials and supplies	1,545	620	320	(300)
Continuous charges	1,588	2,513	2,513	-
<b>Total citizens' support team</b>	<b>4,193</b>	<b>4,193</b>	<b>3,663</b>	<b>(530)</b>
Fire and rescue:				
Transfer payments	80,000	80,000	80,000	-
<b>Total fire and rescue</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>-</b>
<b>Total public safety</b>	<b>11,698,404</b>	<b>11,916,665</b>	<b>11,262,769</b>	<b>(653,896)</b>
<b>Public works:</b>				
Public works administration:				
Personnel services	521,469	521,469	523,590	2,121
Contractual services	6,838	7,298	5,019	(2,279)
Materials and supplies	2,900	2,900	730	(2,170)
Continuous charges	23,108	20,108	15,133	(4,975)
<b>Public works administration</b>	<b>554,315</b>	<b>551,775</b>	<b>544,472</b>	<b>(7,303)</b>
Engineering and inspections:				
Personnel services	498,758	504,258	504,350	92
Contractual services	46,228	133,474	26,025	(107,449)
Materials and supplies	4,935	5,264	4,673	(591)
Capital outlay	-	1,480	1,207	(273)
<b>Total engineering and inspections</b>	<b>549,921</b>	<b>644,476</b>	<b>536,255</b>	<b>(108,221)</b>
Streets and grounds maintenance:				
Personnel services	2,164,160	2,194,160	2,195,217	1,057
Contractual services	1,096,029	1,149,760	1,077,606	(72,154)
Materials and supplies	198,405	166,566	148,160	(18,406)
Continuous charges	115,480	24,880	21,925	(2,955)
Capital outlay	435,400	455,685	455,671	(14)
<b>Total streets and grounds maintenance</b>	<b>4,009,474</b>	<b>3,991,051</b>	<b>3,898,579</b>	<b>(92,472)</b>
Building maintenance:				
Personnel services	366,829	366,829	359,810	(7,019)
Contractual services	377,805	314,361	232,494	(81,867)
Materials and supplies	51,100	130,190	115,273	(14,917)
Continuous charges	149,340	158,321	150,268	(8,053)
Capital outlay	20,000	700,590	569,246	(131,344)
<b>Total building maintenance</b>	<b>965,074</b>	<b>1,670,291</b>	<b>1,427,091</b>	<b>(243,200)</b>

## GENERAL FUND

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL

Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Public works: (Continued)				
Fleet maintenance:				
Personnel services	\$ 628,130	\$ 640,130	\$ 640,664	\$ 534
Contractual services	38,859	44,888	42,160	(2,728)
Materials and supplies	186,810	213,810	212,865	(945)
Claims and settlements	10,000	10,000	7,885	(2,115)
Continuous charges	616,436	604,436	447,344	(157,092)
<b>Total fleet maintenance</b>	<b>1,480,235</b>	<b>1,513,264</b>	<b>1,350,918</b>	<b>(162,346)</b>
Refuse collection and recycling:				
Contractual services	2,679,684	2,664,684	2,657,880	(6,804)
Materials and supplies	9,000	9,000	8,991	(9)
<b>Total refuse collection and recycling</b>	<b>2,688,684</b>	<b>2,673,684</b>	<b>2,666,871</b>	<b>(6,813)</b>
Street lighting:				
Personnel services	324,267	328,867	330,573	1,706
Contractual services	71,451	71,768	66,333	(5,435)
Materials and supplies	29,300	40,108	34,384	(5,724)
Continuous charges	446,919	461,919	465,325	3,406
Capital outlay	46,000	47,240	40,300	(6,940)
<b>Total street lighting</b>	<b>917,937</b>	<b>949,902</b>	<b>936,915</b>	<b>(12,987)</b>
Regional transportation:				
Grants and contributions	229,549	229,549	229,549	-
<b>Total regional transportation</b>	<b>229,549</b>	<b>229,549</b>	<b>229,549</b>	<b>-</b>
<b>Total public works</b>	<b>11,395,189</b>	<b>12,223,992</b>	<b>11,590,650</b>	<b>(633,342)</b>
Parks and recreation:				
Parks and recreation administration:				
Personnel services	522,317	565,637	565,628	(9)
Contractual services	16,126	62,664	56,577	(6,087)
Materials and supplies	4,000	1,850	2,115	265
Continuous charges	31,855	29,855	24,840	(5,015)
<b>Total parks and recreation administration</b>	<b>574,298</b>	<b>660,006</b>	<b>649,160</b>	<b>(10,846)</b>

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL**  
**Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Parks and recreation: (Continued)				
Parks:				
Personnel services	\$ 761,123	\$ 697,803	\$ 686,853	\$ (10,950)
Contractual services	66,123	41,634	29,319	(12,315)
Materials and supplies	128,820	99,278	99,827	549
Continuous charges	145,000	189,370	181,769	(7,601)
Capital outlay	22,000	104,806	82,924	(21,882)
<b>Total parks</b>	<b>1,123,066</b>	<b>1,132,891</b>	<b>1,080,692</b>	<b>(52,199)</b>
Recreation programs administration:				
Personnel services	191,572	198,572	197,684	(888)
Contractual services	84,006	84,006	75,328	(8,678)
Materials and supplies	2,000	500	218	(282)
<b>Total recreation programs administration</b>	<b>277,578</b>	<b>283,078</b>	<b>273,230</b>	<b>(9,848)</b>
Ida Lee recreation center:				
Personnel services	1,135,138	1,103,138	1,083,357	(19,781)
Contractual services	325,055	256,761	227,890	(28,871)
Materials and supplies	57,100	69,828	63,680	(6,148)
Continuous charges	317,995	320,245	260,945	(59,300)
Capital outlay	-	27,537	27,537	-
<b>Total Ida Lee recreation center</b>	<b>1,835,288</b>	<b>1,777,509</b>	<b>1,663,409</b>	<b>(114,100)</b>
Fitness programs:				
Personnel services	326,658	376,658	414,456	37,798
Contractual services	31,127	26,267	20,417	(5,850)
Materials and supplies	6,600	7,500	8,223	723
Capital outlay	-	3,960	-	(3,960)
<b>Total fitness programs</b>	<b>364,385</b>	<b>414,385</b>	<b>443,096</b>	<b>28,711</b>
Community outreach:				
Personnel services	147,647	147,647	137,521	(10,126)
Contractual services	16,291	18,760	13,098	(5,662)
Materials and supplies	5,500	5,271	4,399	(872)
<b>Total community outreach</b>	<b>169,438</b>	<b>171,678</b>	<b>155,018</b>	<b>(16,660)</b>
Aquatics:				
Personnel services	1,017,393	1,051,393	1,070,390	18,997
Contractual services	9,691	14,786	14,230	(556)
Materials and supplies	47,130	52,115	48,456	(3,659)
<b>Total aquatics</b>	<b>1,074,214</b>	<b>1,118,294</b>	<b>1,133,076</b>	<b>14,782</b>

## GENERAL FUND

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL

Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Over (Under)
Parks and recreation: (Continued)				
Sport programs:				
Personnel services	\$ 131,351	\$ 121,351	\$ 113,673	\$ (7,678)
Contractual services	464	1,054	1,031	(23)
Materials and supplies	14,500	14,500	13,603	(897)
<b>Total sport programs</b>	<b>146,315</b>	<b>136,905</b>	<b>128,307</b>	<b>(8,598)</b>
Recreation classes:				
Personnel services	78,571	113,571	114,189	618
Contractual services	5,439	8,849	8,664	(185)
Materials and supplies	7,125	6,944	6,979	35
<b>Total recreation classes</b>	<b>91,135</b>	<b>129,364</b>	<b>129,832</b>	<b>468</b>
Special events:				
Personnel services	80,483	80,483	80,720	237
Contractual services	192,763	225,564	177,614	(47,950)
Materials and supplies	40,879	44,617	42,778	(1,839)
<b>Total special events</b>	<b>314,125</b>	<b>350,664</b>	<b>301,112</b>	<b>(49,552)</b>
Tennis court complex:				
Personnel services	291,136	321,636	347,763	26,127
Contractual services	18,215	26,065	23,951	(2,114)
Materials and supplies	19,800	17,950	15,281	(2,669)
Continuous charges	64,000	64,000	46,301	(17,699)
<b>Total tennis court complex</b>	<b>393,151</b>	<b>429,651</b>	<b>433,296</b>	<b>3,645</b>
Camp programs:				
Personnel services	99,535	79,035	83,802	4,767
Contractual services	15,200	15,305	14,953	(352)
Materials and supplies	7,500	7,500	7,415	(85)
<b>Total camp programs</b>	<b>122,235</b>	<b>101,840</b>	<b>106,170</b>	<b>4,330</b>
Preschool childcare programs:				
Personnel services	92,989	92,989	86,973	(6,016)
Contractual services	2,014	2,089	1,542	(547)
Materials and supplies	3,500	3,500	3,098	(402)
<b>Total preschool childcare programs</b>	<b>98,503</b>	<b>98,578</b>	<b>91,613</b>	<b>(6,965)</b>

## GENERAL FUND

## SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL

Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Parks and recreation: (Continued)				
Outdoor pool:				
Personnel services	\$ 317,881	\$ 263,881	\$ 256,116	\$ (7,765)
Contractual services	21,416	14,614	16,176	1,562
Materials and supplies	34,000	33,340	27,351	(5,989)
Continuous charges	25,000	25,000	24,995	(5)
<b>Total outdoor pool</b>	<b>398,297</b>	<b>336,835</b>	<b>324,638</b>	<b>(12,197)</b>
Parks and recreation commission:				
Personnel services	4,520	4,520	3,692	(828)
<b>Total parks and recreation commission</b>	<b>4,520</b>	<b>4,520</b>	<b>3,692</b>	<b>(828)</b>
<b>Total parks and recreation</b>	<b>6,986,548</b>	<b>7,146,198</b>	<b>6,916,341</b>	<b>(229,857)</b>
Balch Library:				
Library operations:				
Personnel services	327,377	327,377	324,995	(2,382)
Contractual services	39,243	40,025	36,270	(3,755)
Materials and supplies	39,172	39,612	34,241	(5,371)
Continuous charges	23,603	23,603	21,162	(2,441)
Capital outlay	-	33,500	33,375	(125)
<b>Total library operations</b>	<b>429,395</b>	<b>464,117</b>	<b>450,043</b>	<b>(14,074)</b>
Library advisory commission:				
Personnel services	4,520	4,520	3,692	(828)
Contractual services	1,000	1,000	875	(125)
Materials and supplies	350	350	-	(350)
<b>Total library advisory commission</b>	<b>5,870</b>	<b>5,870</b>	<b>4,567</b>	<b>(1,303)</b>
<b>Total Balch library</b>	<b>435,265</b>	<b>469,987</b>	<b>454,610</b>	<b>(15,377)</b>
Planning and zoning:				
Planning and zoning operations:				
Personnel services	1,295,818	1,295,818	1,293,274	(2,544)
Contractual services	28,715	39,867	19,696	(20,171)
Materials and supplies	7,255	9,862	5,986	(3,876)
Continuous charges	11,366	10,866	8,300	(2,566)
Capital outlay	-	11,950	-	(11,950)
<b>Total planning and zoning operations</b>	<b>1,343,154</b>	<b>1,368,363</b>	<b>1,327,256</b>	<b>(41,107)</b>
Planning commission:				
Personnel services	22,775	22,775	21,741	(1,034)
Contractual services	3,000	3,000	1,430	(1,570)
Materials and supplies	250	250	99	(151)
<b>Total planning commission</b>	<b>26,025</b>	<b>26,025</b>	<b>23,270</b>	<b>(2,755)</b>



