

TOWN OF LEESBURG, VIRGINIA

FINANCIAL ANALYSIS

June 30, 2020

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**INDEPENDENT AUDITOR'S REPORT
ON FINANCIAL ANALYSIS**

Members of Town Council
Town of Leesburg, Virginia
Leesburg, Virginia

We have audited, 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, the basic financial statements of the Town of Leesburg, Virginia (the "Town") for the years ended June 30, 2017 through 2020. Those audits were conducted for the purpose of forming opinions on those financial statements that collectively comprise the Town's basic financial statements. In our reports, we expressed an unmodified opinion on those financial statements. The financial analysis set forth in this section is presented for purposes of additional analysis and is not a required part of the basic financial statements. However, this financial analysis was derived from, and should be read in conjunction with, the basic financial statements and our report thereon. Any information which is of a non-accounting nature has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and we express no opinion on it.

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

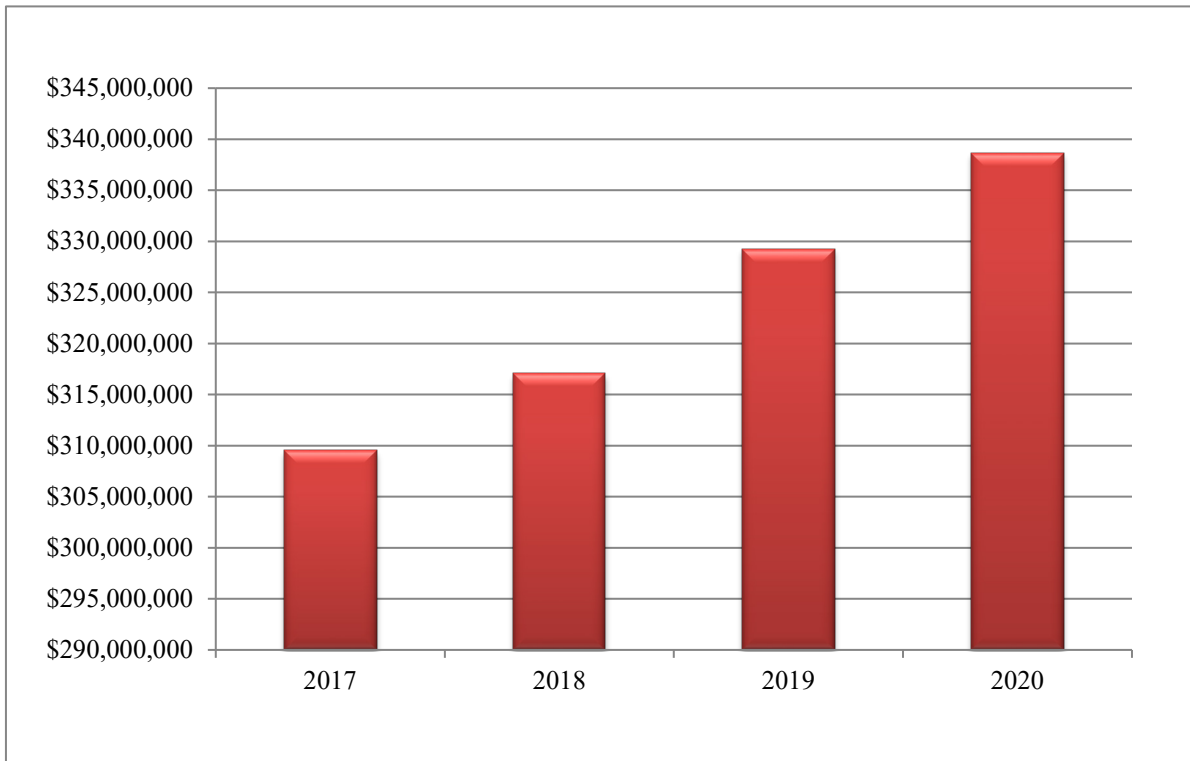
CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
December 1, 2020

Level of Net Position

How do our operating funds look?

