

# Popular Annual Financial Report

for the  
Fiscal Year Ended  
June 30, 2022



Photo: Town Green, decorated for the holidays

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## Town Council

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

# Introduction

December 19, 2022

We are pleased to present the Popular Annual Financial Report (PAFR) for Fiscal Year 2022, covering the period from July 1, 2021 to June 30, 2022. Part of our commitment to open and transparent government, the PAFR is designed to give residents and taxpayers an overview of the Town's finances and financial position in an easy-to-read format.

The PAFR is a supplement to the Fiscal Year 2022 Annual Comprehensive Financial Report (ACFR). Financial numbers in the PAFR are extracted from the Town's ACFR, but the PAFR is not audited and does not conform to generally accepted accounting principles (GAAP). In addition, the PAFR includes financial information for only the Town's General Fund. Information about the Utilities Fund, Capital Projects Fund, and Northern Virginia Transportation Authority Fund is not included.

Residents are encouraged to read the ACFR and the full financial disclosures within the document, which include detailed financial statements, notes, schedules, and reports. The ACFR is prepared in accordance with GAAP and is audited in conformity with generally accepted auditing standards by a firm of certified public accountants. For Fiscal Year 2022, the Town's auditor was Brown, Edwards & Company LLC. The ACFR is available in its entirety on the Town website at [www.leesburgva.gov/acfr](http://www.leesburgva.gov/acfr).

We hope this report provides readers with a better understanding of the Town's financial activities over the past year.



Kaj Dentler  
Town Manager

*Clark G. Case*  
Clark G. Case  
Director of Finance  
and Administrative Services

Last year, the Government Finance Officers Association (GFOA) presented the Town with its Award for Outstanding Achievement in Popular Annual Financial Reporting.

This award places Leesburg among GFOA's "Triple Crown" winners for Fiscal Year 2021, the Town having received awards for all three yearly financial documents: the Budget Document, the Annual Comprehensive Financial Report, and the Popular Annual Financial Report.



Government Finance Officers Association

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

**Town of Leesburg  
Virginia**

For its Annual Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Merrill*  
Executive Director/CEO

# Major Accomplishments

## 100<sup>th</sup> Anniversary of the Thomas Balch Library

In May 1922, the Thomas Balch Library opened in Leesburg as a subscription library. In 1960, the library became a free public library, although segregated. The library was desegregated in 1965 and became part of the Loudoun County Public Library system in 1974. After the county's new Rust Library opened in 1992, the Town of Leesburg acquired the building. Today, the Thomas Balch Library is a local history and genealogy library operated by the Town of Leesburg. Also a designated Underground Railroad Research Site, the library attracts researchers from across the nation.



## Legacy Leesburg Town Plan Adopted

In 2019, the Town began the process of updating its comprehensive plan with an extensive series of public outreach efforts, including workshops, roundtable discussions, focus groups, and pop-up kiosks in shopping centers. Required by state law to update its comprehensive plan every five years, the Town's goal with this update was to completely reimagine this policy document. The resulting *Legacy Leesburg Town Plan* is organized around a series of "place-based" recommendations aimed at preserving and enhancing the authentic character of Leesburg while accommodating the expected growth over the next 20 years.



## Arts & Cultural District Relaunched

A partnership with the Leesburg Commission on Public Art and the Town's Economic Development Department, the Leesburg Arts & Cultural District encompasses the historic downtown and parts of the adjacent Crescent District. The district offers incentives to arts-related businesses as well as events and promotional programming. The Town's public art installations are a key part of the district, with more than two dozen murals and sculptures at 13 locations throughout the district, including the Discover the Charm mural pictured at right.



## Emergency Management Improvements

During Fiscal Year 2022, the Emergency Management Office coordinated Town responses to 19 incidents, including 11 snow storms. In September 2021, the Town Council adopted a new Emergency Operations Plan, the first full rewrite of the plan since 2008. This all-hazards plan provides a framework for how the Town will respond to a variety of emergencies and incidents. In March 2022, three new flood sensors were installed on Town Branch and Tuscarora Creek, providing real-time stream data and improving response times during flooding events.



## Community Profile

The Town of Leesburg, Virginia was established in 1758 as the seat of newly created Loudoun County. Until the latter half of the 20th century, Leesburg remained a small country town, serving the needs of surrounding farms. The opening of Washington Dulles International Airport on the eastern edge of Loudoun County in 1962, and the completion of the Dulles Greenway toll road in 1995, has fueled the rapid growth that has characterized the region since then.