**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL**  
**Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Planning and zoning: (Continued)				
Board of zoning appeals:				
Personnel services	\$ 3,230	\$ 3,230	\$ 2,368	\$ (862)
Contractual services	500	500	249	(251)
<b>Total board of zoning appeals</b>	<b>3,730</b>	<b>3,730</b>	<b>2,617</b>	<b>(1,113)</b>
Board of architectural review:				
Personnel services	22,775	22,775	19,169	(3,606)
Contractual services	2,000	2,000	-	(2,000)
Materials and supplies	500	500	461	(39)
<b>Total board of architectural review</b>	<b>25,275</b>	<b>25,275</b>	<b>19,630</b>	<b>(5,645)</b>
Tree commission:				
Personnel services	4,520	4,520	3,130	(1,390)
Contractual services	5,000	5,000	1,888	(3,112)
<b>Total tree commission</b>	<b>9,520</b>	<b>9,520</b>	<b>5,018</b>	<b>(4,502)</b>
Environmental advisory commission:				
Personnel services	4,520	4,520	2,515	(2,005)
Contractual services	2,000	2,000	2,026	26
Materials and supplies	500	500	68	(432)
<b>Total environmental advisory commission</b>	<b>7,020</b>	<b>7,020</b>	<b>4,609</b>	<b>(2,411)</b>
<b>Total planning and zoning</b>	<b>1,414,724</b>	<b>1,439,933</b>	<b>1,382,400</b>	<b>(57,533)</b>
Plan review:				
Personnel services	1,170,457	1,180,957	1,185,305	4,348
Contractual services	56,165	277,876	51,566	(226,310)
Materials and supplies	8,430	5,156	3,352	(1,804)
Continuous charges	9,552	9,051	6,755	(2,296)
Capital outlay	1,000	1,600	1,363	(237)
<b>Total plan review</b>	<b>1,245,604</b>	<b>1,474,640</b>	<b>1,248,341</b>	<b>(226,299)</b>
Airport				
Personnel services	-	-	2,444	2,444
<b>Total Airport</b>	<b>-</b>	<b>-</b>	<b>2,444</b>	<b>2,444</b>
Debt service:				
Principal	3,244,452	3,244,452	8,184,465	4,940,013
Interest and fiscal charges	2,970,247	2,970,247	2,319,700	(650,547)
<b>Total debt service</b>	<b>6,214,699</b>	<b>6,214,699</b>	<b>10,504,165</b>	<b>4,289,466</b>
<b>Total expenditures</b>	<b>46,268,605</b>	<b>48,277,591</b>	<b>49,935,492</b>	<b>1,657,901</b>
Other financing uses:				
Transfers out	-	-	2,345,026	2,345,026
<b>Total other financing uses</b>	<b>-</b>	<b>-</b>	<b>2,345,026</b>	<b>2,345,026</b>
<b>Total General Fund expenditures and other financing uses</b>	<b>\$ 46,268,605</b>	<b>\$ 48,277,591</b>	<b>\$ 52,280,518</b>	<b>\$ 4,002,927</b>

**AIRPORT FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**Year Ended June 30, 2012**  
**(With Comparative Totals for 2011)**

	2012	2011
Operating Revenues:		
Charges for services	\$ 1,182,366	\$ 1,092,572
<b>Total operating revenues</b>	<b>1,182,366</b>	<b>1,092,572</b>
Operating Expenses:		
Personnel services	247,721	422,715
Contractual services	226,251	156,536
Depreciation and amortization	895,998	900,207
Materials and supplies	22,904	17,773
Continuous charges	89,196	95,606
<b>Total operating expenses</b>	<b>1,482,070</b>	<b>1,592,837</b>
<b>Operating loss</b>	<b>(299,704)</b>	<b>(500,265)</b>
Nonoperating Revenues (Expenses):		
Commonwealth of Virginia grants	18,668	23,398
Federal grants	-	4,217
Contributions	46,775	42,048
Interest on investments	206,882	35,757
Interest and fiscal charges	(178,050)	(211,110)
<b>Total nonoperating revenues (expenses), net</b>	<b>94,275</b>	<b>(105,690)</b>
<b>Loss before capital grants, assistance and transfers</b>	<b>(205,429)</b>	<b>(605,955)</b>
Capital grants, assistance and transfers:		
Commonwealth of Virginia grants	180,911	36,687
Federal grants	452,592	116,163
Transfers out	(36,378)	(255,443)
<b>Total capital grants, assistance and transfers, net before extraordinary items</b>	<b>597,125</b>	<b>(102,593)</b>
Extraordinary item:		
Contribution of all assets and liabilities to the general government	(26,928,733)	-
<b>Change in net assets</b>	<b>(26,537,037)</b>	<b>(708,548)</b>
Net assets, beginning	26,537,037	27,245,585
Net assets, ending	\$ -	\$ 26,537,037

**AIRPORT FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
Year Ended June 30, 2012  
(With Comparative Totals for 2011)

	2012	2011
Cash Flows From Operating Activities:		
Receipts from customers	\$ 1,147,417	\$ 1,077,138
Payments to suppliers for goods and services	(334,096)	(308,732)
Payments to employees for services	(280,275)	(405,408)
<b>Net cash provided by operating activities</b>	<b>533,046</b>	<b>362,998</b>
Cash Flows From Noncapital and Related Financing Activities:		
Operating grants	18,668	27,615
Contributions	46,775	42,048
Transfers out	(36,378)	(255,443)
<b>Net cash provided by (used in) noncapital and related financing activities</b>	<b>29,065</b>	<b>(185,780)</b>
Cash Flows From Capital and Related Financing Activities:		
Capital grant revenue	533,028	645,636
Repayment of advances from other funds	(664,317)	(635,302)
Acquisition and construction of capital assets	(503,154)	(1,056,617)
Interest and fiscal charges	(280,297)	(229,874)
Proceeds and premiums from debt issuance	205,747	-
Principal paid on bonds	(60,000)	(338,700)
<b>Net cash used in capital and related financing activities</b>	<b>(768,993)</b>	<b>(1,614,857)</b>
Cash Flows From Investing Activities:		
Interest on investments	206,882	35,757
<b>Net cash provided by investing activities</b>	<b>206,882</b>	<b>35,757</b>
<b>Net change in cash and cash equivalents</b>	<b>-</b>	<b>(1,401,882)</b>
Cash and Cash Equivalents		
Beginning	-	1,401,882
Ending	\$ -	\$ -
Reconciliation of Operating Loss to Net Cash Provided By Operating Activities:		
Operating loss	\$ (299,704)	\$ (500,265)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	895,998	900,207
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(19,453)	16,891
Increase (decrease) in:		
Accounts payable	44,459	(165)
Accrued liabilities	(38,321)	27,214
Prepays	3,658	(3,658)
Due to other funds	(40,204)	(38,664)
Unearned revenue	(18,338)	(36,675)
Compensated absences	2,109	(6,237)
Customer deposits and contingent charges	2,842	4,350
<b>Net cash provided by operating activities</b>	<b>\$ 533,046</b>	<b>\$ 362,998</b>
Supplemental Disclosure of Noncash Capital and Related Financing Activities:		
Capital assets acquired through incurrence of accounts and retainage payable	\$ -	\$ 7,827
Capital assets transferred to governmental activities, net	\$ 33,512,233	\$ -
Noncurrent liabilities transferred to governmental activities, net	\$ 4,238,474	\$ -
Current assets and liabilities transferred to the General Fund, net	\$ 2,345,026	\$ -

**UTILITIES FUND**  
**COMPARATIVE STATEMENTS OF NET ASSETS**  
**June 30, 2012**  
**(With Comparative Totals for 2011)**

	2012	2011
<b>ASSETS</b>		
Current Assets:		
Cash, cash equivalents, and temporary cash investments	\$ 16,975,140	\$ 12,447,357
Accounts receivable, net	3,545,722	3,636,742
Inventory	285,082	309,409
Prepaid health insurance	-	59,152
Accrued interest	-	2,711
Due from other governments	-	12,030
Restricted cash	1,376,295	1,892,423
<b>Total current assets</b>	<b>22,182,239</b>	<b>18,359,824</b>
Noncurrent Assets:		
Deferred charges	389,639	394,156
Capital assets:		
Land	1,586,356	1,586,356
Water and sewer plant	115,748,497	125,333,684
Water and sewer lines	111,693,346	98,919,990
Furniture, equipment and software	1,108,044	1,106,029
Vehicles	2,401,438	2,370,695
Construction in progress	942,863	574,367
Less: accumulated depreciation and amortization	(55,630,398)	(50,639,034)
<b>Total capital assets, net</b>	<b>177,850,146</b>	<b>179,252,087</b>
<b>Total noncurrent assets</b>	<b>178,239,785</b>	<b>179,646,243</b>
<b>Total assets</b>	<b>200,422,024</b>	<b>198,006,067</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	603,736	483,636
Accrued payroll	207,868	418,360
Accrued interest	1,209,231	1,360,863
Compensated absences	452,657	397,073
Retainage payable	48,567	28,280
Bonds payable	625,000	2,618,106
Customer deposits and contingent charges	846,102	848,154
<b>Total current liabilities</b>	<b>3,993,161</b>	<b>6,154,472</b>
Noncurrent Liabilities:		
Compensated absences	98,179	64,336
Other postemployment benefits	367,163	374,765
Bonds payable, net	67,315,258	62,538,266
<b>Total noncurrent liabilities</b>	<b>67,780,600</b>	<b>62,977,367</b>
<b>Total liabilities</b>	<b>71,773,761</b>	<b>69,131,839</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	111,237,616	115,959,858
Unrestricted	17,410,647	12,914,370
<b>Total net assets</b>	<b>\$ 128,648,263</b>	<b>\$ 128,874,228</b>

## UTILITIES FUND

## COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year Ended June 30, 2012

(With Comparative Totals for 2011)