Town Governmental Activities

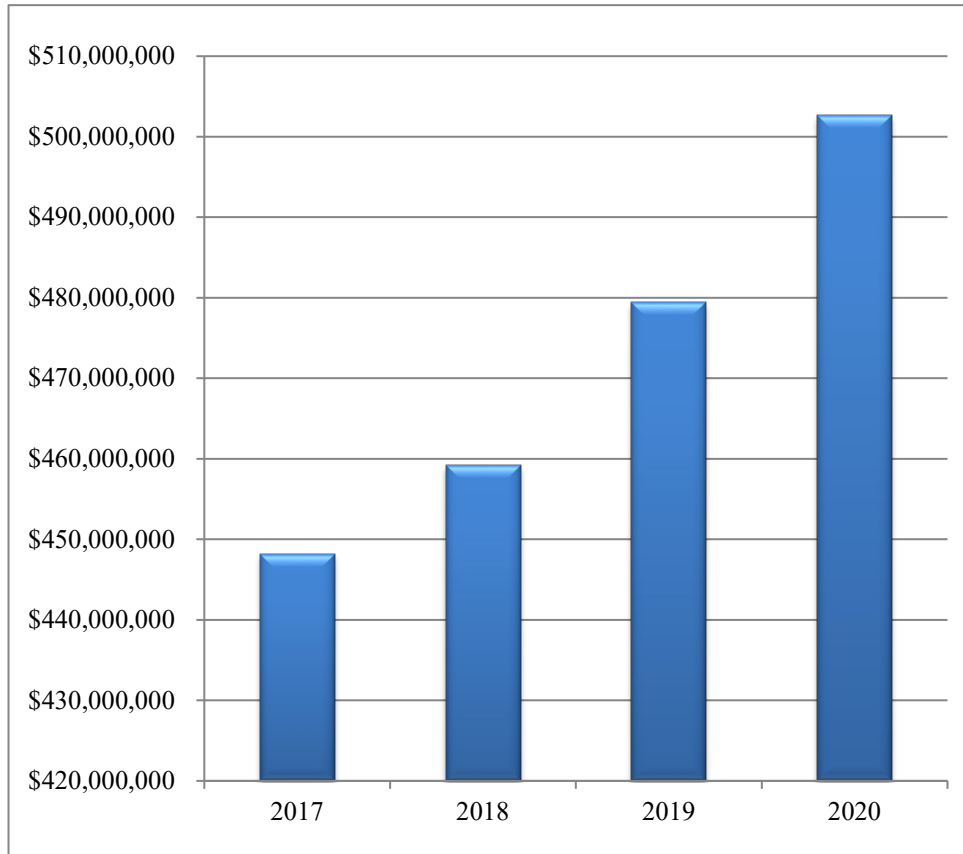


The Town's governmental activities net position increased \$9.4 million or 3% from the prior year. This increase is primarily due to significant funding from operating grants and decrease in departmental expenses.

Change in Net Position

Did our overall financial condition improve, decline, or remain steady from the past year?

Net Position at Year End (Governmental Activities and Business-type Activities)

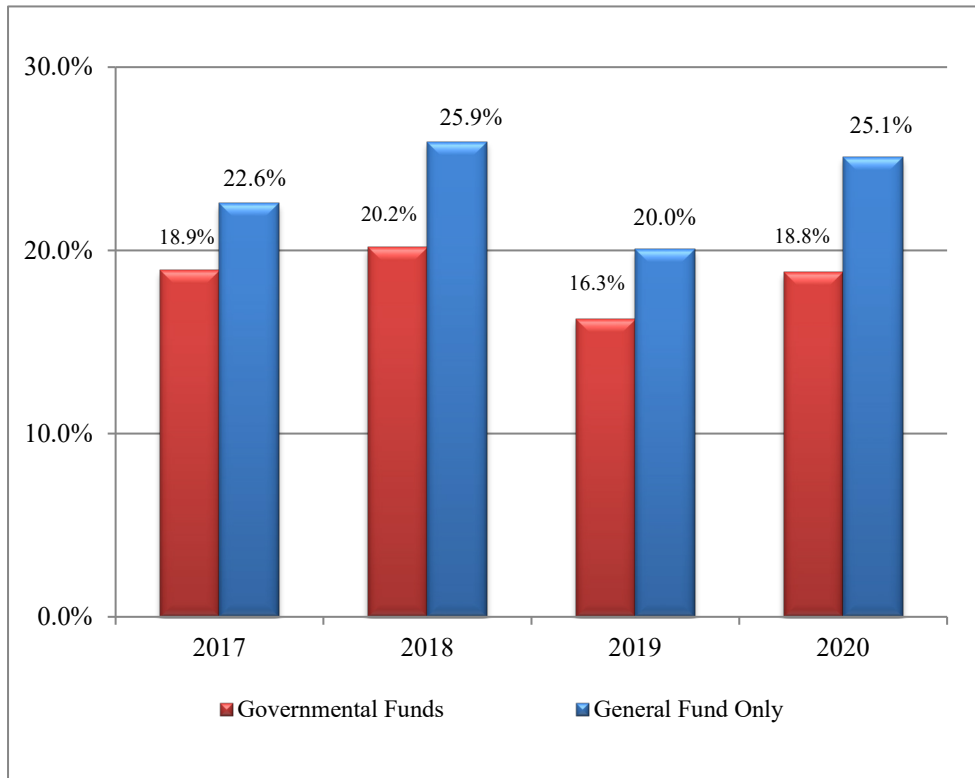


Net position includes all assets of the Town, except for fiduciary funds held for the benefit of others. It is measured as the difference between total assets, including capital assets, deferred outflows of resources, total liabilities, including long-term debt, and deferred inflows of resources.

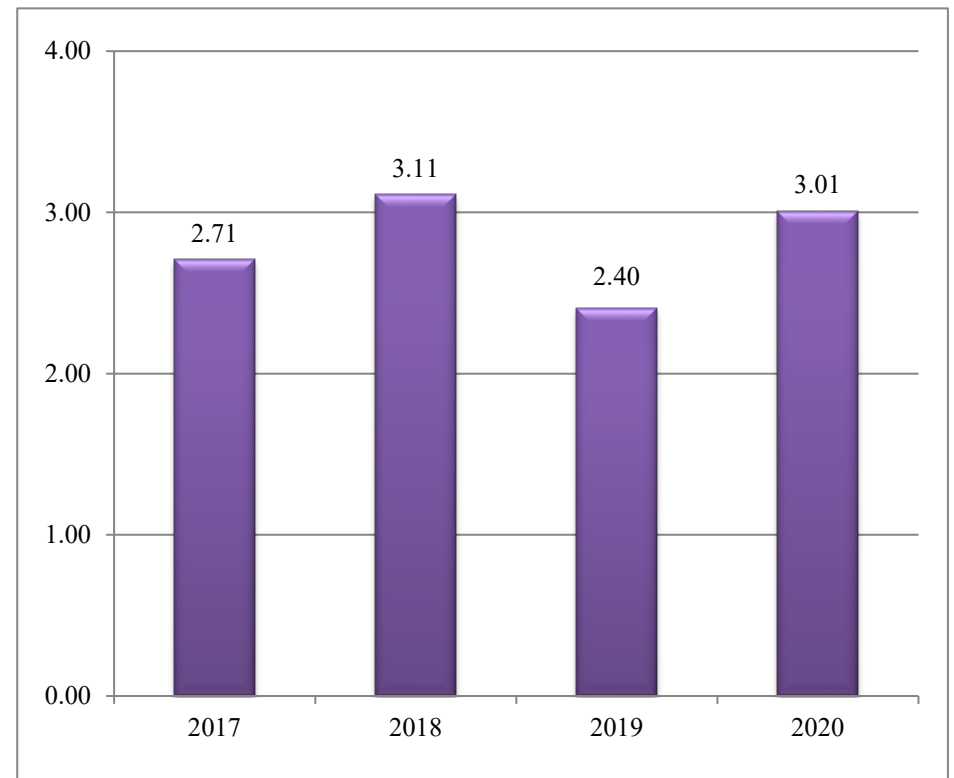
For 2020, total net position increased by \$23.2 million or 4.6% from the prior year. This increase is primarily due to significant funding from operating grants and decrease in departmental expenses for Governmental Activities combined with an increase in charges for services and connections for Business-type Activities.