Today, the Town of Leesburg is the largest town in the Commonwealth of Virginia. Leesburg remains the center of government for Loudoun County, with the Loudoun County Courthouse and the County's main administrative offices located in downtown. The Town's proximity to Washington, D.C., growing arts and music scene, abundant outdoor recreational opportunities, and Loudoun County's excellent public schools ensure that Leesburg will continue to grow for many years into the future.

# Leesburg "By the Numbers"

*Best Place to Live  
for Families in Virginia*  
~ Fortune

**PARKS** 17 parks  
370 acres  
6 playgrounds



 **16,722**  
Housing Units  
**96** units built  
in FY 2022

**35,000**  
annual calls  
for service




**90** Sworn  
Officers

Business  
Licenses  
**2,924**

**12.65**  
Square  
Miles

*Most Beautiful  
Town in Virginia*  
~ TheTravel.com

 **497** vehicles &  
equipment  
**267** roadway  
lane miles  
**63** traffic  
signals  
**Public Works**

**386** full time  
employees

**\$140,698**  
Avg Household Income  
[154% of national average]

*largest town in  
Virginia*

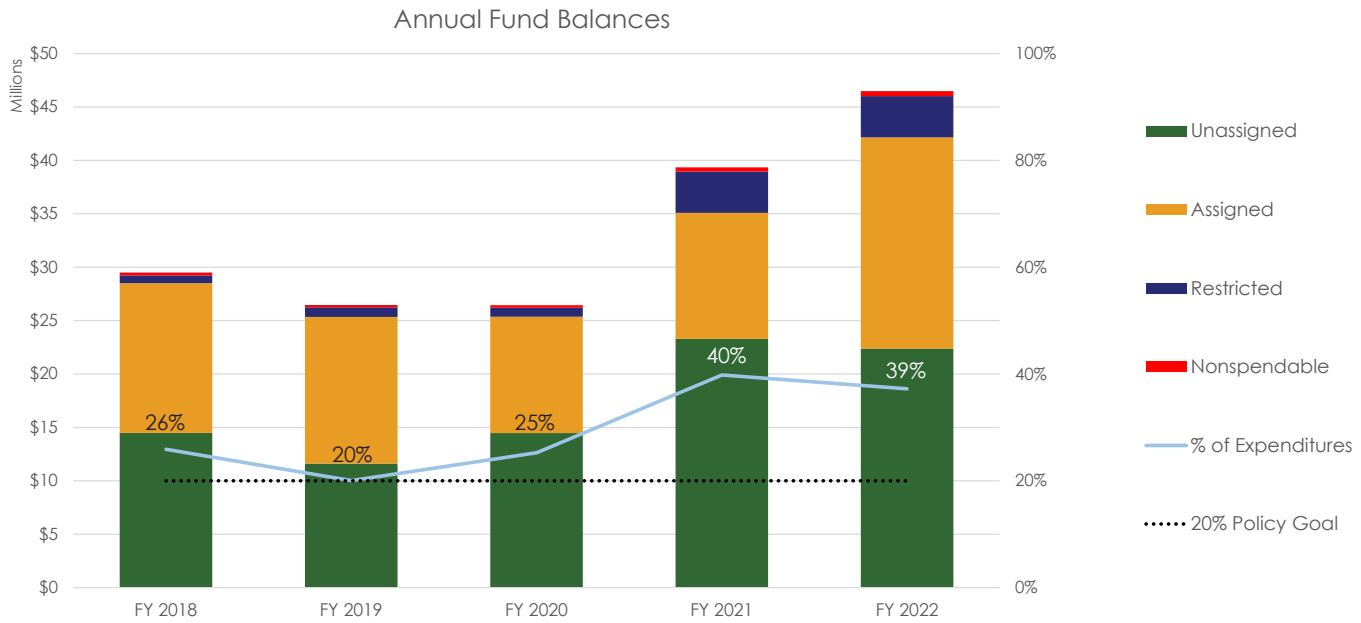
**48,908**  
POPULATION  
2021 CENSUS BUREAU  
ANNUAL ESTIMATES



# Annual Fund Balance

The General Fund is the basic operating fund of the Town and its everyday activities are recorded there. These items include activities such as public safety, trash and recycling collection, parks and recreation programs, the Town's airport, maintaining Town-

owned facilities and streets, and collecting taxes and other local revenue. The annual fund balance is the excess of what the Town owns (assets) over what the Town owes (liabilities) at the end of the fiscal year.