	2012	2011
Operating Revenues:		
Charges for services	\$ 15,053,935	\$ 14,792,146
Other	350,704	328,773
<b>Total operating revenues</b>	<b>15,404,639</b>	<b>15,120,919</b>
Operating Expenses:		
Personnel services	6,968,938	7,015,947
Contractual services	626,022	688,245
Depreciation and amortization	4,999,350	4,904,115
Materials and supplies	1,231,961	1,044,372
Continuous charges	1,293,173	1,282,754
Claims and settlements	1,181	10,614
Capital outlay	161,613	98,246
<b>Total operating expenses</b>	<b>15,282,238</b>	<b>15,044,293</b>
<b>Operating income</b>	<b>122,401</b>	<b>76,626</b>
Nonoperating Revenues (Expenses):		
Commonwealth of Virginia grants	-	2,968
Federal grants	69,245	115,688
Interest on investments	47,355	49,080
Interest and fiscal charges	(2,781,285)	(2,844,170)
Installation and connection charges	1,658,836	1,264,881
<b>Total nonoperating expenses, net</b>	<b>(1,005,849)</b>	<b>(1,411,553)</b>
<b>Loss before capital grants, assistance and transfers</b>	<b>(883,448)</b>	<b>(1,334,927)</b>
Capital grants, assistance and transfers:		
Developer donated assets	2,408,000	4,974,665
Capital assets contributed to general government activities	-	(679,843)
Transfers out	(1,750,517)	(1,760,975)
<b>Total capital grants, assistance and transfers, net</b>	<b>657,483</b>	<b>2,533,847</b>
<b>Change in net assets</b>	<b>(225,965)</b>	<b>1,198,920</b>
Net assets, beginning	128,874,228	127,675,308
Net assets, ending	<b>\$ 128,648,263</b>	<b>\$ 128,874,228</b>

**UTILITIES FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**Year Ended June 30, 2012**  
**(With Comparative Totals for 2011)**

	2012	2011
Cash Flows From Operating Activities:		
Receipts from customers	\$ 15,142,903	\$ 14,961,946
Payments to suppliers for goods and services	(3,276,450)	(3,314,979)
Payments to employees for services	(7,038,453)	(6,937,194)
Other receipts	350,704	328,773
<b>Net cash provided by operating activities</b>	<b>5,178,704</b>	<b>5,038,546</b>
Cash Flows From Noncapital and Related Financing Activities:		
Operating grants	81,275	106,626
Transfers out	(1,750,517)	(1,760,975)
<b>Net cash used in noncapital and related financing activities</b>	<b>(1,669,242)</b>	<b>(1,654,349)</b>
Cash Flows From Capital and Related Financing Activities:		
Installation and connection charges	1,658,836	1,264,881
Acquisition and construction of capital assets	(1,062,195)	(2,303,451)
Interest and fiscal charges	(3,794,028)	(2,901,031)
Principal paid on bonds	(2,050,000)	(2,606,022)
Proceeds and premiums from debt issuance	5,699,514	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>452,127</b>	<b>(6,545,623)</b>
Cash Flows From Investing Activities:		
Interest on investments	50,066	91,295
<b>Net cash provided by investing activities</b>	<b>50,066</b>	<b>91,295</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,011,655</b>	<b>(3,070,131)</b>
Cash and Cash Equivalents:		
Beginning	14,339,780	17,409,911
Ending	<b>\$ 18,351,435</b>	<b>\$ 14,339,780</b>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 122,401	\$ 76,626
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	4,999,350	4,904,115
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	91,020	173,126
Increase (decrease) in:		
Accounts payable	13,173	(178,358)
Accrued liabilities	(218,094)	141,601
Prepays	59,152	(59,152)
Inventory	24,327	(13,131)
Compensated absences	89,427	(2,955)
Customer deposits and contingent charges	(2,052)	(3,326)
<b>Net cash provided by operating activities</b>	<b>\$ 5,178,704</b>	<b>\$ 5,038,546</b>
Supplemental Disclosure of Noncash Capital and Related Financing Activities:		
Developer donated capital improvements	\$ 2,408,000	\$ 4,974,665
Capital assets acquired through incurrence of accounts and retainage payable	\$ 86,640	\$ 307,283
Capital assets transferred to the general government	\$ -	\$ 679,843

## **STATISTICAL SECTION**



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**TOWN OF LEESBURG, VIRGINIA**

**STATISTICAL SECTION  
TABLE OF CONTENTS**

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The statistical section of the Town's comprehensive annual 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	Tables
<b>Financial Trends</b> These tables contain trend information to help the reader understand how the Town's financial performance and well being have changed over time.	1 - 5
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**Sources:** Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the relevant year.



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Table 1

**TOWN OF LEESBURG, VIRGINIA**  
**NET ASSETS BY COMPONENT**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities:</b>										
Invested in capital assets, net of related debt	\$ 92,944,622	\$ 105,994,731	\$ 115,237,852	\$ 130,206,071	\$ 136,614,229	\$ 149,797,357	\$ 162,651,222	\$ 219,771,450	\$ 223,911,574	\$ 262,169,923
Restricted	-	42,535	54,245	54,245	9,905,713	53,499	32,228	32,228	5,852,078	827,452
Unrestricted	13,411,700	16,771,086	28,123,822	32,303,535	26,195,217	35,468,057	21,508,860	17,659,597	10,977,713	11,180,851
<b>Total governmental activities net assets</b>	<b>\$ 106,356,322</b>	<b>\$ 122,808,352</b>	<b>\$ 143,415,919</b>	<b>\$ 162,563,851</b>	<b>\$ 172,715,159</b>	<b>\$ 185,318,913</b>	<b>\$ 184,192,310</b>	<b>\$ 237,463,275</b>	<b>\$ 240,741,365</b>	<b>\$ 274,178,226</b>
<b>Business-type activities:</b>										
Invested in capital assets, net of related debt	\$ 88,842,212	\$ 94,484,042	\$ 106,396,589	\$ 126,737,856	\$ 134,115,046	\$ 133,010,793	\$ 136,681,741	\$ 144,847,942	\$ 145,743,065	\$ 111,237,616
Unrestricted	41,536,355	43,621,981	39,110,889	21,919,538	15,350,403	17,058,242	16,968,255	10,072,951	9,668,200	17,410,647
<b>Total business-type activities net assets</b>	<b>\$ 130,378,567</b>	<b>\$ 138,106,023</b>	<b>\$ 145,507,478</b>	<b>\$ 148,657,394</b>	<b>\$ 149,465,449</b>	<b>\$ 150,069,035</b>	<b>\$ 153,649,996</b>	<b>\$ 154,920,893</b>	<b>\$ 155,411,265</b>	<b>\$ 128,648,263</b>
<b>Primary government:</b>										
Invested in capital assets, net of related debt	\$ 181,786,834	\$ 200,476,773	\$ 221,634,441	\$ 256,943,927	\$ 270,729,275	\$ 277,106,871	\$ 299,332,963	\$ 364,619,392	\$ 369,654,639	\$ 373,407,539
Restricted	-	42,535	54,245	54,245	9,905,713	53,499	32,228	32,228	5,852,078	827,452
Unrestricted	54,948,055	60,393,067	67,234,711	54,223,073	41,545,620	52,526,299	38,477,115	27,732,548	20,645,913	28,591,498
<b>Total primary government net assets</b>	<b>\$ 236,734,889</b>	<b>\$ 260,914,375</b>	<b>\$ 288,923,397</b>	<b>\$ 311,221,245</b>	<b>\$ 322,180,608</b>	<b>\$ 329,686,669</b>	<b>\$ 337,842,306</b>	<b>\$ 392,384,168</b>	<b>\$ 396,152,630</b>	<b>\$ 402,826,489</b>

**CHANGES IN NET ASSETS**  
Last Ten Fiscal Years  
(*accrual basis of accounting*)  
(Unaudited)

	Fiscal Year June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses:</b>										
Governmental activities:										
Legislative	\$ 231,213	\$ 266,719	\$ 418,924	\$ 1,164,044	\$ 1,136,512	\$ 1,106,290	\$ 1,047,565	\$ 1,108,873	\$ 1,929,726	\$ 2,242,274
Executive	2,736,232	2,772,493	4,102,665	4,372,185	3,351,521	5,148,154	5,056,434	5,214,847	4,193,418	3,709,476
Legal	193,460	192,841	278,430	385,981	390,433	388,872	375,101	423,836	405,086	418,116
Planning and zoning	1,422,467	1,641,747	1,860,246	1,992,843	3,351,224	2,525,842	1,699,231	1,773,789	1,914,347	1,995,917
Plan review	-	-	-	-	-	-	1,799,399	1,697,742	1,569,932	1,216,828
Finance	1,654,638	1,806,230	1,925,483	1,935,299	2,191,973	2,194,675	2,411,190	2,379,609	2,262,397	2,082,232
Public safety	6,664,907	7,109,226	7,783,515	8,102,218	8,772,457	9,297,712	10,344,403	11,040,678	11,365,062	11,701,344
Parks and recreation	4,968,397	4,946,786	5,252,179	5,639,649	6,139,620	7,418,433	7,865,338	7,875,032	8,002,606	7,721,607
Balch Library	533,222	503,146	597,816	561,907	643,858	628,177	705,512	641,171	627,711	596,845
Public works	9,481,451	10,593,496	10,627,982	12,182,219	15,129,697	11,515,670	14,366,433	15,021,938	15,522,536	15,319,444
Airport	-	-	-	-	-	-	-	-	-	2,444
Interest	1,859,616	1,845,700	1,790,383	1,942,955	1,896,697	2,174,525	2,052,703	2,438,740	2,518,659	2,746,447
<b>Total governmental activities</b>	<b>29,745,603</b>	<b>31,678,384</b>	<b>34,637,623</b>	<b>38,278,400</b>	<b>43,003,992</b>	<b>42,398,750</b>	<b>47,743,249</b>	<b>49,618,255</b>	<b>50,311,480</b>	<b>49,150,974</b>
Business-type activities:										
Airport	1,277,756	1,369,049	1,449,880	1,439,677	1,542,397	1,564,363	1,698,660	1,709,784	1,803,947	1,660,120
Utilities	12,084,993	12,162,497	12,741,206	15,927,084	15,076,064	16,455,335	17,772,026	17,607,146	17,888,463	18,063,523
<b>Total business-type activities</b>	<b>13,362,749</b>	<b>13,531,546</b>	<b>14,191,086</b>	<b>17,366,761</b>	<b>16,618,461</b>	<b>18,019,698</b>	<b>19,470,686</b>	<b>19,316,930</b>	<b>19,692,410</b>	<b>19,723,643</b>
<b>Total government</b>	<b>43,108,352</b>	<b>45,209,930</b>	<b>48,828,709</b>	<b>55,645,161</b>	<b>59,622,453</b>	<b>60,417,848</b>	<b>67,213,935</b>	<b>68,933,185</b>	<b>70,003,890</b>	<b>68,874,617</b>
<b>Program revenue:</b>										
Governmental activities:										
Charges for services:										
Planning and zoning	204,288	413,206	277,283	477,892	332,876	260,438	351,994	262,270	261,447	283,241
Public safety	266,971	297,076	282,206	413,979	422,635	334,960	372,441	408,032	595,640	498,411
Parks and recreation	2,332,896	2,770,756	2,944,816	3,317,117	3,426,736	3,772,767	4,427,429	4,871,682	4,772,869	4,670,693
Balch Library	5,865	-	-	-	-	-	-	-	-	-
Public works	192,257	398,304	260,551	431,453	217,220	158,446	153,094	177,294	175,474	154,495
Operating grants and contributions:										
Legislative	-	-	-	-	-	-	-	23,606	-	-
Planning and zoning	-	-	-	-	28,661	13,411	-	-	-	-
Public safety	1,142,060	862,441	1,053,679	1,291,941	1,253,886	1,282,416	1,107,204	1,167,353	1,084,691	988,734
Parks and recreation	-	-	-	-	-	-	99,425	-	-	-
Balch Library	15,500	17,000	-	-	-	-	16,500	5,000	372,994	5,500
Public works	5,566,049	1,763,768	1,906,536	2,117,122	2,201,552	2,478,332	2,502,346	2,633,224	3,052,260	2,987,613
Capital grants and contributions:										
Public safety	216,843	117,780	-	-	-	-	-	-	-	-
Balch Library	-	-	-	-	-	-	-	250,000	-	-
Parks and recreation	-	100,000	-	-	-	-	-	5,000	71,625	8,000
Public works	1,268,640	13,813,758	17,665,453	16,289,090	8,944,313	1,443,698	-	58,817,999	6,763,738	9,163,209
<b>Total governmental activities program revenue</b>	<b>11,231,369</b>	<b>20,554,089</b>	<b>24,390,524</b>	<b>24,338,494</b>	<b>16,827,879</b>	<b>9,744,468</b>	<b>9,029,433</b>	<b>68,620,360</b>	<b>17,170,738</b>	<b>18,759,896</b>

