



Financial Dashboard FAQ's

What is a fiscal year and how is it different from a calendar year?

A Fiscal Year (FY) is the 12-month period on which governmental budgets are reported. The Town's fiscal year runs from July 1 through June 30. For example, FY 2018 began on July 1, 2017, and ends on June 30, 2018.

What time period does the Monthly Financial Dashboard represent?

Each Monthly Financial Dashboard covers the period from the beginning of the fiscal year to the date of the report. For example, the report for October includes the money received and spent between July 1 through October 31.

Where can I find the current Monthly Financial Dashboard?

The Monthly Financial Dashboard can be found on the Town's website under Government > Departments > Finance > Accounting / Monthly Financial Dashboards.

What is a fund?

A fund is used in governmental accounting and reporting as a way to group certain revenues and expenses together for a specific purpose. The Town of Leesburg has two funds reported on the Monthly Financial Dashboard: a general governmental fund, known as the General Fund; and a proprietary fund, the Utilities Fund. The main difference between the two funds is that the General Fund is primarily supported by taxes and the Utilities Fund is primarily supported by user fees.

What does Fund Balance mean?

Fund Balance is the difference between the Town's revenues and expenditures over time. Each year that the Town spends less than it receives in revenue, that excess amount is added to the Fund Balance at the end of the year. Similarly, if there is a shortfall in revenue, money can be taken out of Fund Balance to cover the shortfall. As a best practice, a government should have a healthy Fund Balance to maintain levels of service provided to taxpayers while avoiding large increases or decreases in the tax rate. Fund Balance is similar to having a savings account for your personal finances.

What does Net Position mean?

Similar to Fund Balance in the General Fund, the Utilities Fund will report a Net Position which is the difference between its revenue and expenses. In order to maintain the levels of service and to prevent large fluctuations in the rates charged, the Utilities Fund should maintain its Net Position to meet on-going needs.



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What is an Expenditure?

An expenditure is the actual expense including the commitment of funds to meet the Town's financial obligations. For example, the Town has an annual contract for trash and recycling collection. The total annual amount of the contract is set aside in the budget as an encumbrance. As payments are made, the actual amount will increase and the encumbrance or committed amount will decrease.

What are typical sources of Revenue for the Town?

Typical revenue sources for the General Fund include local tax funding, which are taxes that are approved by the Town Council such as real estate taxes, personal property taxes, other local taxes like meals, hotel and business license taxes. The General Fund has other revenues such as permit fees, airport hangar leases and charges for services like recreation programs. The Town also receives Federal grants, State grants and sales taxes (levied by the State but shared with the Town), and County shared revenues such as Gasoline taxes. These sources are typically used for street construction, repairs, and maintenance and for capital projects.

Typical revenue sources for the Utilities Fund are charges for water and sewer service, connection fees, and some Federal and State grants.

For a more detailed listing of revenue that the Town may receive, see the Monthly Financial Dashboard and the category headings below.

What does the Town typically spend money on?

Typical expenses for both funds include salaries and benefits, supplies and materials, contractual services, and debt payments.

The General Fund expenditures include public safety, parks and recreation, the executive airport, economic development, planning and zoning, public works, and general administration.

The Utilities Fund expenses include providing water and sewer services as well as maintaining the systems that provide those services.

For a more detailed listing of what the Town may spend money on, see the Monthly Financial Dashboard and the category headings below.

How can I tell what is included in the descriptions of the Revenues and Expenditures lines? For example, what is included in lines like "Use of Money and Property" or "Charges for Services"?



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These lines are summaries of similar detail line items that are grouped together to keep the report short and more understandable. This report is intended to just show the “Big Picture”. For a detailed listing of what is in each line, see the table at the bottom of these Frequently Asked Questions (FAQs). For much more detail about what the Town spends its money on and the ability to drill down into expenditures and revenue, the Town’s dynamic budget portal at www.leesburgva.gov/opengov.

What do the column headings mean?