The fund balance is broken down into four components:

- **Nonspendable:** Items not in a cash form or that cannot be spent.
- **Restricted:** Funds restricted to a certain purpose.
- **Assigned:** Funds that have been set aside by Town Council action or committed by a contract or purchase order.
- **Unassigned:** Funds available for capital projects, balancing the budget, and other purposes that maintain the level of services for our taxpayers.

The Town has a policy to maintain an unassigned fund balance equal to 20% of annual General Fund expenditures, in order to ensure financial stability for the Town (represented by the dotted black line in the chart above). In Fiscal Year 2022, the assigned fund balance increased by almost \$8 million. Most of this increase is due to the Town Council assigning one-time revenues to the Town's sustainability and resiliency reserves of \$4 million as well as about \$3.5 million in supplemental appropriations for specific projects. The remainder of the assigned fund balance is legally required to be designated for future years' expenditures that are the result of open purchase orders and contractual expenses carried over from Fiscal Year 2021 or still open at the end of Fiscal Year 2022.

# Beginning Fund Balance

The annual fund balance at the end of one fiscal year is the General Fund's beginning fund balance for the next fiscal year. Changes in the fund balance are calculated by comparing revenue with expenses, like balancing your checkbook. When revenue exceeds expenses, the Town's fund balance improves. When expenses exceed revenue, our fund balance declines.

	Prior Year 2021	Fiscal Year 2022
Beginning Fund Balance	\$26,435,920	\$39,354,972
Total Revenues	\$66,576,210	\$65,727,940
Other Sources/Uses (Net)*	\$4,831,714	\$1,543,148
Total Expenses	(\$58,488,872)	(\$60,144,769)
Annual Fund Balance	\$39,354,972	\$46,481,291

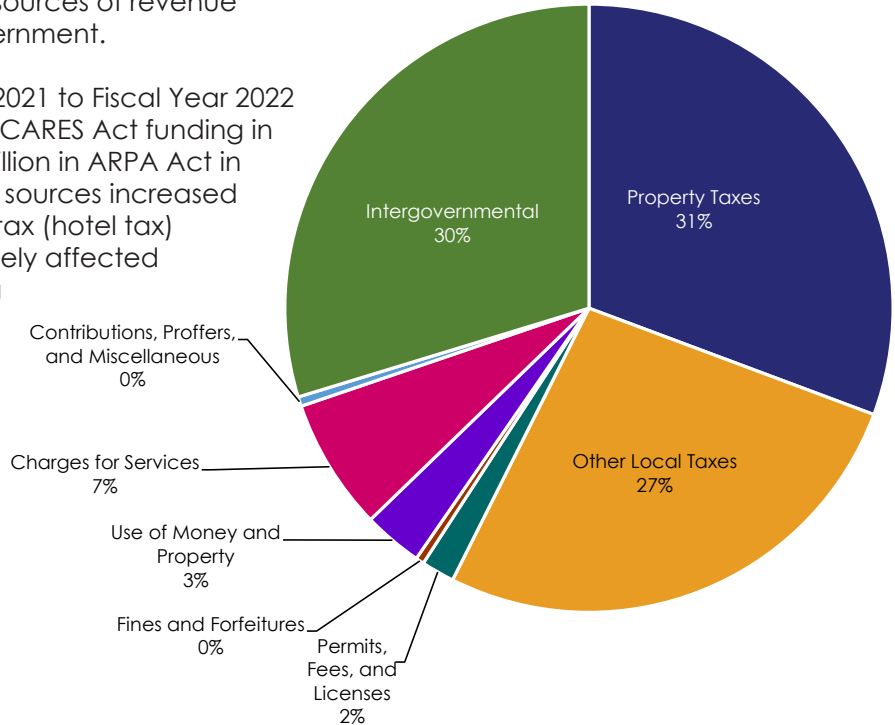
In Fiscal Year 2022, the increase in the General Fund annual fund balance was largely due to the Town Council's use of one-time revenues to increase the Town's sustainability and resiliency reserves.

\*Other Sources/Uses includes transfers to and from the Capital Projects, NVTAs, and Utilities funds; sales of assets; and debt proceeds.

## Where the Money Comes From

The Town's revenue comes from many sources. Real estate and other taxes are the largest source with intergovernmental sources second. Intergovernmental sources include revenue from the Commonwealth of Virginia in the form of sales and communication taxes, funding for highway maintenance and law enforcement, and state relief for personal property tax for motor vehicles. Other intergovernmental sources of revenue are Loudoun County and the federal government.