Table 2  
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TOWN OF LEESBURG, VIRGINIA  
**CHANGES IN NET ASSETS (CONTINUED)**  
 Last Ten Fiscal Years  
*(accrual basis of accounting)*  
 (Unaudited)

	Fiscal Year June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Business-type activities:</b>										
Charges for services:										
Airport	848,521	867,016	908,819	913,391	866,255	977,572	920,322	716,920	1,092,572	1,182,366
Utilities	7,809,012	8,707,079	9,017,952	10,016,939	11,624,143	12,435,190	12,701,071	13,517,737	14,792,146	15,053,935
Operating grants and contributions:										
Airport	-	-	-	-	-	-	-	504,350	27,615	65,443
Utilities	-	-	-	-	-	-	-	514,154	118,656	69,245
Capital grants and contributions:										
Airport	1,426,346	1,736,596	1,357,505	3,528,284	437,514	152,703	1,618,548	1,282,262	194,898	633,503
Utilities	12,118,022	11,635,342	10,788,837	5,910,107	3,883,638	5,472,516	9,325,270	5,899,418	6,239,546	4,066,836
<b>Total business-type activities program revenues</b>	<b>22,201,901</b>	<b>22,948,033</b>	<b>22,073,113</b>	<b>20,368,721</b>	<b>16,611,550</b>	<b>19,037,981</b>	<b>24,565,211</b>	<b>22,434,841</b>	<b>22,465,433</b>	<b>21,071,328</b>
<b>Total government program revenues</b>	<b>33,433,270</b>	<b>43,500,122</b>	<b>46,453,637</b>	<b>44,707,215</b>	<b>33,439,429</b>	<b>28,782,449</b>	<b>33,594,644</b>	<b>91,055,401</b>	<b>39,636,171</b>	<b>39,831,224</b>
<b>Net (expense) revenue:</b>	<b>(18,514,234)</b>	<b>(11,124,295)</b>	<b>(10,247,099)</b>	<b>(13,939,906)</b>	<b>(26,176,113)</b>	<b>(32,653,882)</b>	<b>(36,713,816)</b>	<b>19,004,305</b>	<b>(33,140,742)</b>	<b>(30,391,078)</b>
Governmental activities	8,839,152	9,414,487	7,882,027	3,001,960	(6,911)	1,018,283	5,094,525	3,117,911	2,773,023	1,347,685
Business-type activities	(9,675,062)	(1,709,808)	(2,365,072)	(10,937,946)	(26,183,024)	(31,635,399)	(33,619,291)	22,122,216	(30,367,719)	(29,043,393)
<b>Total government net expense</b>										
<b>General revenues and other changes in net assets:</b>										
Governmental activities:										
Taxes:										
General property	8,658,468	9,869,334	11,282,736	12,835,332	13,985,380	13,215,669	12,982,666	12,196,527	12,536,096	12,943,508
Communication sales and use	2,534,346	3,530,722	3,781,317	3,832,615	4,593,043	6,568,099	6,228,472	6,107,069	6,412,866	6,717,220
Meals	2,145,628	2,473,345	2,767,277	2,900,832	3,189,314	3,198,750	3,327,374	3,326,332	3,672,760	4,418,067
Business and occupational licenses	1,985,060	2,087,754	2,402,667	2,462,835	2,395,850	2,544,690	2,669,812	2,708,180	2,890,044	2,860,659
Utility	1,841,121	1,998,824	2,067,512	2,152,796	1,841,456	1,452,715	1,487,280	1,499,727	1,542,597	1,495,345
Cigarette	581,567	1,065,875	1,045,229	1,017,042	925,725	871,299	860,595	805,298	872,047	1,133,071
Other	1,953,268	2,143,587	1,977,744	2,465,589	2,377,995	2,106,535	2,187,760	2,429,978	2,459,485	2,565,675
Intergovernmental, other than grants	1,362,750	1,556,771	1,536,060	1,557,573	1,586,492	1,543,813	1,556,515	1,567,285	1,573,674	1,562,312
Use of money and property	435,263	331,183	680,601	1,651,024	2,670,151	2,261,267	1,156,355	440,731	686,183	514,491
Miscellaneous	294,356	575,930	3,284,109	566,905	540,478	3,783,391	2,904,824	993,681	1,086,819	901,963
Transfers	1,813,548	1,943,000	1,591,465	1,645,295	1,821,537	2,009,729	2,225,560	2,201,852	2,696,261	28,715,628
<b>Total governmental activities</b>	<b>24,025,395</b>	<b>27,576,325</b>	<b>32,418,717</b>	<b>33,087,838</b>	<b>36,327,421</b>	<b>39,556,157</b>	<b>37,587,213</b>	<b>34,286,660</b>	<b>36,418,832</b>	<b>63,827,939</b>

**TOWN OF LEESBURG, VIRGINIA**  
**CHANGES IN NET ASSETS (CONTINUED)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year - June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General revenues and other changes in net assets: (Continued)										
Business-type activities:										
Use of money and property	\$ 665,283	\$ 188,238	\$ 1,003,846	\$ 1,182,818	\$ 2,306,958	\$ 1,238,869	\$ 404,523	\$ 59,215	\$ 84,837	\$ 254,237
Miscellaneous	77,654	67,730	107,047	610,433	329,545	356,163	307,473	285,623	328,773	350,704
Transfers	(1,813,548)	(1,943,000)	(1,591,465)	(1,645,295)	(1,821,537)	(2,009,729)	(2,225,560)	(2,201,852)	(2,696,261)	(28,715,628)
<b>Total business-type activities</b>	<b>(1,070,411)</b>	<b>(1,667,031)</b>	<b>(480,572)</b>	<b>147,956</b>	<b>814,966</b>	<b>(419,697)</b>	<b>(1,513,564)</b>	<b>(1,847,014)</b>	<b>(2,282,651)</b>	<b>(28,110,687)</b>
<b>Total primary government</b>	<b>22,954,984</b>	<b>25,889,284</b>	<b>31,938,145</b>	<b>33,235,794</b>	<b>37,142,387</b>	<b>39,141,460</b>	<b>36,073,649</b>	<b>32,419,646</b>	<b>34,136,181</b>	<b>35,717,252</b>
Changes in net assets:										
Governmental activities	5,511,161	16,452,030	22,171,918	19,147,932	10,151,308	6,902,475	(1,126,603)	53,270,965	3,278,090	33,436,861
Business-type activities	7,768,741	7,727,456	7,401,455	3,149,916	808,055	603,596	3,590,961	1,270,897	490,372	(26,763,002)
<b>Total primary government</b>	<b>\$ 13,279,902</b>	<b>\$ 24,179,486</b>	<b>\$ 29,573,073</b>	<b>\$ 22,297,848</b>	<b>\$ 10,959,363</b>	<b>\$ 7,506,061</b>	<b>\$ 2,454,358</b>	<b>\$ 54,541,862</b>	<b>\$ 3,768,462</b>	<b>\$ 6,673,859</b>

Note:

(1) Net (expense) revenue is the difference between the expenses and program revenues. This difference indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. Numbers in a parentheses are net expenses indicating that expenses were greater than program revenues and, therefore, general 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 - June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities:</b>										
Legislative	\$ 204,288	\$ 413,206	\$ 277,283	\$ 477,892	\$ 361,537	\$ 273,849	\$ -	\$ 23,606	\$ -	\$ -
Planning and zoning	1,625,874	1,277,297	1,335,885	1,705,820	1,676,521	1,617,376	1,479,645	1,575,385	1,680,331	1,487,145
Public safety	2,332,896	2,870,756	2,944,816	3,317,117	3,426,736	3,772,767	4,526,854	4,876,682	4,844,494	4,678,693
Parks and recreation	21,365	17,000	-	-	-	-	15,500	255,000	372,994	5,500
Balch Library	7,046,946	15,975,830	19,832,540	18,837,665	11,363,085	4,080,476	2,655,440	61,627,617	10,011,472	12,305,317
Public works	11,231,369	20,554,089	24,390,524	24,338,494	16,827,879	9,744,468	9,029,433	68,620,560	17,170,738	18,759,896
<b>Total governmental activities</b>										
<b>Business-type activities:</b>										
Airport	2,274,867	2,603,612	2,266,324	4,441,675	1,303,769	1,130,275	2,538,870	2,503,532	1,315,085	1,881,312
Utilities	19,927,034	20,342,421	19,806,789	15,927,046	15,307,781	17,907,706	22,026,341	19,931,309	21,150,348	19,190,016
<b>Total business-type activities</b>	22,201,901	22,946,033	22,073,113	20,368,721	16,611,550	19,037,981	24,565,211	22,434,841	22,465,433	21,071,328
<b>Total government</b>	\$ 33,433,270	\$ 43,500,122	\$ 46,463,637	\$ 44,707,215	\$ 33,439,429	\$ 28,782,449	\$ 33,594,644	\$ 91,055,401	\$ 39,636,171	\$ 39,831,224

**FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year June 30,				
	2003	2004	2005	2006	2007
General Fund:					
Reserved	\$ 1,769,740	\$ 2,455,054	\$ 2,674,514	\$ 2,037,545	\$ 1,591,499
Unreserved	5,567,239	7,964,324	9,612,504	13,609,805	15,726,628
<b>Total general fund</b>	<b>\$ 7,336,979</b>	<b>\$ 10,419,378</b>	<b>\$ 12,287,018</b>	<b>\$ 15,647,350</b>	<b>\$ 17,318,127</b>
All Other Governmental Funds:					
Unreserved, reported in:					
Capital projects fund	\$ 4,916,177	\$ 5,917,608	\$ 12,831,551	\$ 14,101,892	\$ 15,688,090
Special revenue funds	1,900,925	1,430,704	3,971,380	3,960,862	4,088,949
<b>Total all other government funds</b>	<b>\$ 6,817,102</b>	<b>\$ 7,348,312</b>	<b>\$ 16,802,931</b>	<b>\$ 18,062,754</b>	<b>\$ 19,777,039</b>

