

# Popular Annual Financial Report

for the  
Fiscal Year Ended  
June 30, 2023



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### Town Council

Kelly Burk, Mayor  
Neil Steinberg Vice Mayor  
Ara Bagdasarian  
Zach Cummings  
Todd Cimino-Johnson  
Patric Wilt  
Kari Nancy

# Introduction

December 1, 2023

We are pleased to present the Popular Annual Financial Report (PAFR) for Fiscal Year 2023, covering the period from July 1, 2022 to June 30, 2023. 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 2023 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, Internal Service 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 2023, 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.

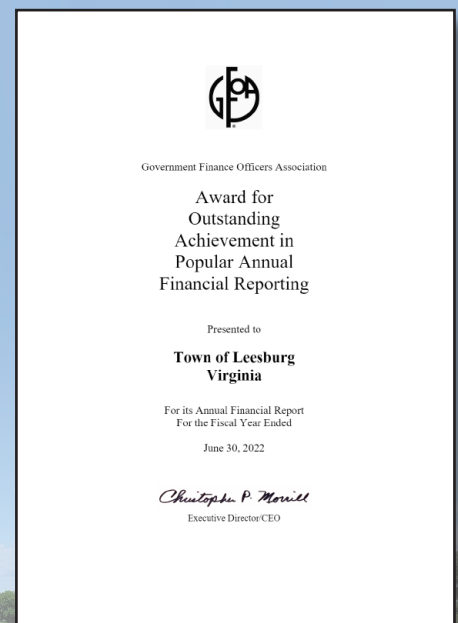


Kaj Dentler  
Town Manager

*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 2022, 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.



# Major Accomplishments

## New Tennis Bubble Opens at Ida Lee

The Parks and Recreation Department saw a 45% increase in tennis revenue following the opening of its second tennis bubble in September 2022. It was placed over three existing outdoor courts to provide additional year round indoor use. This new amenity expanded the ability to provide quality tennis opportunities for the Leesburg community. In May 2023, the Ida Lee Park Tennis Center was named to Virginia Living magazine's 2023 "Best of Virginia" list. The Tennis Center placed second for Best Tennis Facility in Northern Virginia.



## ADA Enhancements at Potomac Crossing Park

In July 2023, Potomac Crossing Park saw a number of improvements that now provide The Americans with Disabilities Act (ADA) access. With the support of a Virginia Department of Conservation and Recreational Trails Access grant, the connector trail was upgraded to a wide level path with a concrete binder base to accommodate wheelchairs. The Town also added a picnic table with wheelchair access, a redesigned grill area, and a sidewalk leading to a wheelchair-accessible portable bathroom. Improvements continue to be made to roadways, trails, and sidewalks throughout the Town.



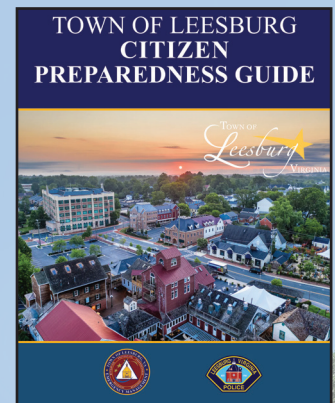
## Sustainability

In March 2023, the Town hired its first Sustainability Manager, Debbie Moran, who was tasked with leading the Town in meeting the Leesburg Town Council's sustainability goals. This included the evaluation of solar panels on public buildings, installing EV charging stations on public property, and improvements to stormwater management. In August, the Town welcomed its first all-electric vehicle to its fleet. The Nissan Leaf S has 212 miles of range on a single charge. The new vehicle will reduce the Town government's carbon footprint, saving the equivalent of nearly half an acre of U.S. forests annually.



## Emergency Preparedness

During Fiscal Year 2023, the Emergency Management Office created the Citizens Preparedness Guide to educate the local community on how to be prepared for life's unexpected events. Within each page are details regarding basic first aid, boil water advisories, important alert systems, and active shooter responses. Hard copies are available in both English and Spanish. It can also be found online at [www.leesburgva.gov/residents/emergency-preparedness/citizen-preparedness-guide](http://www.leesburgva.gov/residents/emergency-preparedness/citizen-preparedness-guide).



