



**Date of Council Meeting: January 26, 2015**

**TOWN OF LEESBURG  
TOWN COUNCIL MEETING**

**Subject:** Monthly Financial Report to Town Council

**Staff Contact:** Clark Case, Director of Finance and Administrative Services

**Council Action Requested:** None

**Staff Recommendation:** Information Only

**Commission Recommendation:** Not applicable.

**Fiscal Impact:** Not applicable.

**Executive Summary:** Annual financial information is provided in the Comprehensive Annual Financial Report (CAFR), the Annual Budget, and the Capital Improvement Program (CIP). Town staff is also required by Town Ordinance to report the financial status of the Town to the Council on a monthly basis. The prior monthly financial reporting process included seven pages of complex spreadsheets in addition to other explanatory documents. Staff has reviewed the process and developed the attached one-page dashboard report that supplies key information needed to understand the Town's financial status.

**Background:** Town staff provides several comprehensive financial reports to Council and the public during the year focusing on various aspects of the Town's finances. The Town's fiscal year runs from July 1 through the following June 30, which is the reporting period of most Town financial reports.

The CAFR focuses on actual outcomes for a fiscal year. The Budget focuses on operating plans in the coming fiscal year. The CIP focuses on Capital Project spending for the coming year, and the following five years. Each document is very detailed, and requires significant time, and effort to comprehend.

According to best practices from the Government Finance Officers Association, a monthly financial report needs to be brief, easily understood, accurate, and timely. To be useful to the public and elected officials, it needs to provide key points of information rather than a lot of technical data. Many cities and towns have started using one-page monthly dashboard reports that consolidate key financial information. Staff based the attached Leesburg Monthly Financial Dashboard on dashboard reports from other communities.

The dashboard is broken into sections that focus on different aspects of the Town's finances. The following is a brief explanation of each section.

### **Cash and Investments (All funds)**

This section shows what amounts of current cash and investments are "Restricted" from being used on operating needs (e.g., salaries and vendor payments), and which can be used for those operating needs "Operating – Cash General & Capital Funds." The top line, "Cash and Investments," gives the month-end total of all Town cash and investments.

Most of the cash and investments held by the Town are restricted and are not available to pay the Town's bills or provide general services. Restricted funds by law or contract can only be used for specific purposes. Other Post-Employment Benefits (OPEB) trust funds are irrevocably committed to paying future Town retiree health care benefits. Bond proceeds, proffers, and gas tax generally can only be used for approved capital projects.

The "Operating Cash - General & Capital Funds" line represents the working capital cash that the Town has available in the General Fund and the Capital Projects funds for meeting operational needs such as paying employee salaries and paying vendors for goods and services. The "Operating Cash – Utilities" is what is available for spending for just the Utilities fund. These balances will go up and down during the year, since property taxes flow in within a short period and large payments such as debt service are paid in large amounts at certain times. Credit rating agencies prefer that the Town maintain cash reserves between 15% and 20% of General Fund expenditures.

### **Selected Revenue Collections across All Funds**

This section shows how collections compare to the annual budget and prior year actual for selected key revenue sources. Sales taxes and utilities fees have their own seasonality, but tend to be received fairly evenly across the year. Property tax bills are sent out all at once and tend to be received in large amounts. Effective in Fiscal Year 2015, Personal Property Tax billing has been changed from September to April and May so approximately \$1.9 million in revenue will be recognized in April and May instead of September.

### **General Fund Revenues**

This section compares revenue budgets to actual receipts for the current fiscal year and for the same month from the prior year. The General Fund provides most governmental services such as police, streets, planning, public works, recreation, and administration. Real estate and personal property taxes are billed and collected in large batches and thus do not come in evenly across the fiscal year. Use of money and property is primarily

investment/interest income. Intergovernmental revenues include federal, state and county revenues shared with the Town, but are largely comprised of grants and gasoline taxes.

### **General Fund Expenditures**

This section compares General Fund budgeted and actual spending by major department for the current and prior fiscal years. The two largest budgets are “Public Safety” (Police) and “Public Works.” Together, these two departments account for over half of all General Fund spending. “Debt Services” pays for bond debt issued to build capital projects such as streets, sidewalks, storm drainage, and buildings. “Transfers” shows money moved from the General Fund to establish the Capital Assets Replacement Fund which provides for replacement of big-ticket equipment such as generators, trucks and police cars on a regularly scheduled basis.