	Fiscal Year June 30,				
	2008	2009	2010	2011	2012
General Fund:					
Reserved	\$ 2,232,532	\$ 2,129,964	\$ -	\$ -	\$ -
Unreserved	14,675,549	15,868,848	-	-	-
Nonspendable	-	-	3,756,141	3,365,873	151,402
Restricted	-	-	5,711,725	5,852,078	827,452
Committed	-	-	1,400,000	1,400,000	-
Assigned	-	-	2,059,742	2,717,261	6,774,757
Unassigned	-	-	8,529,064	9,103,329	9,395,933
<b>Total general fund</b>	<b>\$ 16,908,081</b>	<b>\$ 17,998,812</b>	<b>\$ 21,456,672</b>	<b>\$ 22,438,541</b>	<b>\$ 17,149,544</b>
All Other Governmental Funds:					
Unreserved, reported in:					
Capital projects fund	\$ 13,684,106	\$ 17,946	\$ -	\$ -	\$ -
Special revenue funds	6,697,221	6,065,247	-	-	-
Committed, reported in:					
Capital projects fund	-	-	12,939,512	2,878,070	5,299,780
Assigned, reported in:					
Capital projects fund	-	-	-	-	945,427
<b>Total all other government funds</b>	<b>\$ 20,381,327</b>	<b>\$ 6,083,193</b>	<b>\$ 12,939,512</b>	<b>\$ 2,878,070</b>	<b>\$ 6,245,207</b>

## Note:

- (1) In fiscal year 2011, The Town implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which effectively changed the classifications used to report fund balances. The terms reserved and unreserved are no longer used to describe fund balance. Fund balance is now classified as nonspendable, restricted, committed, assigned or unassigned. Adoption of this pronouncement also resulted in special revenue funds now being accounted for as part of the Town's General Fund.



**CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year June 30,				
	2003	2004	2005	2006	2007
<b>Revenues:</b>					
General property taxes	\$ 8,722,873	\$ 9,936,500	\$ 11,282,678	\$ 13,056,041	\$ 13,527,146
Other local taxes	8,784,696	13,300,107	14,041,746	14,831,709	15,723,383
Permits, fees and licenses	3,049,254	804,774	528,334	904,354	544,017
Fines and forfeitures	246,496	295,941	276,772	408,909	414,413
Use of money and property	461,603	331,183	680,601	1,651,024	2,670,151
Charges for services	2,336,501	2,778,627	2,959,750	3,327,178	3,441,037
Contributions and proffers	-	-	-	-	-
Miscellaneous	519,356	575,930	3,284,109	566,905	540,478
Intergovernmental	5,988,544	6,226,911	6,050,709	9,985,690	6,316,664
<b>Total revenues</b>	<b>30,109,323</b>	<b>34,249,973</b>	<b>39,104,699</b>	<b>44,731,810</b>	<b>43,177,289</b>
<b>Expenditures:</b>					
Legislative	231,213	267,332	416,139	1,160,599	1,136,512
Executive	2,441,878	2,477,650	3,801,866	4,047,661	3,037,734
Legal	187,628	192,706	299,025	379,431	387,754
Planning and zoning	1,429,837	1,616,587	1,808,797	1,929,431	2,430,327
Plan review	-	-	-	-	-
Finance	1,630,812	1,796,403	1,880,370	1,929,461	2,231,605
Public safety	6,851,092	6,858,428	7,626,031	7,920,259	8,810,930
Parks and recreation	4,137,677	4,471,020	4,820,263	5,174,870	5,881,329
Balch Library	346,935	314,349	456,790	389,536	469,278
Public works	7,700,347	8,617,698	8,732,078	9,889,450	10,862,879
Airport	-	-	-	-	-
Capital projects	7,491,861	2,883,035	2,461,344	4,398,391	9,327,869
Debt service:					
Principal	4,825,475	2,674,443	2,873,315	2,675,299	2,969,395
Interest and fiscal charges	2,103,052	1,784,228	1,930,130	1,862,562	2,000,143
<b>Total expenditures</b>	<b>39,377,807</b>	<b>33,953,879</b>	<b>37,106,148</b>	<b>41,756,950</b>	<b>49,545,755</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(9,268,484)</b>	<b>296,094</b>	<b>1,998,551</b>	<b>2,974,860</b>	<b>(6,368,466)</b>
<b>Other financing sources (uses):</b>					
Transfers in	14,050,077	2,716,900	2,446,596	2,208,225	3,359,800
Transfers out	(12,236,529)	(773,900)	(855,131)	(562,930)	(1,538,263)
Issuance of debt	-	-	9,190,000	-	17,850,025
Proceeds of refunding bonds	5,606,510	4,008,329	-	-	1,103,977
Proceeds to refunded bond escrow agent	(5,780,087)	(2,633,814)	-	-	(11,022,011)
Premium on issuance debt	248,788	-	106,294	-	-
<b>Total other financing sources (uses), net</b>	<b>1,888,759</b>	<b>3,317,515</b>	<b>10,887,759</b>	<b>1,645,295</b>	<b>9,753,528</b>
<b>Net changes in fund balances</b>	<b>\$ (7,379,725)</b>	<b>\$ 3,613,609</b>	<b>\$ 12,886,310</b>	<b>\$ 4,620,155</b>	<b>\$ 3,385,062</b>
<b>Debt service as a percentage of noncapital expenditures:</b>					
Total debt service	\$ 6,928,527	\$ 4,458,671	\$ 4,803,445	\$ 4,537,861	\$ 4,969,538
Total expenditures	\$ 39,377,807	\$ 33,953,879	\$ 37,106,148	\$ 41,756,950	\$ 49,545,755
Less: capital outlay	(7,111,053)	(3,150,882)	(3,159,233)	(4,890,383)	(7,762,053)
<b>Noncapital expenditures</b>	<b>\$ 32,266,754</b>	<b>\$ 30,802,997</b>	<b>\$ 33,946,915</b>	<b>\$ 36,866,567</b>	<b>\$ 41,783,702</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>21.47%</b>	<b>14.47%</b>	<b>14.15%</b>	<b>12.31%</b>	<b>11.89%</b>

**Table 5**  
**Page 2**

Fiscal Year June 30,				
2008	2009	2010	2011	2012
\$ 13,417,267	\$ 12,922,835	\$ 12,363,461	\$ 12,503,998	\$ 12,854,369
16,742,288	16,761,293	16,866,584	15,585,903	16,981,945
413,676	500,858	437,125	432,971	435,554
326,047	364,573	402,164	576,328	482,049
2,261,267	1,156,355	440,731	686,183	514,491
3,786,888	4,439,527	4,879,989	4,796,131	4,689,237
-	18,500	2,139,318	1,853,390	342,739
3,783,391	2,902,824	993,681	1,086,819	901,963
6,761,670	5,264,490	9,170,344	8,715,734	12,354,864
47,492,494	44,331,255	47,693,397	46,237,457	49,557,211
1,106,290	1,039,363	1,103,242	919,953	960,836
3,406,632	3,543,409	3,395,350	3,431,910	3,127,240
400,430	364,257	411,839	401,794	412,454
2,393,972	1,541,570	1,720,029	1,938,591	1,382,400
-	1,757,767	1,679,684	1,566,111	1,248,341
2,341,358	2,388,845	2,360,863	2,252,013	2,073,242
9,623,503	10,186,786	11,140,380	10,883,307	11,262,769
6,557,497	7,065,803	7,418,434	7,321,436	6,916,341
488,190	517,850	457,606	449,682	454,610
11,367,908	11,377,958	11,456,058	11,385,261	11,590,650
-	-	-	-	2,444
11,259,727	14,724,486	8,458,203	11,072,955	9,673,741
3,224,456	3,207,919	3,156,627	3,187,341	8,184,465
2,138,018	2,048,205	2,256,417	2,523,094	2,544,404
54,307,981	59,764,218	55,014,732	57,333,448	59,833,937
(6,815,487)	(15,432,963)	(7,321,335)	(11,095,991)	(10,276,726)
3,660,720	2,887,982	2,730,718	3,687,699	2,648,127
(1,650,991)	(662,422)	(528,866)	(1,671,281)	(3,206,258)
5,000,000	-	22,540,000	-	8,253,567
-	-	-	-	10,251,077
-	-	(7,428,090)	-	(10,980,442)
-	-	321,752	-	1,388,795
7,009,729	2,225,560	17,635,514	2,016,418	8,354,866
\$ 194,242	\$ (13,207,403)	\$ 10,314,179	\$ (9,079,573)	\$ (1,921,860)
\$ 5,362,474	\$ 5,256,124	\$ 5,413,044	\$ 5,710,435	\$ 10,728,869
\$ 54,307,981	\$ 59,764,218	\$ 55,014,732	\$ 57,333,448	\$ 59,833,937
(13,349,968)	(14,847,451)	(8,290,088)	(10,821,569)	(9,801,397)
\$ 40,958,013	\$ 44,916,767	\$ 46,724,644	\$ 46,511,879	\$ 50,032,540
13.09%	11.70%	11.58%	12.28%	21.44%

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)**  
Last Ten Fiscal Years  
*(modified accrual basis of accounting)*  
(Unaudited)

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Notes:

- (1) For the year 2003, the amount used for capital outlay was obtained from the increase to the General Fixed Asset Account Group, which is no longer used under the new reporting model. For fiscal years 2004 through 2012, the amounts used for capital outlay were obtained from the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.
  
- (2) Prior to the adoption of GASB Statement No. 34, the Town did not capitalize additions to or major repairs of infrastructure assets. Therefore, for fiscal year 2003, additions to infrastructure were not subtracted from total expenditures to calculate the debt service as a percentage of noncapital expenditures.