## 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  
8 playgrounds

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

**12.65**  
Square  
Miles

**42,329**  
annual calls  
for service



Business  
Licenses  
**2,637**

**87** Sworn  
Officers

**499** vehicles & equipment  
**268** roadway lane miles  
**63** traffic signals

**Public Works**

**Most Beautiful  
Town in Virginia**  
~ TheTravel.com

**399.5** full time  
employees

**\$163,077**  
Avg Household Income  
[154% of national average]

largest town in  
**Virginia**

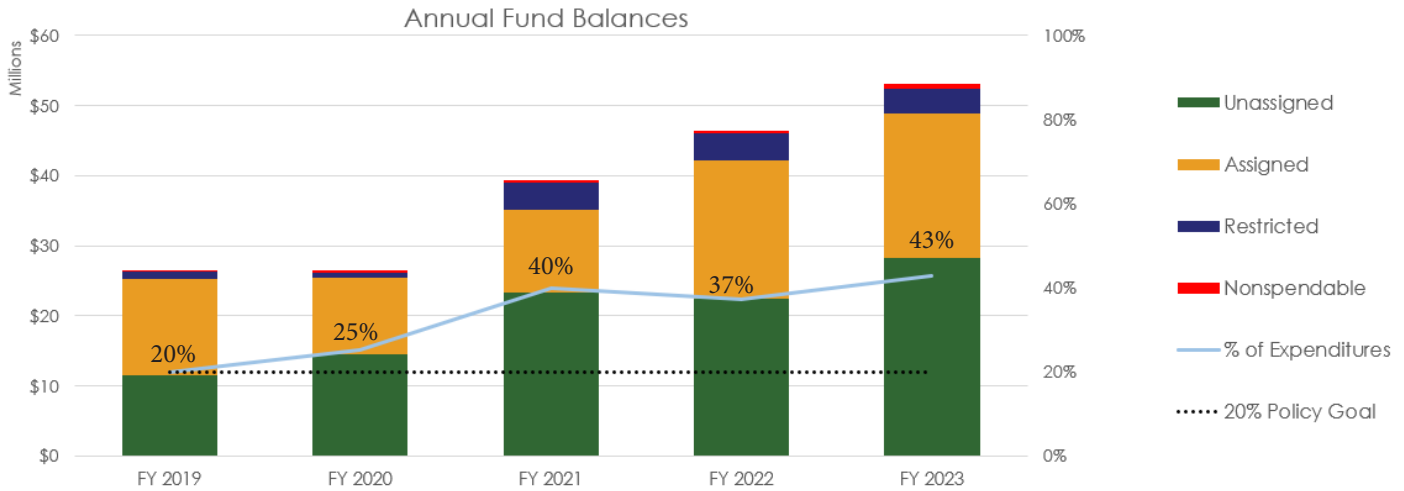
**48,974**  
**POPULATION**  
2023 CENSUS BUREAU  
ANNUAL ESTIMATES



# 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, to ensure financial stability for the Town (represented by the dotted black line in the chart above).

In Fiscal Year 2023, the assigned fund balance increased by almost \$800,000. Most of this increase is due to an increase in the amount designated for future years' expenditures that are the result of open purchase orders and contractual expenses carried over from Fiscal Year 2022 or still open at the end of Fiscal Year 2023.

## 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 2022	Fiscal Year 2023
Beginning Fund Balance	\$39,354,972	\$46,481,291
Total Revenues	\$65,727,940	\$71,054,013
Other Sources/Uses (Net)*	\$1,543,148	\$1,758,286
Total Expenses	(\$60,144,769)	(\$66,290,024)
Annual Fund Balance	\$46,481,291	\$53,003,566