Level of Budgetary Fund Balance How does our budgetary carryover position look?

Governmental Fund Budgetary Unassigned Fund Balance as a Percentage of Annual Expenditures



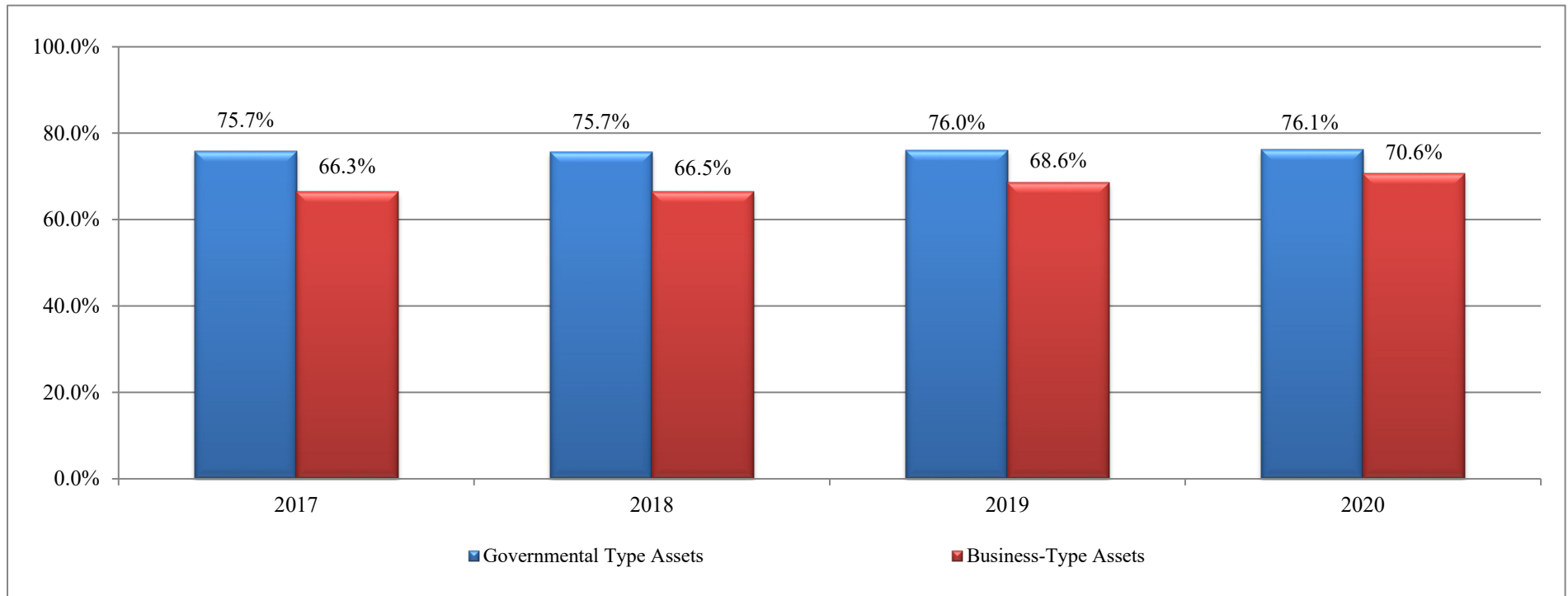
Months of Expenditures in General Fund Unassigned Fund Balance



The level of budgetary unassigned fund balance is an indication of the amount of unexpended and available resources the government has at a given point in time to carryover into the next fiscal year to fund budgetary emergencies, shortfalls, or other unexpected needs.

Assets to Liabilities Who really owns the Government?