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
2003	\$ 8,722,873	\$ 1,841,121	\$ 238,039	\$ 2,934,346	\$ -	\$ 353,900	\$ 581,567	\$ 2,145,628	\$ 417,256	\$ 1,985,080	\$ 671,234	\$ 170,839	\$ 20,061,883
2004	9,936,500	1,998,824	321,855	3,530,722	-	357,555	1,085,875	2,473,345	556,151	2,087,754	696,918	206,108	23,231,607
2005	11,282,678	2,067,512	285,519	3,781,317	-	376,799	1,045,229	2,767,277	675,205	2,402,667	477,593	162,628	25,324,424
2006	13,056,041	2,152,796	335,136	3,832,615	-	527,109	1,017,042	2,900,832	678,470	2,462,835	751,405	173,469	27,887,750
2007	13,527,146	1,841,456	187,913	3,928,453	1,064,590	523,776	925,725	3,189,314	803,554	2,395,850	695,848	166,904	29,250,529
2008	13,417,267	1,452,715	42,071	4,085,457	2,482,642	464,023	871,299	3,198,750	681,540	2,544,890	754,651	164,250	30,159,555
2009	12,922,835	1,487,280	77,164	3,972,769	2,255,703	575,105	860,595	3,327,374	595,434	2,669,812	779,781	160,276	29,684,128
2010	12,363,461	1,489,727	104,425	3,841,961	2,255,108	763,421	805,298	3,326,332	567,223	2,708,180	781,127	213,782	29,230,045
2011	12,503,998	1,542,597	136,471	4,158,970	2,253,896	734,655	872,047	3,672,760	628,452	2,880,044	792,369	167,538	30,343,797
2012	12,854,369	1,495,345	155,894	4,509,128	2,208,092	791,656	1,133,071	4,418,067	661,939	2,860,659	812,863	143,323	32,044,406
Change 2003-2012	47.36%	-18.78%	-34.51%	53.67%	107.41%	123.69%	94.83%	105.91%	58.64%	44.11%	21.10%	-16.11%	59.73%

Note:

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

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
2003	\$ -	\$ -	\$ -	\$ -	\$ 3,661,931,906	\$ 3,661,931,906	15.4%	\$ 0.22	\$ 3,661,931,906	100%
2004	3,444,254,600	726,891,900	81,530,419	479,727,000	4,732,403,919	4,252,676,919	16.1%	0.22	4,252,676,919	100%
2005	4,352,319,759	856,160,300	78,883,670	490,852,500	5,778,216,229	5,287,363,729	24.3%	0.21	5,287,363,729	100%
2006	5,795,382,450	1,069,788,100	92,228,313	573,376,500	7,530,775,363	6,957,398,863	31.6%	0.18	6,957,398,863	100%
2007	5,511,505,030	1,208,117,300	101,465,225	685,382,800	7,506,470,355	6,821,087,555	-2.0%	0.18	6,821,087,555	100%
2008	5,131,033,763	1,385,297,600	106,302,605	746,271,100	7,368,905,068	6,622,633,968	-2.9%	0.18	6,622,633,968	100%
2009	4,178,757,280	1,450,034,838	108,156,220	777,473,500	6,514,421,838	5,736,948,338	-13.4%	0.195	5,736,948,338	100%
2010	4,099,937,100	1,457,252,200	109,697,434	725,232,500	6,392,119,234	5,666,886,734	-1.2%	0.195	5,666,886,734	100%
2011	4,225,241,300	1,450,475,800	109,444,884	817,713,100	6,602,875,084	5,785,161,984	2.1%	0.195	5,785,161,984	100%
2012	4,344,339,200	1,458,178,700	106,547,458	811,703,300	6,720,768,658	5,909,065,358	2.1%	0.195	5,909,065,358	100%

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) For 2003 the data is presented on a fiscal year basis, not a tax year basis.
- (3) The tax rate presented here is for real property only, as personal property assessments are not a major revenue source.

**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
2003	\$ 0.22	\$ 1.00	\$ 1.11	\$ 4.20	\$ 1.33	\$ 5.20
2004	0.22	1.00	1.11	4.20	1.33	5.20
2005	0.21	1.00	1.04	4.20	1.25	5.20
2006	0.18	1.00	0.97	4.20	1.15	5.20
2007	0.18	1.00	0.96	4.20	1.14	5.20
2008	0.18	1.00	1.14	4.20	1.32	5.20
2009	0.195	1.00	1.245	4.20	1.44	5.20
2010	0.195	1.00	1.300	4.20	1.50	5.20
2011	0.195	1.00	1.285	4.20	1.48	5.20
2012	0.195	1.00	1.235	4.20	1.43	5.20

## Notes:

- (1) These rates are per \$100.00 of assessed value for real estate and personal property.
- (2) The Commonwealth of Virginia has no limitations on local tax rates.
- (3) Real property taxes are due in semi-annual installments by June 5 and December 5, and become delinquent thereafter.
- (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 9

PRINCIPAL PROPERTY TAXPAYERS  
Current Year and Nine Years Ago  
(Unaudited)

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Carlyle/Cypress Leesburg LLC	\$ 137,770,300	1	2.33%	\$ -	-	-
Chelsea GSA Realty	131,365,500	2	2.22%	73,266,400	1	2.00%
Battlefield FE LP	49,073,100	3	0.83%	-	-	-
Windsor at Fieldstone Ltd Partnership	45,705,400	4	0.77%	28,423,400	4	0.78%
C H Realty III/Battlefield LLC	44,919,300	5	0.76%	-	-	-
F R Leesburg Plaza LP	39,214,700	6	0.66%	-	-	-
Fund IX CB Leesburg LLC	34,255,300	7	0.58%	-	-	-
NA Properties Inc	31,197,200	8	0.53%	-	-	-
Potomac Station (E&A) LLC	28,856,600	9	0.49%	-	-	-
Fort Evans Plaza Ltmd Partnership	26,738,900	10	0.45%	19,264,900	10	0.53%
Verizon	-	-	-	34,459,427	2	0.94%
Dominion Virginia Power	-	-	-	33,016,269	3	0.90%
Edwards Ferry LP	-	-	-	25,457,800	5	0.70%
Arcadia Development	-	-	-	22,107,800	6	0.60%
GRK Battlefield LLC	-	-	-	22,103,800	7	0.60%
A S N Multifamily LP	-	-	-	21,166,300	8	0.58%
Leesburg Plaza	-	-	-	19,898,300	9	0.54%
<b>Total</b>	<b>\$ 569,096,300</b>		<b>9.63%</b>	<b>\$ 299,164,396</b>		<b>8.17%</b>

Note:

(1) 2012 Taxable Assessed Value is calculated for the tax year. However, 2003 is calculated on the fiscal year.

**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 to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 7,795,387	\$ 7,289,322	93.51%	\$ 506,065	\$ 7,795,387	100.00%
2004	9,007,103	8,598,753	95.47%	408,538	9,007,291	100.00%
2005	10,819,039	10,118,996	93.53%	700,043	10,819,039	100.00%
2006	12,057,479	11,869,671	98.44%	187,808	12,057,479	100.00%
2007	11,691,741	11,459,214	98.01%	232,146	11,691,360	100.00%
2008	11,290,166	11,149,611	98.76%	140,555	11,290,166	100.00%
2009	10,538,879	10,449,784	99.15%	87,105	10,536,889	99.98%
2010	10,452,500	10,310,140	98.64%	134,060	10,444,200	99.92%
2011	10,739,348	10,524,694	98.00%	167,262	10,691,956	99.56%
2012	(1) 11,037,430	5,541,034	50.20%	-	5,541,034	50.20%

## Note:

(1) The amounts for 2012 reflect only the first half of the collections. The second half is due December 5.



TOWN OF LEESBURG, VIRGINIA

Table 11

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	Outstanding General Obligation Bonds	Percentage of Actual Taxable Value of Property	General Bonded Debt Per Capita
	General Obligation Bonds	Note Payable	Capital Leases	Revenue Bonds	General Obligation Bonds	General Bonds						
2003	\$ 39,570,118	\$ 40,000	\$ 359,681	\$ 31,059,421	\$ 8,266,007	\$ 79,295,227	5.88%	\$ 2,369	\$ 47,836,125	1.31%	\$ 1,429	
2004	38,462,843	40,000	179,833	30,751,492	7,616,910	77,051,078	5.23%	2,216	46,079,753	1.08%	1,325	
2005	45,127,687	-	-	30,358,367	6,951,618	82,437,672	4.93%	2,308	52,079,305	0.98%	1,458	
2006	42,482,465	-	-	12,330,995	62,668,859	117,482,319	6.26%	3,217	105,151,324	1.51%	2,783	
2007	47,462,800	-	-	11,959,468	61,995,928	121,418,196	5.94%	3,195	109,458,728	1.60%	2,880	
2008	48,843,551	-	-	10,873,269	60,451,545	120,168,365	5.61%	3,148	109,295,096	1.65%	2,863	
2009	45,635,632	-	-	9,406,325	59,218,255	114,260,212	5.39%	2,983	104,863,887	1.83%	2,768	
2010	58,871,267	-	-	7,876,307	63,712,373	130,459,947	5.77%	3,065	122,583,640	2.16%	3,162	
2011	55,683,926	-	-	6,282,575	62,361,383	124,327,884	5.29%	2,864	118,045,309	2.04%	2,720	
2012	59,915,619	-	-	4,204,897	62,809,593	126,930,109	5.25%	2,914	122,725,212	2.08%	2,818	

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 15.
- (3) See Table 7 for property value data.
- (4) The outstanding amounts of the bonds are presented exclusive of any premiums, discounts and losses due to refundings.

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**Year Ended June 30, 2012**  
**(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Loudoun County, Virginia	\$ 1,036,939,281	10.33%	\$ 107,115,828
Town Direct Debt			<u>59,915,619</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 167,031,447</u></u>

Notes:

- (1) Overlapping debt is not bonded debt of the Town on either a direct or contingent basis, but represents the share of debt of overlapping governmental entities which the residents of the Town are obligated to pay through direct tax levies and charges for services of these respective governmental entities. The debt of Loudoun County, Virginia is a direct general obligation debt of the County which provides facilities that benefit all County residents including those of incorporated towns.
- (2) The percentage of overlapping debt applicable is estimated using taxable assessed real property values. Applicable percentages were estimated by determining the portion of the Town's taxable assessed value that is within the government's boundaries and dividing it by the County's taxable assessed value.

TOWN OF LEESBURG, VIRGINIA

Table 13

LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years  
(Unaudited)

	Fiscal Year June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 366,193,191	\$ 413,188,582	\$ 525,204,154	\$ 698,592,661	\$ 682,108,756	\$ 662,253,397	\$ 573,694,834	\$ 566,688,673	\$ 578,516,198	\$ 590,906,536
Total net debt applicable to limit	39,570,118	38,462,843	45,127,687	42,482,465	47,462,800	48,843,551	45,635,632	58,871,267	55,663,926	59,915,619
Available legal debt margin	\$ 326,623,073	\$ 374,725,739	\$ 480,076,467	\$ 656,110,196	\$ 634,645,956	\$ 613,419,846	\$ 528,059,202	\$ 507,817,406	\$ 522,832,272	\$ 530,990,917
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	10.81%	9.31%	8.59%	6.08%	6.96%	7.38%	7.95%	10.39%	9.63%	10.14%

Legal debt margin calculation for fiscal year 2012

Assessed value of real estate	\$ 5,909,065,358
Debt limit (10% of assessed value)	\$ 590,906,536
Debt applicable to limit:	
Net direct debt outstanding	59,915,619
Available legal debt margin	\$ 530,990,917
Summary of outstanding debt:	
Gross bonded debt	\$ 126,930,109
Less: enterprise debt	67,014,490
General obligation debt	\$ 59,915,619

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.