The decrease in revenue from Fiscal Year 2021 to Fiscal Year 2022 was mainly due to receiving \$9.6 million in CARES Act funding in Fiscal Year 2021 and receiving only \$2.9 million in ARPA Act in Fiscal Year 2022. Most other Town revenue sources increased from the prior year. Transient occupancy tax (hotel tax) revenue is one revenue source still negatively affected by the COVID-19 pandemic but is showing signs of recovery. Real estate taxes, personal property taxes, daily rental taxes, meals taxes, and bank franchise taxes all increased from Fiscal Year 2021.



Revenue Source	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Property Taxes	\$16,540,635	\$18,814,097	\$20,170,491
Other Local Taxes	\$14,140,990	\$15,012,966	\$17,561,322
Permits, Fees, and Licenses	\$1,582,992	\$1,607,244	\$1,161,209
Fines and Forfeitures	\$426,867	\$252,776	\$291,303
Use of Money and Property	\$2,684,433	\$2,050,266	\$2,067,931
Charges for Services	\$3,556,396	\$3,285,712	\$4,610,543
Contributions, Proffers, and Miscellaneous	\$438,454	\$448,668	\$334,067
Intergovernmental	\$16,725,951	\$25,104,481	\$19,531,074
<b>Total</b>	<b>\$56,096,718</b>	<b>\$66,576,210</b>	<b>\$65,727,940</b>

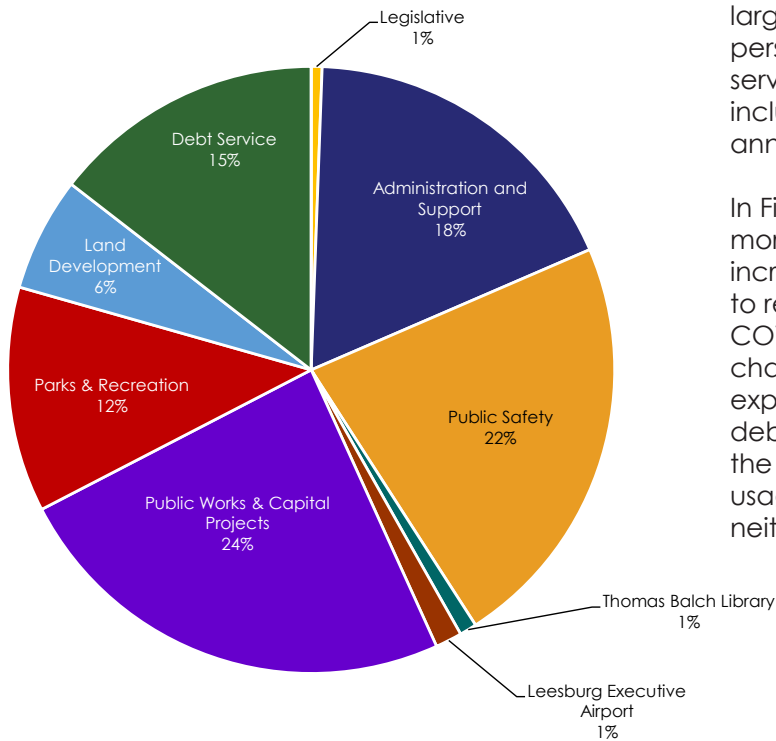
**Note:** The charts and tables on pages 6 and 7 include only departmental revenues and expenditures. This information is from Exhibit 5, on page 12, of the Annual Comprehensive Financial Report. The table at the bottom of page 5 reflects all General Fund revenues and expenditures, including transfers in and out, such as payments to the General Fund from the Utilities Fund, the Capital Projects Fund, and the NVTA Fund, as well as the proceeds of bond sales.

# Where the Money Goes

The Town must balance its budget each year. In other words, expenditures cannot exceed revenue.

General Fund expenditures are broken down two ways: by use and by functional area. By use, the largest part of the Town's General Fund budget is for personnel costs, followed by operations (contractual services, materials, supplies, etc.), and capital outlay, including debt service. The chart on this page shows annual General Fund expenditures by functional area.

In Fiscal Year 2022, most program expenses were more than those incurred in Fiscal Year 2021. These increases are largely due to management decisions to reduce spending in Fiscal Year 2021 during to the COVID-19 pandemic. Notable year-over-year changes include an increase in planned debt service expenditures due to the effects of the Fiscal Year 2021 debt restructuring and no townwide expenses due to the decrease in grants to other organizations and the usage of all CARES Act funding in Fiscal Year 2021, neither of which continued in Fiscal Year 2022.