Percentages of Equity

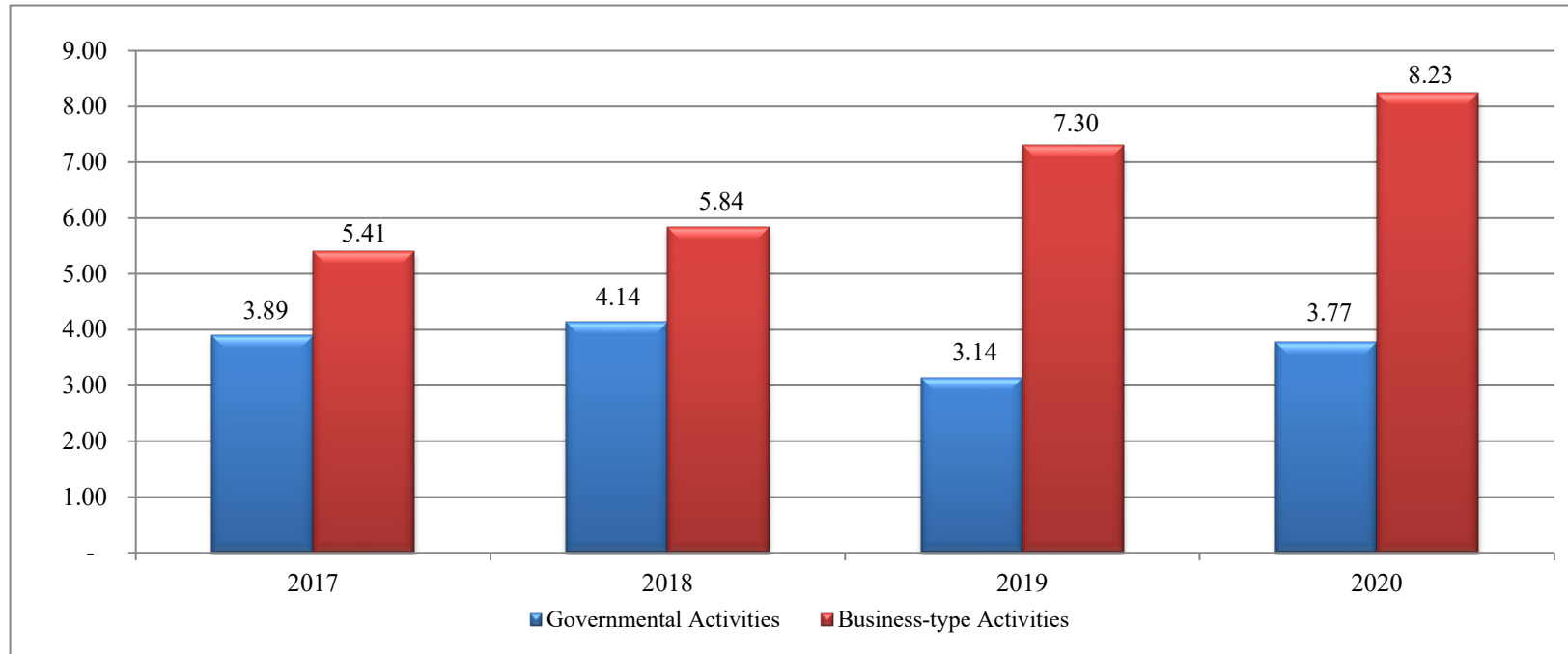


The assets to liabilities ratio measures the extent to which the government has funded its assets with debt and other liabilities. The higher the percentage, the more equity the government has in its assets.

Quick Ratio

How do our quickly convertible assets compare to our current obligations?

Governmental Activities' and Business-type Activities Cash and Cash Equivalents Compared to Current Liabilities

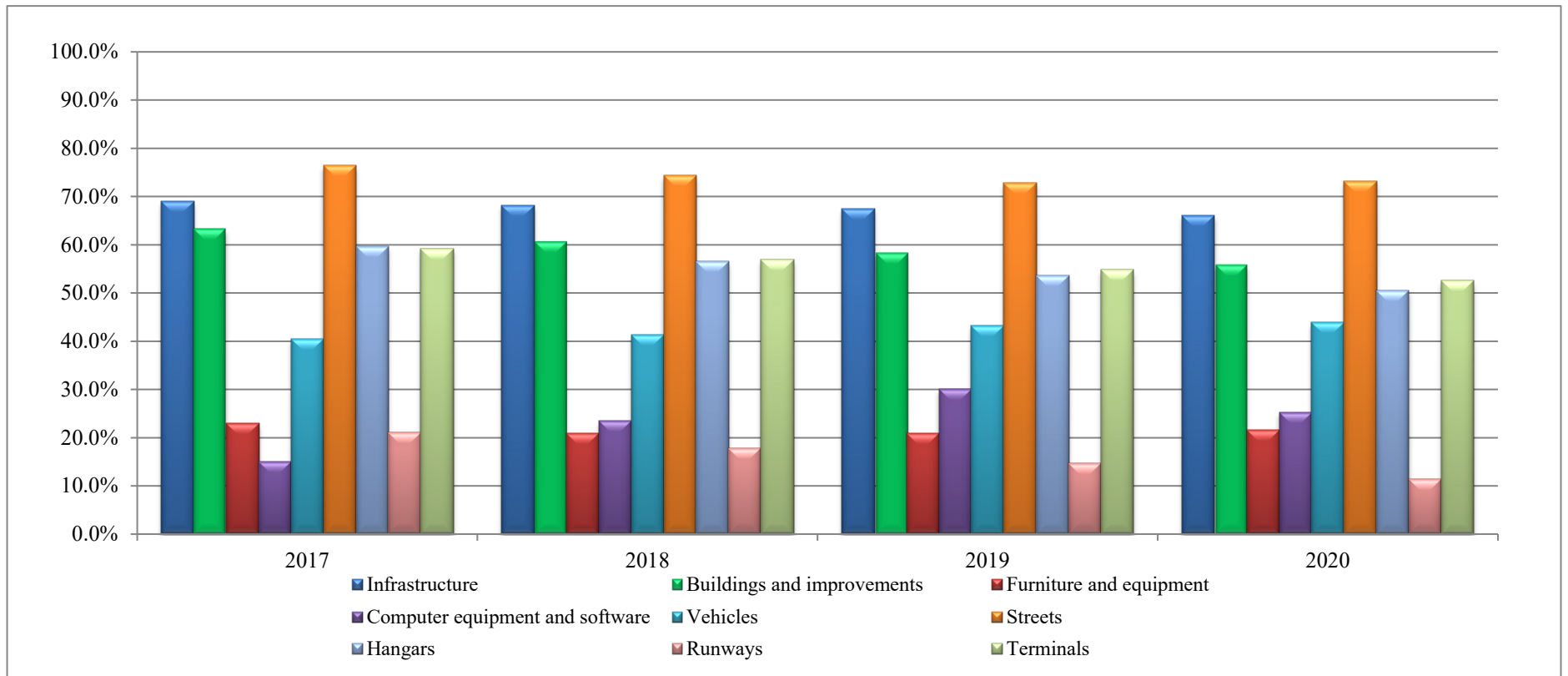


The quick ratio is one way to measure the government's ability to pay its short-term obligations. The quick ratio compares total current assets, less any inventory and other assets which are not currently convertible to cash, to current liabilities. A quick ratio of 1 to 1 or higher indicates good current liquidity and an ability to meet the short-term obligations. The significant increase for business-type activities is due to cash earned from installation and connection charges.