**BOND COVERAGE**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year June 30,	Airport Fund							Coverage
	Airport Service Charges	Operating Expenses	Net Available Revenue	Debt Service				
				Principal	Interest	Total		
2003	\$ 868,311	\$ 442,950	\$ 425,361	\$ 171,777	\$ 262,527	\$ 434,304	0.98	
2004	867,739	549,155	318,584	203,075	228,476	431,551	0.74	
2005	912,585	593,997	318,588	205,713	235,680	441,393	0.72	
2006	913,391	558,475	354,916	229,088	217,737	446,825	0.79	
2007	866,255	715,744	150,511	214,417	165,427	379,844	0.40	
2008	977,572	713,682	263,890	260,396	192,786	453,182	0.58	
2009	920,322	784,219	136,103	192,513	179,348	371,861	0.37	
2010	716,920	652,983	63,937	191,795	198,935	390,730	0.16	
2011	1,092,572	692,630	399,942	338,700	209,252	547,952	0.73	
2012	1,182,366	586,072	596,294	60,000	167,270	227,270	2.62	

Fiscal Year June 30,	Utilities Fund							Coverage
	Utility Service Charges	Operating Expenses	Net Available Revenue	Debt Service				
				Principal	Interest	Total		
2003	\$ 19,538,112	\$ 7,675,843	\$ 11,862,269	\$ 1,467,401	\$ 1,745,030	\$ 3,212,431	3.69	
2004	19,335,408	7,709,490	11,625,918	879,899	1,776,894	2,656,793	4.38	
2005	17,011,225	8,170,669	8,840,556	975,918	1,743,788	2,719,706	3.25	
2006	14,807,353	8,972,607	5,834,746	1,757,438	2,321,601	4,079,039	1.43	
2007	16,001,587	9,148,988	6,852,599	936,674	2,960,168	3,896,842	1.76	
2008	16,308,332	10,395,918	5,912,414	1,960,097	2,900,936	4,861,033	1.22	
2009	20,036,243	10,604,076	9,432,167	2,507,721	2,795,787	5,303,508	1.78	
2010	15,878,286	10,278,205	5,600,081	2,665,601	2,751,430	5,417,031	1.03	
2011	16,434,880	10,140,178	6,294,702	2,606,022	2,851,913	5,457,935	1.15	
2012	17,110,830	10,282,888	6,827,942	2,050,000	2,705,326	4,755,326	1.44	

## 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) Airport service charges include all revenues of the fund except gains on sales of capital assets, developer donated assets, capital grants, and transfers in.
- (3) Operating expenses are exclusive of depreciation and amortization, interest expense, losses on sales of capital assets, and transfers out.
- (4) In 2006, the Utilities Fund principal payments do not include outstanding principal paid for defeasance of debt of \$17.585 million. The fund does not include the principal payment of \$870,000 paid at June 30 that was due July 1, 2006. Interest does not include the deferred loss written off during the year.

**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year June 30,	(1) Population	(2) Personal Income	(2) Per Capita Personal Income	(3) Unemployment Rate
2003	35,512	\$ 1,347,414,070	\$ 37,943	3.80%
2004	37,390	1,472,434,890	39,380	3.10%
2005	39,265	1,671,990,737	42,582	2.50%
2006	40,447	1,876,259,965	46,388	2.20%
2007	41,188	2,043,223,260	49,607	2.00%
2008	41,366	2,141,657,995	51,773	2.80%
2009	41,796	2,118,670,354	50,691	4.80%
2010	42,616	2,262,270,360	53,085	4.70%
2011	43,406	2,351,742,775	54,180	4.20%
2012	43,556	2,415,994,049	55,468	3.80%

## Notes:

- (1) Population numbers came from the Loudoun County Department of Management and Financial Services, October 2010 estimate series and US Census Bureau Census 2000.
- (2) Per capita and personal Income information is not maintained for towns in Virginia. The amounts used here are for the County of Loudoun, Virginia, which the Town lies within. Information for per capita personal income is sourced from the Bureau of Economic Analysis' April 25, 2012 release for 2000 to 2010 and the Loudoun County Department of Management and Financial Services forecasts for 2011 to 2012. Personal income is sourced from the Loudoun County Department of Management and Financial Services.
- (3) Unemployment rates are available for some towns in Virginia., including Leesburg. The information provided is sourced from the Bureau of Labor Statistics, Local Area Unemployment Statistics, November 2, 2012, month of June each year.

TOWN OF LEESBURG, VIRGINIA

Table 16

**PRINCIPAL EMPLOYERS**  
**Current Year and Six Years Ago**  
**(Unaudited)**

Employer	2012			2006 (1)	
	Employees	Rank	Percentage of Total Employment	Employees	Rank
Loudoun County Government	2,000-2,500	1	12%	1,000-1,500	2
Loudoun County Public Schools	1,500-2,000	2	9%	1,500-2,000	1
Federal Aviation Administration	500-1,000	3	3%	500-1,000	3
Town of Leesburg	500-1,000	4	3%	250-500	4
Mastec Services	250-500	5	2%	-	-
Wegmans	250-500	6	2%	-	-
Target	250-500	7	1%	-	-
Costco	100-250	8	1%	250-500	5
K2M	100-250	9	1%	-	-
Home Depot	100-250	10	1%	-	-
Walmart	-	-	-	100-250	10
Giant Food	-	-	-	100-250	7
Southern Electric	-	-	-	250-500	6
Draper & Goldberg	-	-	-	100-250	8
Tuscarora Title	-	-	-	100-250	9

Note:

(1) Information was not maintained for towns prior to 2006 and percentage of total employment for 2006.

Sources: Town of Leesburg Economic Development Department

TOWN OF LEESBURG, VIRGINIA

Table 17

**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES  
BY FUNCTION/PROGRAM  
Last Ten Fiscal Years  
(Unaudited)**

Function/Program	Fiscal Year June 30,																																																																																																																																																																																																																																																																																																																																																																									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012																																																																																																																																																																																																																																																																																																																																																																
Legislative:											Clerk of council	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5	1.0	1.0	Executive:											Town manager	6.0	6.0	6.0	6.0	6.0	6.0	6.5	8.5	9.0	6.0	Human resources	5.0	6.0	7.0	8.0	8.0	10.5	9.5	7.5	6.5	4.0	Information technology	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	5.0	Economic development	3.0	3.0	3.0	3.0	3.0	3.0	4.0	2.0	2.0	2.0	Capital projects management	-	-	6.5	7.0	9.0	9.0	10.0	11.0	10.0	10.6	Legal:											Town attorney	2.0	1.5	1.5	1.5	2.0	2.0	2.6	3.0	3.0	3.0	Community Development:											Plan review	-	-	-	-	-	-	13.0	14.0	12.0	9.0	Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>
Clerk of council	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5	1.0	1.0	Executive:											Town manager	6.0	6.0	6.0	6.0	6.0	6.0	6.5	8.5	9.0	6.0	Human resources	5.0	6.0	7.0	8.0	8.0	10.5	9.5	7.5	6.5	4.0	Information technology	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	5.0	Economic development	3.0	3.0	3.0	3.0	3.0	3.0	4.0	2.0	2.0	2.0	Capital projects management	-	-	6.5	7.0	9.0	9.0	10.0	11.0	10.0	10.6	Legal:											Town attorney	2.0	1.5	1.5	1.5	2.0	2.0	2.6	3.0	3.0	3.0	Community Development:											Plan review	-	-	-	-	-	-	13.0	14.0	12.0	9.0	Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>											
Executive:											Town manager	6.0	6.0	6.0	6.0	6.0	6.0	6.5	8.5	9.0	6.0	Human resources	5.0	6.0	7.0	8.0	8.0	10.5	9.5	7.5	6.5	4.0	Information technology	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	5.0	Economic development	3.0	3.0	3.0	3.0	3.0	3.0	4.0	2.0	2.0	2.0	Capital projects management	-	-	6.5	7.0	9.0	9.0	10.0	11.0	10.0	10.6	Legal:											Town attorney	2.0	1.5	1.5	1.5	2.0	2.0	2.6	3.0	3.0	3.0	Community Development:											Plan review	-	-	-	-	-	-	13.0	14.0	12.0	9.0	Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																						
Town manager	6.0	6.0	6.0	6.0	6.0	6.0	6.5	8.5	9.0	6.0	Human resources	5.0	6.0	7.0	8.0	8.0	10.5	9.5	7.5	6.5	4.0	Information technology	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	5.0	Economic development	3.0	3.0	3.0	3.0	3.0	3.0	4.0	2.0	2.0	2.0	Capital projects management	-	-	6.5	7.0	9.0	9.0	10.0	11.0	10.0	10.6	Legal:											Town attorney	2.0	1.5	1.5	1.5	2.0	2.0	2.6	3.0	3.0	3.0	Community Development:											Plan review	-	-	-	-	-	-	13.0	14.0	12.0	9.0	Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																	
Human resources	5.0	6.0	7.0	8.0	8.0	10.5	9.5	7.5	6.5	4.0	Information technology	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	5.0	Economic development	3.0	3.0	3.0	3.0	3.0	3.0	4.0	2.0	2.0	2.0	Capital projects management	-	-	6.5	7.0	9.0	9.0	10.0	11.0	10.0	10.6	Legal:											Town attorney	2.0	1.5	1.5	1.5	2.0	2.0	2.6	3.0	3.0	3.0	Community Development:											Plan review	-	-	-	-	-	-	13.0	14.0	12.0	9.0	Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																												
Information technology	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	5.0	Economic development	3.0	3.0	3.0	3.0	3.0	3.0	4.0	2.0	2.0	2.0	Capital projects management	-	-	6.5	7.0	9.0	9.0	10.0	11.0	10.0	10.6	Legal:											Town attorney	2.0	1.5	1.5	1.5	2.0	2.0	2.6	3.0	3.0	3.0	Community Development:											Plan review	-	-	-	-	-	-	13.0	14.0	12.0	9.0	Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																							
Economic development	3.0	3.0	3.0	3.0	3.0	3.0	4.0	2.0	2.0	2.0	Capital projects management	-	-	6.5	7.0	9.0	9.0	10.0	11.0	10.0	10.6	Legal:											Town attorney	2.0	1.5	1.5	1.5	2.0	2.0	2.6	3.0	3.0	3.0	Community Development:											Plan review	-	-	-	-	-	-	13.0	14.0	12.0	9.0	Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																		
Capital projects management	-	-	6.5	7.0	9.0	9.0	10.0	11.0	10.0	10.6	Legal:											Town attorney	2.0	1.5	1.5	1.5	2.0	2.0	2.6	3.0	3.0	3.0	Community Development:											Plan review	-	-	-	-	-	-	13.0	14.0	12.0	9.0	Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																													
Legal:											Town attorney	2.0	1.5	1.5	1.5	2.0	2.0	2.6	3.0	3.0	3.0	Community Development:											Plan review	-	-	-	-	-	-	13.0	14.0	12.0	9.0	Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																								
Town attorney	2.0	1.5	1.5	1.5	2.0	2.0	2.6	3.0	3.0	3.0	Community Development:											Plan review	-	-	-	-	-	-	13.0	14.0	12.0	9.0	Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																			
Community Development:											Plan review	-	-	-	-	-	-	13.0	14.0	12.0	9.0	Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																														
Plan review	-	-	-	-	-	-	13.0	14.0	12.0	9.0	Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																									
Planning & zoning	21.0	20.0	21.0	23.0	23.0	23.0	16.0	16.0	16.0	11.0	Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																				
Finance	17.0	16.0	19.0	20.0	19.5	19.5	19.5	19.5	19.5	17.8	Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																															
Public safety	77.0	80.0	85.0	92.0	93.0	95.0	96.0	98.0	101.0	101.0	Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																										
Engineering and public works:											Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																					
Engineering	18.0	18.0	15.0	16.0	13.0	13.0	7.0	6.0	6.0	4.0	Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																
Administration	5.0	5.0	4.5	5.0	5.0	5.0	4.0	4.0	4.0	4.0	Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																											
Traffic management and street lights	-	-	-	-	3.0	3.0	3.0	3.0	3.0	3.0	Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																						
Street maintenance	26.0	26.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																	
Parking meters and lots	1.0	1.0	-	-	-	-	-	-	-	-	Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																												
Building maintenance	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																																							
Equipment maintenance	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																																																		
Parks, recreation and cultural	72.25	74.15	74.15	91.6	95.1	96.8	109.8	112.2	111.0	105.1	Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																																																													
Balch Library	4.93	4.93	4.93	5.6	6.0	6.0	6.2	6.2	6.2	5.2	Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																																																																								
Utilities:											Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																																																																																			
Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																																																																																														
Utility lines (maintenance)	27.0	29.0	31.0	31.0	31.0	31.0	35.0	35.0	35.0	33.0	Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																																																																																																									
Water supply	15.0	16.6	17.6	17.6	17.0	17.0	17.0	17.0	15.5	15.5	Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																																																																																																																				
Utility maintenance	4.0	4.0	5.0	5.0	5.0	5.0	-	-	-	-	Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																																																																																																																															
Water pollution control	23.0	25.0	27.0	27.0	26.0	26.0	26.0	25.0	23.0	22.0	Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																																																																																																																																										
Airport	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	3.0	<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																																																																																																																																																					
<b>Total</b>	<b>353.2</b>	<b>363.2</b>	<b>385.2</b>	<b>418.3</b>	<b>423.6</b>	<b>429.8</b>	<b>443.6</b>	<b>446.4</b>	<b>440.7</b>	<b>410.3</b>																																																																																																																																																																																																																																																																																																																																																																