### **Utilities Fund Expenditures**

The water and sewer Utilities Fund is the second largest operation in the Town and is operated as separate enterprise that is expected to be self-sufficient. This section shows Utilities Fund budget versus actual spending for both the current fiscal year for this same period in the prior fiscal year for comparison purposes.

**Attachments:** Town of Leesburg Monthly Financial Dashboard for December 31, 2014

**TOWN OF LEESBURG**  
**MONTHLY FINANCIAL DASHBOARD**  
**REPORTING PERIOD: DECEMBER 2014**  
*As of 01/09/15*

Cash and Investments (All funds)		
	Current Year	Prior Year
Cash and Investments	\$ 56,284,009	\$ 49,870,147
LESS: Restricted Cash **		
OPEB Trust	(8,234,950)	(7,903,200)
Police Escrow	(187,621)	(181,567)
Bond proceeds	(14,164,644)	(5,991,069)
Balch Trust	(14,938)	(14,926)
Performance Bonds	(1,536,647)	(1,982,343)
Proffers	(5,883,031)	(7,956,597)
Gas tax	(3,259,040)	(2,023,785)
Operating Cash-General & Capital Funds	<b>\$ 9,785,161</b>	<b>\$ 11,572,347</b>
Operating Cash-Utilities	<b>\$ 13,217,977</b>	<b>\$ 12,244,313</b>

Selected Key Revenues across All Funds			
	Current Year		Prior Year
	Budget	Actual	Actual
Property taxes *	13,953,252 *	5,925,811 *	7,825,973.54
% of Budget		42.47%	57.45%
Sales taxes	4,511,496	1,540,572	1,113,152
% of Budget		34.15%	23.29%
Utilities	19,710,094	6,277,518	7,483,761
% of Budget		31.85%	36.92%

\* Effective FY 2015, Personal Property tax billing has been changed from September to April/May; therefore, approximately \$1.9 M revenue will be recognized in April/May 2015 instead of September 2014

\*\* Restricted cash is restricted use for specific purposes and is not available for operating expenditures.

General Fund Revenues					
	Current Year			Prior Year	
	Budget	Actual	% of Budget Collected	Actual	% of Budget Collected
Real & Personal Property Taxes	\$ 13,953,252 *	\$ 5,925,811 *	42.47% *	\$ 7,825,974 *	57.45%
Sales Taxes, PPTRA, Meals & Misc Taxes	21,512,940	6,437,013	29.92%	6,923,821	32.44%
Permits and Fees	685,700	621,913	90.70%	508,248	87.77%
Fines & Forfeitures	667,281	242,098	36.28%	401,182	83.58%
Use of Money & Property	1,459,052	756,550	51.85%	739,735	27.65%
Charges for Services	5,019,515	2,301,427	45.85%	2,294,957	45.25%
Misc Revenues & Transfers	3,319,929	1,778,839	53.58%	1,747,247	63.15%
Intergovernmental	4,295,487	2,223,213	51.76%	2,249,334	53.49%
<b>Total revenue</b>	<b>\$ 50,913,156</b>	<b>\$ 20,286,864</b>	39.85%	<b>\$ 22,690,498</b>	44.72%

General Fund Expenditures					
	Current Year			Prior Year	
	Budget	Actual	% of Budget Spent	Actual	% of Budget Spent
Direction & Support Services	\$ 7,460,269	\$ 3,970,125	53.22%	\$ 4,158,093	49.93%
Public Safety	13,884,028	6,284,487	45.26%	6,310,855	49.22%
Public Works	12,069,554	4,706,196	38.99%	5,637,712	45.35%
Leisure Services	8,563,047	3,950,196	46.13%	4,199,810	48.33%
Community Development	3,109,666	1,338,643	43.05%	1,465,157	46.90%
Airport	721,641	372,421	51.61%	386,361	52.26%
Debt Services	4,762,733	1,278,599	26.85%	1,305,529	29.60%
Transfers ***	0	1,667,234	N/A	0	N/A
<b>Total Expenditures</b>	<b>\$ 50,570,937</b>	<b>\$ 23,567,902</b>	46.60%	<b>\$ 23,463,516</b>	46.42%

\*\*\* Transfer to Capital Assets Replacement to establish the fund

Utilities Fund Expenditures					
	Current Year			Prior Year	
	Budget	Actual	% of Budget Spent	Actual	% of Budget Spent
<b>Total Expenditures</b>	<b>\$ 21,013,972</b>	<b>\$ 8,909,071</b>	42.40%	<b>\$ 9,729,917</b>	46.30%