Capital Asset Condition – Primary Government

How much useful life do we have left in our capital assets?

Percentage of Capital Assets' Useful Life Remaining – Governmental Activities

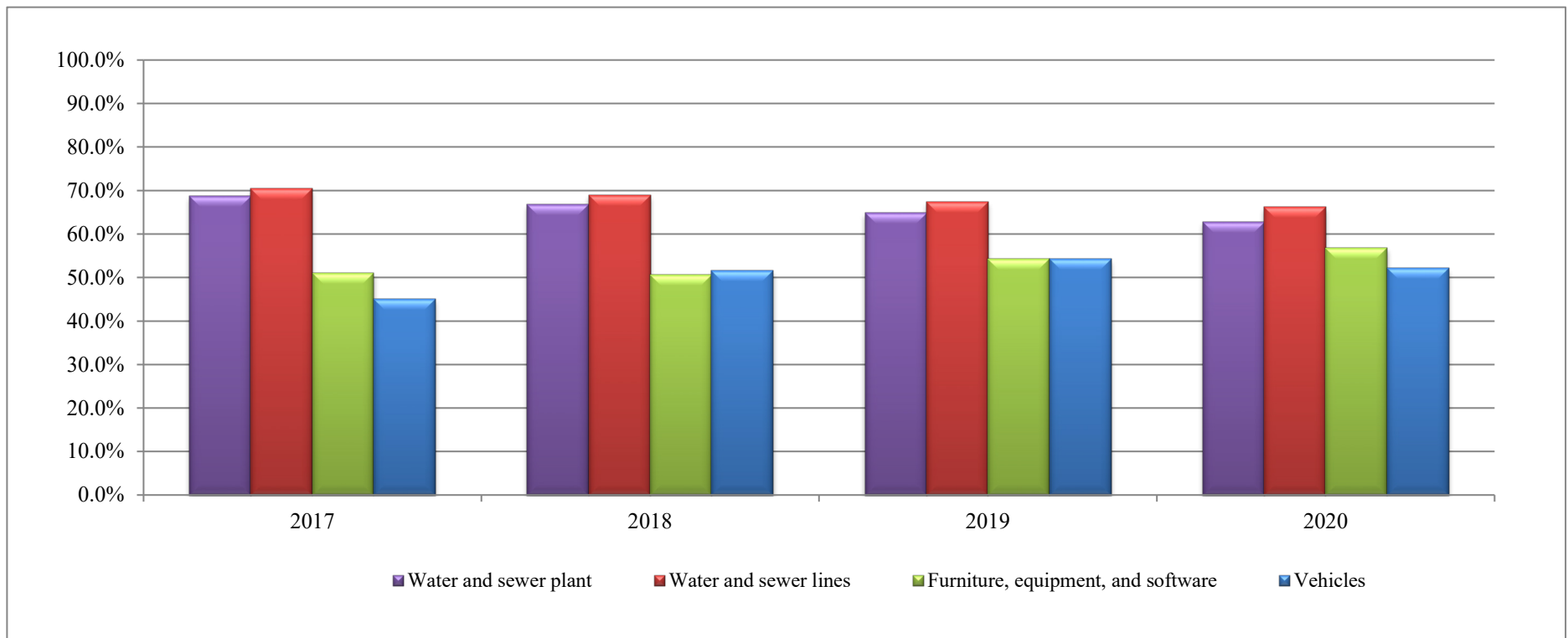


The capital asset condition ratio compares depreciable capital asset cost to accumulated depreciation to determine the overall percentage of useful life remaining. A low percentage could indicate an upcoming need to replace a significant amount of capital assets.

Capital Asset Condition – Primary Government

How much useful life do we have left in our capital assets?