Source: Town of Leesburg Fiscal Year Budgets

Note:

(1) Plan review department established in fiscal year 2009. Employees were transferred from planning and zoning and public works.

Table 18

TOWN OF LEESBURG, VIRGINIA

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Calendar Years

(Unaudited)

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Police:</b>										(1)
Calls for service	49,749	52,298	52,039	56,682	54,438	56,786	54,235	45,236	50,832	38,170
Adult arrest	1,448	1,664	1,669	1,562	1,510	1,400	1,324	1,302	1,468	994
Juvenile arrest	405	339	339	342	289	155	220	286	319	202
Speeding citations only	1,469	1,395	1,396	1,660	1,433	1,525	1,570	1,636	1,662	1,354
Traffic citations	3,473	3,531	4,038	6,244	5,547	6,238	5,751	7,328	6,795	4,892
<b>Administration:</b>										
Applications processed (full and part-time)	2,432	2,607	2,300	1,745	2,262	2,106	1,983	1,244	1,712	1,607
Positions advertised (full and part-time)	161	175	49	50	44	49	9	16	42	70
New hires (full and part-time)	148	141	200	115	187	165	98	133	130	137
Reportable accidents	-	-	-	37	55	24	25	76	37	50
All town training sessions	-	-	33	22	20	45	27	34	20	30
<b>Public service:</b>										
Garbage collected (ton)	13,452	16,883	19,880	20,039	20,662	21,105	17,407	16,829	18,024	14,834
Recycle collected (ton)	4,738	5,631	7,624	7,956	6,460	7,096	7,580	8,396	9,776	8,371
<b>Parks and recreation:</b>										
Recreation program attendance	-	-	-	9,324	12,968	18,682	13,901	15,161	23,306	17,218
Aquatics program attendance	-	-	-	5,492	6,374	5,989	7,915	10,650	9,902	8,154
<b>Utilities:</b>										
New water connections	917	896	606	513	90	100	93	67	94	94
New wastewater connections	917	896	606	513	90	100	93	67	85	89
Average daily water consumption (mgd)	3.80	4.07	4.40	4.40	4.64	4.21	4.22	4	4.3	4.4
Average daily sewage treatment (mgd)	4.15	3.58	3.70	3.59	3.71	4.99	4.40	5	4.88	4.49
<b>Airport:</b>										
Number of hangers rented	51	51	51	51	50	40	41	41	57	57
Number of tie-downs rented	146	146	146	146	146	108	125	122	120	120
Number of incidents on airport property	11	3	2	2	-	3	-	-	1	1

Note:

(1) Through October 15.

Source: Various Town departments



Table 19

TOWN OF LEESBURG, VIRGINIA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Streets:										
Primary (miles)	11	11	12	12	12	13	14	15	15	15
Secondary (miles)	75	80	83	83	89	90	91	91	91	92
Traffic signals	29	32	34	35	36	42	49	50	51	52
Number of street lights	1,809	1,855	1,905	1,970	2,070	2,179	2,479	2,614	2,654	2,700
Parks and recreation:										
Parks - number of acres*	361	361	361	361	361	361	361	361	361	361
Major parks - number of acres*	265	265	265	265	265	265	265	265	265	265
Neighborhood parks - number of acres	96	96	96	96	96	96	96	96	96	96
Baseball/softball diamonds	6	6	6	6	6	6	6	6	6	6
Soccer/football fields	4	4	4	4	3	3	3	3	3	3
Basketball courts	4	4	4	4	4	4	4	4	4	4
Tennis courts	7	7	7	7	7	11	11	11	11	11
Swimming pools	1	1	1	1	2	2	3	3	3	3
Parks with playground equipment	5	5	5	5	6	6	5	5	5	5
Picnic shelters	4	4	5	5	6	6	4	4	4	4
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	9,109	10,006	11,268	28,380	30,029	32,474	37,194	41,227	59,423	61,377
Water:										
Wells	3	3	1	1	1	1	1	1	1	1
Water lines (miles)	202	203	203	205	206	208	209	215	218	217
Fire hydrants	2,056	2,129	2,178	2,200	2,234	2,332	2,347	2,367	2,459	2,589
Storage capacity (mgd)	5	5	5	5	5	5	6.5	8.0	8.0	8.0
Number of customers	12,214	13,110	13,716	14,229	14,785	15,035	15,120	15,142	15,159	15,292
Sewers:										
Sanitary sewers (miles)	167	168	170	171	172	171	172	175	169	172
Storm sewers (miles)	-	-	-	115.0	120	127	129	131	134	134
Number of customers	12,214	13,110	13,716	14,229	14,953	15,139	15,155	15,039	15,178	15,347
Airport:										
Hangers	51	51	51	51	51	41	41	57	57	57
Tie-downs	146	146	146	146	146	116	131	133	122	120

Note:

(1) Prior to 2006 the storm sewer miles were not maintained by the Town of Leesburg.

\*Includes 21 acres of leased property (Izaak Walton Park) that the Town maintains and runs as a park.

Source: Various Town departments



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## **COMPLIANCE SECTION**

TOWN OF LEESBURG, VIRGINIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Expenditures
<b>DEPARTMENT OF JUSTICE</b>			
Pass-Through Payments:			
County of Loudoun, Virginia			
Gang-Free Schools and Communities-Community Based Gang Intervention	2010-DD-BX-0483	16.544	\$ 31,486
Direct Payments:			
Bulletproof Vest Partnership Program		16.607	2,102
Direct Payments:			
Byrne Justice Assistance Grant		16.738	<u>11,936</u>
Total Department of Justice			<u>45,524</u>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Direct Payments:			
Airport Improvement Program		20.106	452,592
Pass-Through Payments:			
Virginia Department of Transportation			
ARRA - Highway Planning and Construction	015-253-308	20.205	<u>502,387</u>
Total Department of Transportation			<u>954,979</u>
<b>NATIONAL ENDOWMENT FOR THE ARTS</b>			
Pass-Through Payments:			
Commonwealth of Virginia, Virginia Commission for the Arts			
Promotion of the Arts Partnership Agreements	12-0415	45.025	<u>5,000</u>
<b>DEPARTMENT OF ENERGY</b>			
Direct Payments:			
ARRA - Energy Efficiency and Conservation Block Grant Program		81.128	<u>69,245</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Pass-Through Payments:			
Commonwealth of Virginia, Department of Emergency Services			
Disaster Grants - Public Assistance	FAMA-1905-DR-VA	97.036	<u>45,211</u>
Total Federal Expenditures			<u>\$ 1,119,959</u>

## TOWN OF LEESBURG, VIRGINIA

### NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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#### **Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

*Federal Financial Assistance* – The Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133 define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. Federal financial assistance does not include direct federal cash assistance to individuals.

*Direct Payments* – Assistance received directly from the Federal government is classified as direct payments on the Schedule of Expenditures of Federal Awards.

*Pass-through Payments* – Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule of Expenditures of Federal Awards.

*Major Programs* – The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the criteria to be used in defining major programs. Major programs for the Town were determined using a risk-based approach in accordance with OMB Circular A-133.

*Catalog of Federal Domestic Assistance* – The Catalog of Federal Domestic Assistance (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA Number), which is reflected in the accompanying schedule.



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**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 Mayor and Members of Council  
Town of Leesburg, Virginia  
Leesburg, Virginia

We have audited the financial statements of Town of Leesburg, Virginia, (Town) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

**Internal Control over Financial Reporting**

Management of the Town is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, as described in accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as Item 12-01 to be a material weakness in internal control over financial reporting.

## 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 determination of financial statement amounts. 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Town in a separate letter dated December 14, 2012.

The Town's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Town Council, management, the Auditor of Public Accounts and other federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

PBGH, LLP

Harrisonburg, Virginia  
December 14, 2012



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the Town of Leesburg, Virginia, (Town) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2012. The Town's major Federal programs are identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major Federal program is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards, circular, and specifications require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2012.



## Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the Town Council, management, the Auditor of Public Accounts and other federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

PBGH, LLP

Harrisonburg, Virginia  
December 14, 2012

TOWN OF LEESBURG, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified  Yes  No  
 Significant deficiencies identified that are not considered to be material weaknesses  Yes  No  
 Noncompliance material to financial statements noted  Yes  No

Federal awards:

Internal control over major programs:

Material weaknesses identified  Yes  No  
 Significant deficiencies identified that are not considered to be material weaknesses  Yes  None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  Yes  No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction (including ARRA Funds)
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee?  Yes  No

TOWN OF LEESBURG, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012

II. FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

A. Material Weakness in Internal Control

**12-01**

During the course of our audit, it was noted that management incorrectly recognized as revenue a portion of the County of Loudoun's gas tax contributions related to construction projects by the Town. As a result of not recognizing a portion of the gas tax contributions as deferred revenue, the Town overstated revenues in the Capital Projects Fund for fiscal year 2012. We recommend that management implement a policy to ensure that gas tax revenue is correctly recognized by the Town.

**Management's Response:**

During fiscal year 2012, the Town received \$3,019,545.65 in gas tax revenue. When the funds were received, the Department of Finance recorded the money as revenue. However, the total capital project expenditures related to the construction projects funded by gas tax did not exceed the revenue received. Therefore, \$351,065.76 of gas tax funds were recognized as revenue instead of deferred revenue, overstating the revenue in the Capital Projects Fund for the fiscal year. The Department of Finance has implemented a procedure to review gas tax revenue to ensure it is correctly recognized.

B. Compliance Findings

None.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**TOWN OF LEESBURG, VIRGINIA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended June 30, 2012**

There were no audit findings reported in the prior year's single audit.



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