Functional Area	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Legislative	\$280,031	\$266,202	\$347,356
Administration and Support	\$9,458,349	\$10,319,403	\$10,786,551
Public Safety	\$13,813,223	\$13,243,794	\$13,459,096
Thomas Balch Library	\$492,145	\$457,314	\$550,510
Leesburg Executive Airport	\$705,488	\$737,823	\$851,403
Public Works & Capital Projects	\$14,455,259	\$14,255,891	\$14,542,898
Parks & Recreation	\$6,597,044	\$5,939,831	\$7,218,136
Land Development	\$3,555,161	\$3,432,528	\$3,659,268
Debt Service	\$7,832,041	\$4,351,377	\$8,729,551
Townwide	\$84,100	\$5,484,709	--
<b>Total</b>	<b>\$57,272,841</b>	<b>\$58,488,872</b>	<b>\$60,144,769</b>

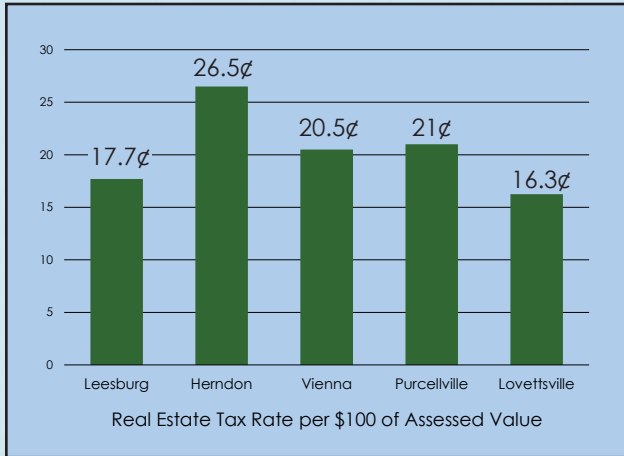
**Administration and Support** includes the Town Manager's Office, Town Attorney, Clerk of Council, Emergency Management, Public Information, Finance, Human Resources, Information Technology, and Economic Development.

**Land Development** includes the departments of Planning & Zoning and Plan Review.

**Townwide** was created in Fiscal Year 2020 to account for COVID-19 pandemic-related expenditures, including CARES Act spending.

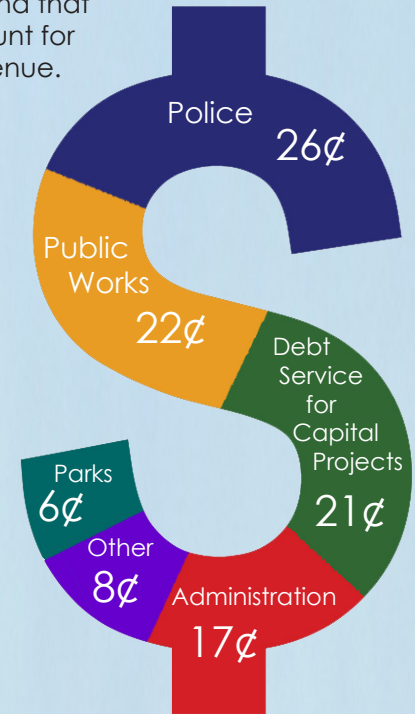
## Real Property Tax Rates

Real estate taxes are based on real property assessments which are set by Loudoun County and the real property tax rate set by Town Council each year. Below are tax rates for Leesburg and surrounding towns (shown in descending order by population, from left to right). Real estate in Virginia is assessed at 100% of its fair value. Loudoun County now collects real estate taxes for the Town of Leesburg with due dates of June 5 and December 5.



## Where Does My Tax Dollar Go?

The chart on page 7 shows how all of the Town's revenue is allocated by functional area. In contrast, the chart below shows how local property taxes are allocated. Bear in mind that property taxes account for only 28% of total revenue. As a result, local tax dollars are only a portion of the budget for each of the areas shown.



## Major Employers

Over 2,900 employers, with more than 22,000 jobs, are located in Leesburg. Most of the Town's employers are small, locally-owned businesses.

The ten largest employers in Town are listed at right, in alphabetical order.

Employer	Sector
Commonwealth of Virginia	Government
Costco	Retail
Federal Aviation Administration	Government
Loudoun County Government	Government
Loudoun County Public Schools	Education
Loudoun Medical Group	Healthcare
Stryker (formerly K2M)	Medical Device Mfg
Target	Retail
Town of Leesburg	Government
Wegmans	Retail