Percentage of Capital Assets' Useful Life Remaining – Business-Type Activities

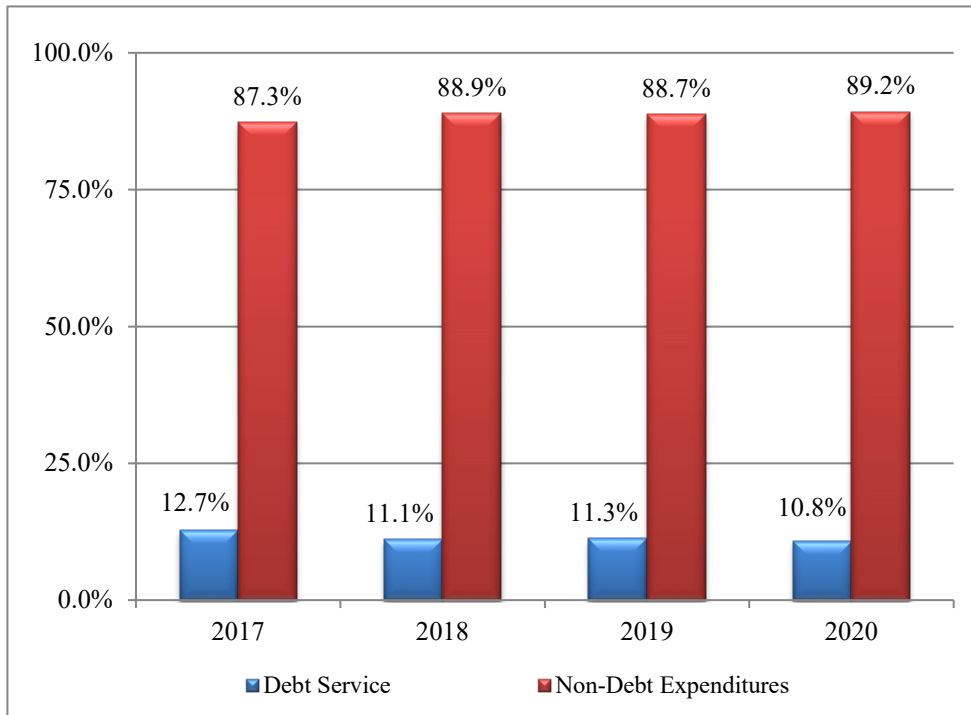


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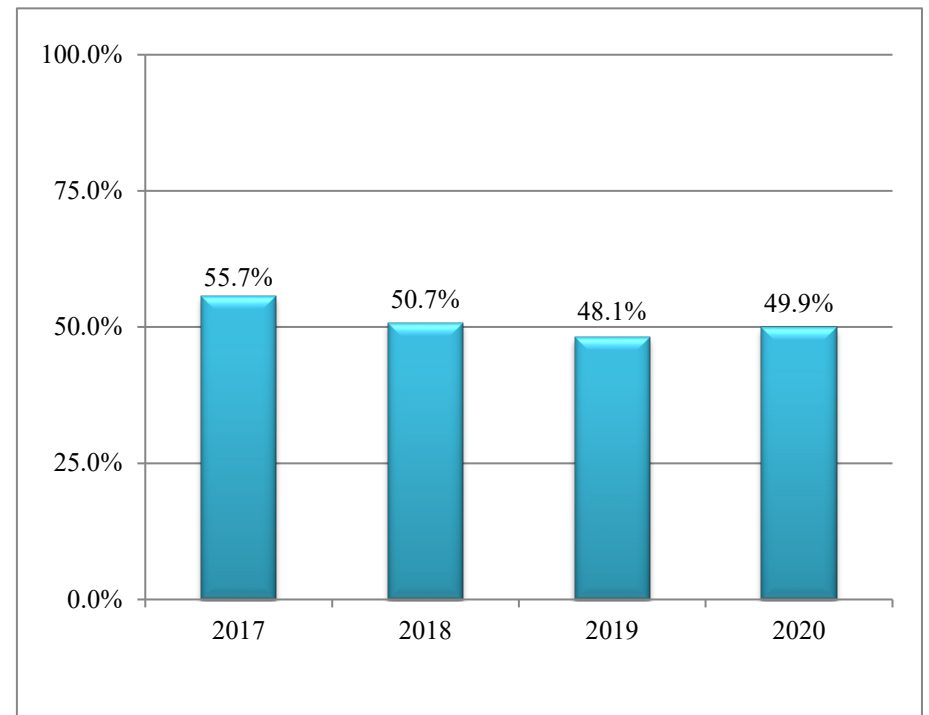
Debt Service Load

How much of our annual budget is loaded with disbursements to pay off long-term debt?

Percentage of Debt Service and Non-Debt Expenditures



Debt Service as a Percentage of Property Tax Revenues

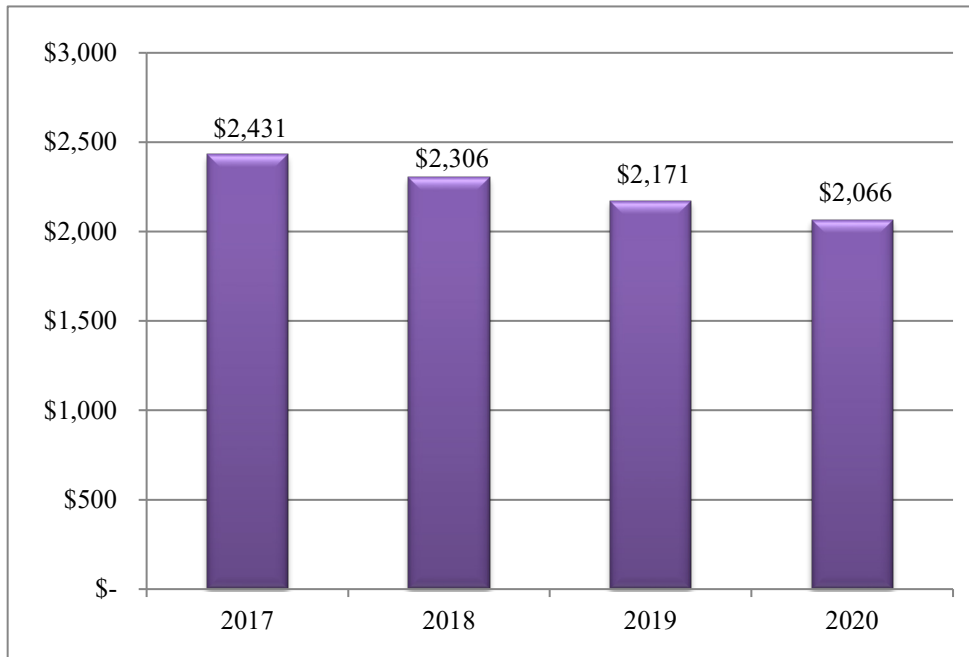


The debt service load ratio measures the extent to which the governmental fund's non-capital expenditures were comprised of debt service payments on long-term debt. It also measures the amount of property tax revenue used to pay the current debt service.

Bonded Debt Per Capita

What is the debt burden on our property taxpayers?