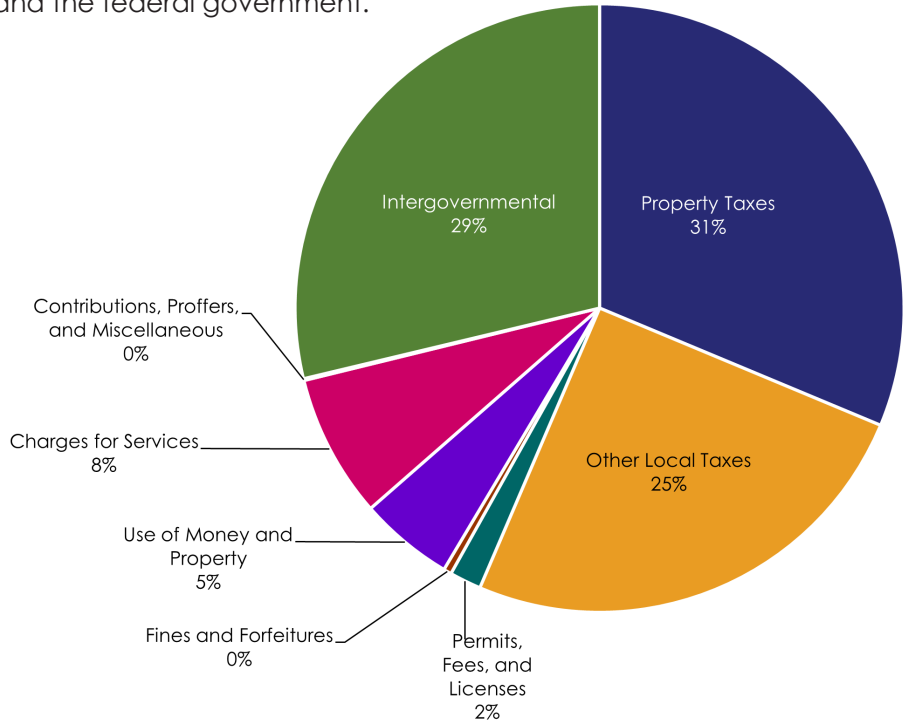
In Fiscal Year 2023, the increase of \$6,522,275 in the General Fund annual fund balance was largely due to the recognizing federal grant dollars associated with the loss of prior year revenue during the pandemic, increase in investment income from higher interest rates, and better than expected revenues from consumer taxes (Sales & Use, Meals & Beverages, etc.) \*Other Sources/Uses include transfers to and from the Capital Projects, NVTA, 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 increase in revenue from Fiscal Year 2022 to Fiscal Year 2023 was the result of increased property taxes and an increase in revenues derived from interests on investment (use of money and property) as interest rates remained at record high levels.

Property taxes increased as a result of higher vehicle values and higher real estate assessments. Revenues from the state also increased, primarily in the areas of funding for law enforcement and highway maintenance. FY 2023 also included the second tranche of federal funding from the American Rescue Plan Act (almost \$3 million).



Revenue Source	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Property Taxes	\$18,814,097	\$20,170,491	\$22,236,816
Other Local Taxes	\$15,012,966	\$17,561,322	\$17,862,301
Permits, Fees, and Licenses	\$1,607,244	\$1,161,209	\$1,197,015
Fines and Forfeitures	\$252,776	\$291,303	\$300,383
Use of Money and Property	\$2,050,266	\$2,067,931	\$3,560,212
Charges for Services	\$3,285,712	\$4,610,543	\$5,413,376
Contributions, Proffers, and Miscellaneous	\$448,668	\$334,067	\$68,401
Intergovernmental	\$25,104,481	\$19,531,074	\$20,415,509
<b>Total</b>	<b>\$66,576,210</b>	<b>\$65,727,940</b>	<b>\$71,054,013</b>