Under “Current Year to Date”:

- **Revised Budget** is the adopted budget including any transfers that were approved as well as any funding added after the adoption of the budget (known as a supplemental appropriations) that have been approved by Council.
- **Actual** includes the amount that has actually been spent.
- **Committed** (*for Expenditures only*) includes amounts that the Town has entered into a contract for including orders that have been placed for supplies, materials and services, but not yet spent. These amounts are also known as encumbrances.
- **% of Budget** is the percentage of the budget that has been received or spent to date. Under Expenditures, this amount does not include the committed amount, only the amount actually spent.

Under “Prior Year to Date”:

- **Actual** includes the amount actually spent by the same time last year.
- **\$ Variance** is the difference between the amount that was received or spent in the current year as compared to the same period the prior year.
- **% Variance** is the percentage of increase or decrease over the prior year that has been received or spent.

How do I read this report?

The report details how much the Town has collected in revenue and how much the Town has spent to date by category, compared with the budgeted amounts and the amounts spent or received at the same time last year.

As an example, to observe what the Town has collected in business taxes to date in the current fiscal year, locate the “Business & Occupational Licenses” category line in the General Fund Revenue section and look at the “Actual” column. To determine how the Town is doing compared to the prior year for business taxes, refer to the “\$ Variance” and “% Variance” columns under “Prior Year to Date” where you will see the increase or decrease in collections in both dollars as well as percentage increase or decrease over the prior year.



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Occasionally, there is a variance that is explained through the use of notes (“Note #”). Explanations for notes are found on the second page of the Monthly Financial Dashboard including a short description of the reason for the variance.

Revenues are a lot less than expenditures in the General Fund. Does this mean that the Town is losing a lot of money and is in financial trouble?

The Town’s revenues do not come in evenly over the fiscal year the way most private businesses’ revenues do. A primary source of revenue is Real Estate Taxes which are collected in two halves: December and June. Personal Property Taxes on vehicles are another major revenue source with all the revenue collected during May. As a result, much of the Town’s revenue comes in near the end of the year, so it is hard to see if the Town is ahead or behind expectations until near the end of the year. Business & Occupational Licenses (BPOL) revenue is collected annually and is due on March 31st and Meals Taxes are collected monthly. The Town maintains a 20% Unassigned Fund Balance that serves as a working capital cash pool to get it through the early months of the year until tax revenues start to come in. This Fund Balance reserve is a best practice for local governments so that sufficient cash is on hand to pay employees and vendors until the tax revenue is received later in the year.

Expenditures appear to have been mostly spent early in the fiscal year. Is the Town going to overrun its budgets before the end of the fiscal year on June 30th?

Local governments like the Town are required by law to show Purchase Orders and contractual commitments as having used up the budget so that budgets cannot be overspent. The Town has many large contracts for things like trash collection, street paving, electricity for streetlights, and gasoline that are bid and then a Purchase Order is issued for the entire year’s cost. When the Purchase Order is issued or the contract is signed, that spending is shown as “Committed” or “Encumbered” against the budget as if it has already been paid. When it is paid, the “Committed” is reduced and the “Actual” is increased. This accounting practice keeps the Town from overspending its budgets, but it also makes it look like a lot more has been spent early in the year than has actually been paid out.

For More Information

For more information including details of what the Town spends in specific departments, you can see the Town’s entire current and past budgets online in searchable PDF format at www.leesburgva.gov/budget.

The Town’s most recent and past Annual Comprehensive Financial Reports are available online at www.leesburgva.gov/cafr.

Questions about this report should be directed to Diane Starkey, Controller, Department of Finance and Administrative Services, at dstarkey@leesburgva.gov.

See pages 6 through 12 below for a more detailed listing of items included in the monthly dashboard report.