General Bonded Debt Per Capita

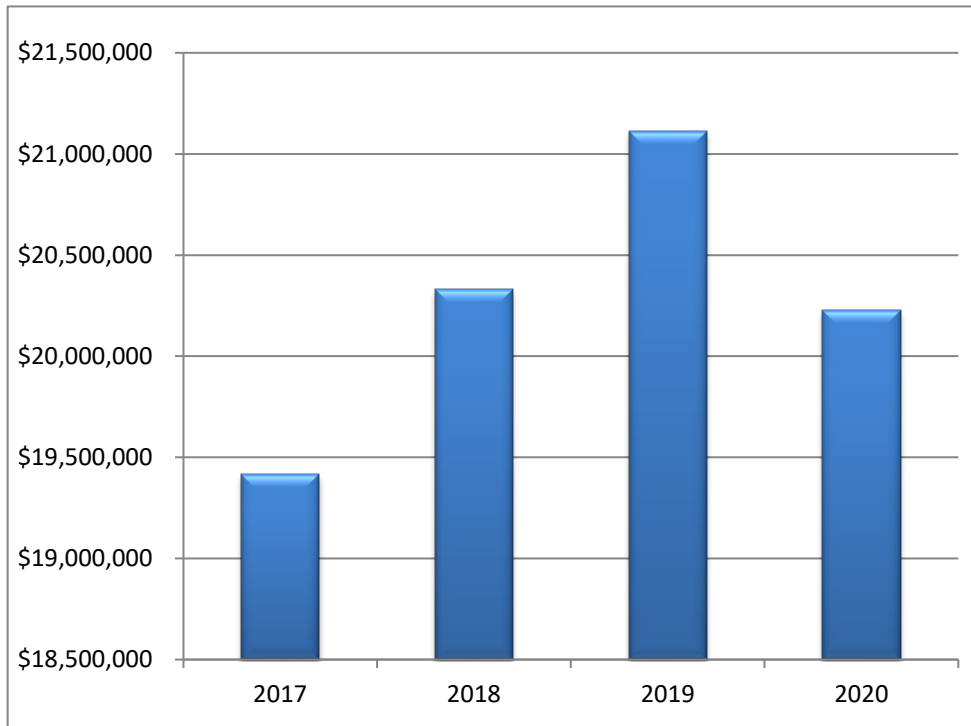


The financial ratio of general bonded debt per capita is an indication of the government's debt burden on its citizens and other taxpayers related to the general obligation debt payable from property taxes. The ratio does not consider debt payable from alternate revenues.

Other Local Taxes Growth

What is the state of our local economy?

Other Local Taxes Revenue



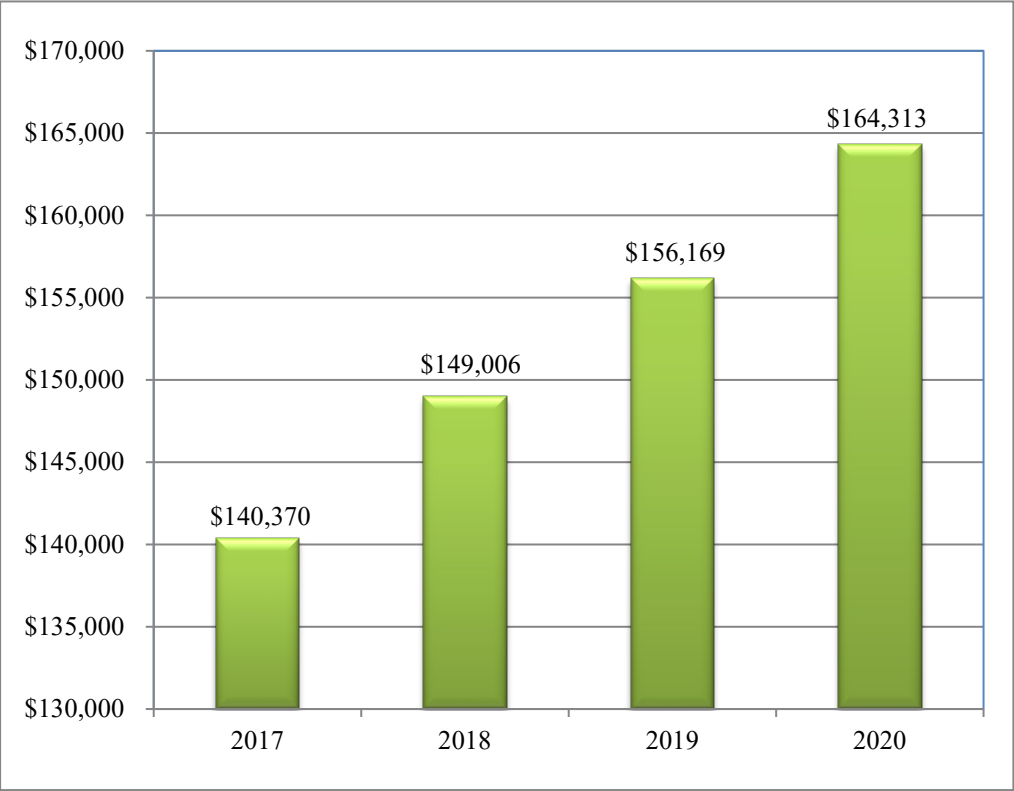
Other local taxes growth is a measure of the state of the local economy by comparing revenue collected in the prior year to the current year.

For 2020, the Town experienced an decrease in other local tax collections of approximately \$883 thousand or 4.2%. This decrease is attributed to COVID-19 which caused a reduction in local taxes such as sales and meals.

Full Value Per Capita

What is the value of our property per resident?