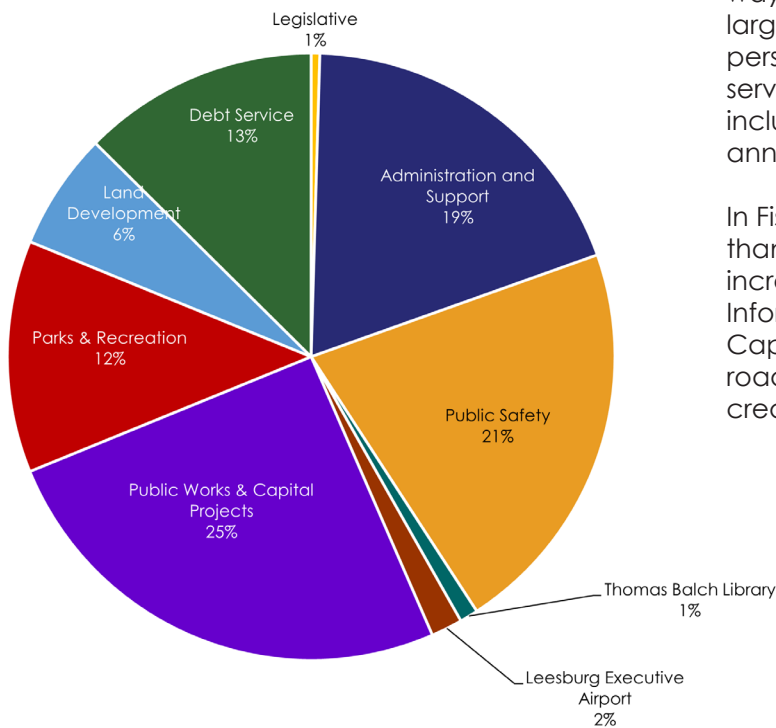
**Note:** The charts and tables on pages 6 and 7 include only departmental revenues and expenditures. This information is from Exhibit 5, on page 12, of the Annual Comprehensive Financial Report. The table at the bottom of page 5 reflects all General Fund revenues and expenditures, including transfers 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 in 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 2023, most program expenses were more than those incurred in Fiscal Year 2022. Major areas of increases include Administration, which includes Information Technology services; Public Works & Capital Projects, which includes contracts to pave roads and for refuse and recycling; as well as increased debt service costs.

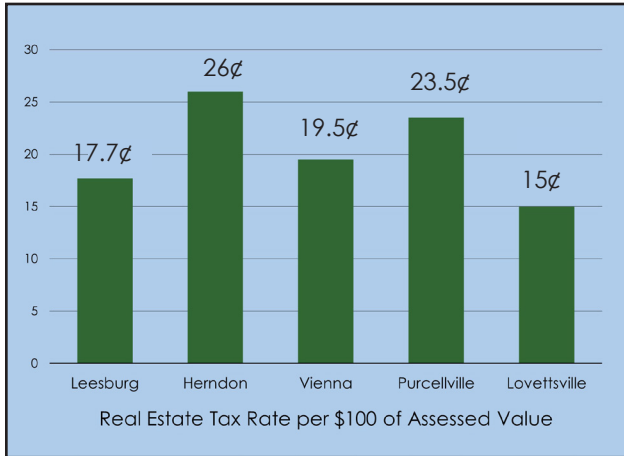


Functional Area	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Legislative	\$266,202	\$347,356	\$295,327
Administration and Support	\$10,319,403	\$10,786,551	\$12,263,085
Public Safety	\$13,243,794	\$13,459,096	\$13,657,147
Thomas Balch Library	\$457,314	\$550,510	\$626,206
Leesburg Executive Airport	\$737,823	\$851,403	\$1,073,301
Public Works & Capital Projects	\$14,255,891	\$14,542,898	\$16,291,434
Parks & Recreation	\$5,939,831	\$7,218,136	\$7,933,830
Land Development	\$3,432,528	\$3,659,268	\$4,007,520
Debt Service	\$4,351,377	\$8,729,551	\$8,075,637
Townwide	\$5,484,709	--	--
<b>Total</b>	<b>\$58,488,872</b>	<b>\$60,144,769</b>	<b>\$64,223,487</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.

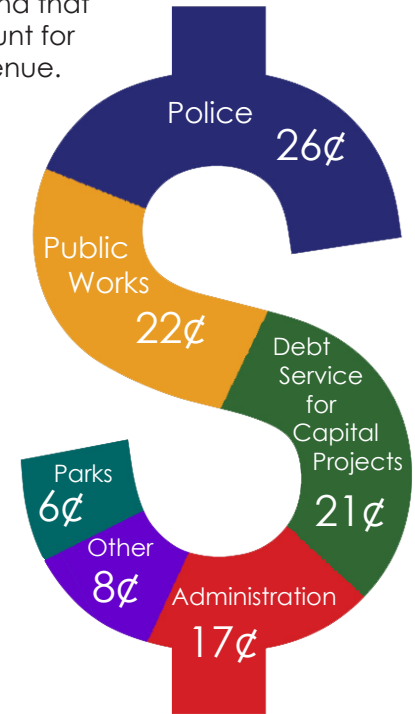
## Real Property Tax Rates

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
Stryker (formerly K2M)	Medical Device Mfg
Target	Retail
Town of Leesburg	Government
Wegmans	Retail
Westec Security Systems	Business Services