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Revenues

Real Estate Taxes

- Real Estate Taxes
- Penalties & Interest

Personal Property Taxes

Public Service Corporation Taxes

Other Taxes

- Utility
- Daily Rental
- Meals
- Bank Franchise
- Communication
- Cigarette
- Sales & Use (ROW Use Tax)
- Business & Occupational Licenses
- Transient Occupancy

Permits & Fees

- Planning & Zoning Fees
- Plan Review Fees
- Airport Fees
- Collection Fees
- Parking permits

Fines & Forfeitures

- Parking Tickets
- Traffic Violations
- Forfeiture

Use of Money & Property

- Interest Revenue
- Airport Rentals
- Sale of Surplus Property
- Parking Garage and Meter Revenue



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Insurance Reimbursements

Revenues

Charges for Services

Revenue for Police at Special Events
Recreational activities
False Alarm Charges
Police Reports/Fingerprints

Miscellaneous Revenue

Returned Check Fees
Collection Fees
Reimbursements from other funds
Revenue received from Loudoun County
Rental Revenue
Other Miscellaneous Revenue
Miscellaneous Local Grants

Revenue from State

State Fireman's Fund
Highway Maintenance
Car Rental Tax
Motor Vehicle Carrier Tax
Personal Property Tax Reimbursement Act
Sales & Use Tax
Other Misc State Grants

Revenue from Federal

Miscellaneous Federal Grants
FEMA Assistance

Use of Fund Balance & Misc Reserves

Transfers in from Other Funds

Expenditures

Personnel Services

Salaries



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Taxes
Benefits

Contractual Services

Computer Software and Hardware Maintenance
Trash Removal
Uniform Services
Architecture & Engineering Services
Repair and Maintenance of Streets
Repair and Maintenance of Buildings
Vehicle Repairs
Equipment Repairs
Custodial Services
Advertising Services
Various Compliance and Testing Services
Legal Services
Tuition Reimbursement
Training
Subscriptions
Organization Memberships
Communications Services
Postage

Material & Supplies

General Supplies and Materials
Library Supplies
Recreational Supplies
Law Enforcement Supplies
Computer Supplies and hardware
Repair & Maintenance Supplies
Travel
Uniform Supplies

Expenditures

Transfers to Other Funds

Grants to Other Orgs & Misc



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Miscellaneous grants to other organizations
Contingency

Continuous Charges

Equipment Rentals
Insurance
Lease Payments
Fuel
Electricity and Natural Gas

Capital Expenditures

Vehicles
Equipment
Purchase of Land or Rights
Computer and Networking Hardware and Software
Capital improvements that are not in the Capital Projects Fund

Debt Service Expenditures Debt and
interest payments



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Revenues

Use of Money & Property

- Hydrant rental
- Scrap metal
- Land rental
- Interest revenue

Charges for Services

- Water & sewer user fees
- Water & sewer fixed fees
- Connection fees
- Inspection fees

Miscellaneous Revenue

- Collection fees
- Returned check fees
- Other miscellaneous type revenue

Revenue from State

- Misc State grants

Revenue from Federal

- Misc Federal grants

Use of Net Position & Misc Reserves

- Use of Net Position for Capital Projects and other expenses

Other Financing Sources (Bond Draw, etc)

- Use of Bond Funds for Capital Projects

Expenses

Personnel Services

- Salaries



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Taxes
Benefits

Contractual Services

Computer Software and Hardware Maintenance
Uniform Services
Architecture & Engineering Services
Repair and maintenance of utility lines and equipment
Vehicle Repairs
Equipment Repairs
Custodial Services
Advertising Services
Various Compliance and Testing Services
Legal Services
Tuition Reimbursement
Training
Subscriptions
Organization Memberships
Communications Services
Postage

Material & Supplies

General Supplies and Materials
Computer Supplies and hardware
Repair & Maintenance Supplies
Travel
Uniform Supplies
Water & sewer laboratory supplies

Transfers to Other Funds

Expenses

Other Miscellaneous Expenditures

Project management costs for capital projects



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Legal settlements
Other misc type expenses

Continuous Charges

Equipment Rentals
Insurance
Lease Payments
Fuel
Electricity and Natural Gas

Capital Expenditures

Vehicles
Equipment
Purchase of Land or Rights
Computer and Networking Hardware and Software
Capital Projects

Debt Service Expenditures

Debt payments and interest