Full Value Per Capita

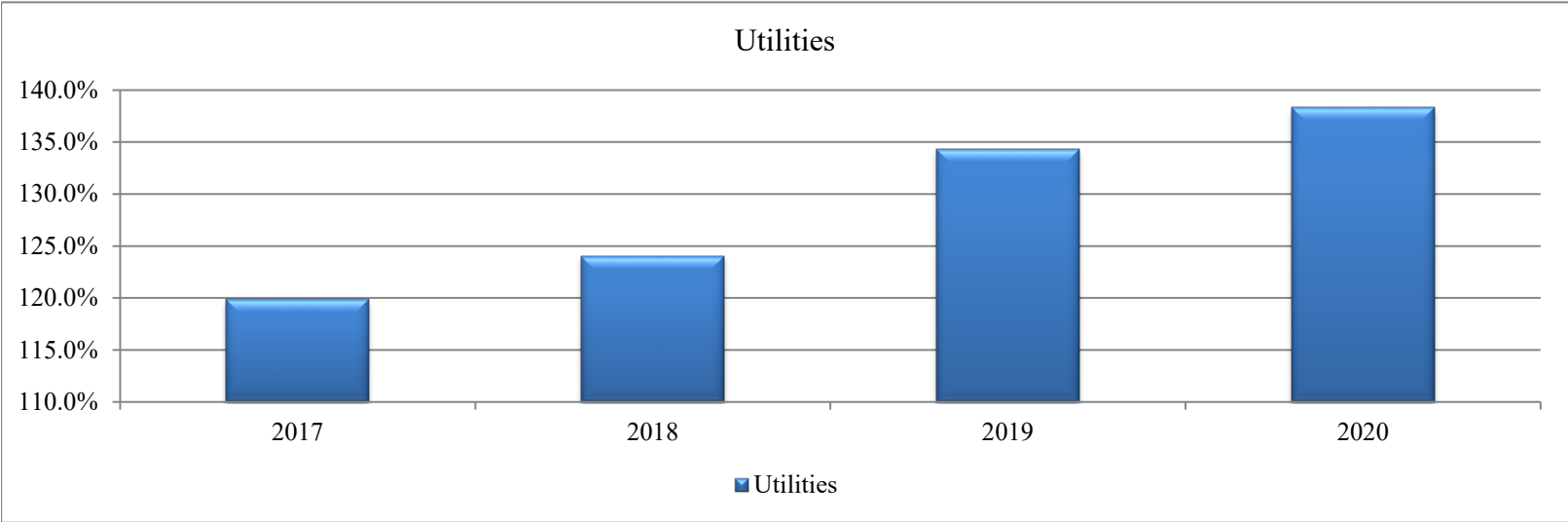


Full value per capita reflects the estimated full market value of all taxable property within the boundaries of the local government, divided by the most recent population.

BTA Self-Sufficiency

Did current year business-type activities pay for themselves?

Percentage of BTA Expenses Covered by BTA Revenues

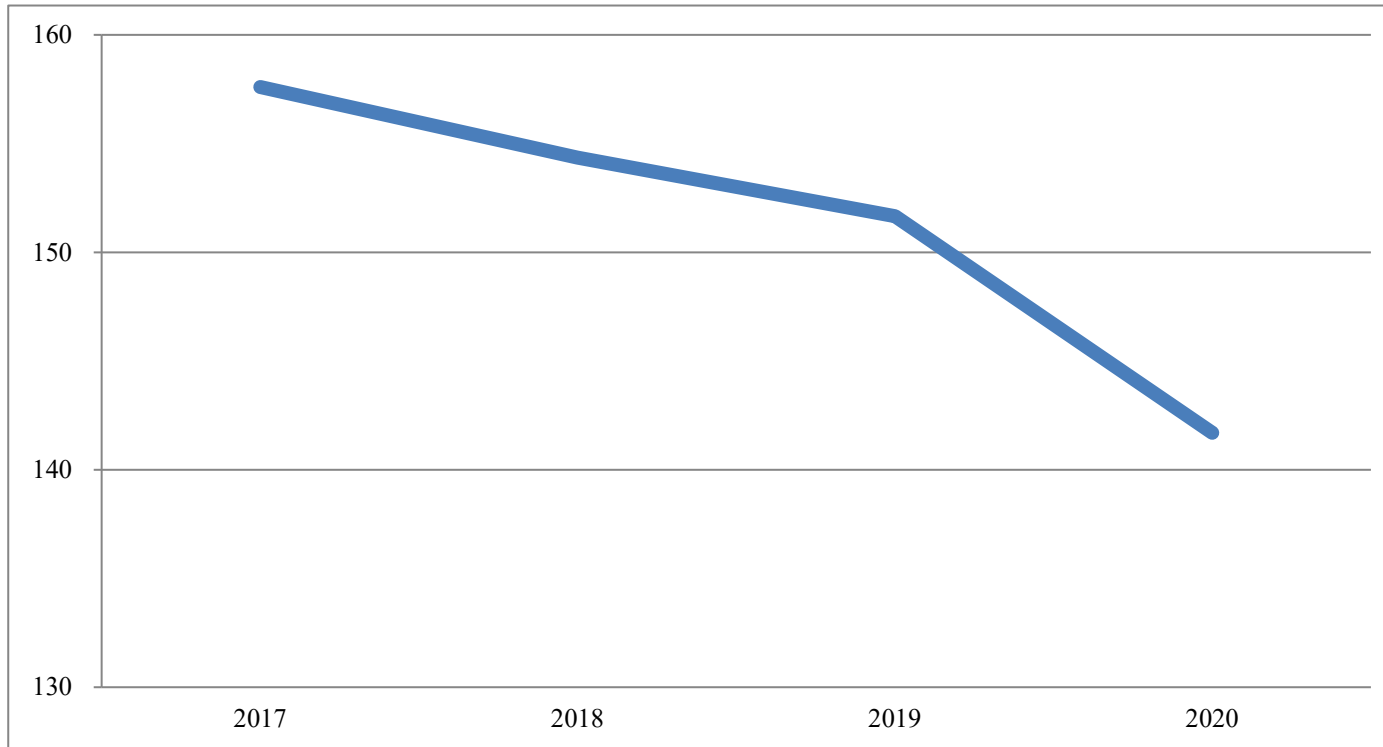


The self-sufficiency ratio indicates the level at which business-type activities covered their current costs with current year revenues, without having to rely on subsidies or use of prior year reserves.

Employee to Population Ratio

How many citizens do we have for each government employee?

Employee to Population Ratio



Per Capita Ratios

How much do our current services cost per capita?

