

**Popular Annual Financial Report
To the Community
For the Fiscal Year ended on June 30, 2018**
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The City of Lexington proudly presents Popular Annual Financial Report [PAFR]. The purpose of this report is to inform the community of the City's financial activity in a simple and easy-to-read format for the fiscal year ending June 30, 2018.

These highlights are based on the City's 2018 Comprehensive Annual Financial Report [CAFR], a more inclusive and audited document.

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ABOUT THIS REPORT

The City of Lexington reports financial year-end results in the Comprehensive Annual Financial Report (CAFR).

The Popular Annual Financial Report (PAFR) is an unaudited report that summarizes the most significant data from the 2018 CAFR and is consistent with Generally Accepted Accounting Principles.

For a complete review of the City's financial activity for 2018, visit the City's site <http://lexingtonva.gov> or call the Finance Department at 540-462-3731.

Lexington Strategic Plan



City Council members who worked on the strategic plan during FY 2018: (from left to right) David G. Sigler, Mayor Frank W. Friedman, Michele F. Hentz, Leslie C. Straughan, Marilyn E. Alexander, Dr. J. Patrick Rhamey, Jr., and Charles "Chuck" Smith

Lexington has developed a strategic plan for the upcoming fiscal year and the vision of this plan is to create “a solution-focused and fiscally responsible city government, a vibrant and economically healthy downtown, and an engaged citizenry interested in friendly, livable and safe neighborhoods.” To achieve the goal, the City has strived to improve based on the following five pillars: (1) healthy and physically active, (2) economically healthy, (3) learning, (4) safe, and (5) engaged.

First, “healthy and physically active” means to focus on supporting access to recreational activities, continuing to achieve compliance with Americans with Disabilities Act (ADA), and evaluating the employee wellness program opportunities. Second, “economically healthy” refers to the city exerting a positive influence on regional economic development, promoting an adequate population and demographic mix for a healthy community, diversifying the tax base, reducing reliance on property taxes, maintaining and updating infrastructure, and promoting entrepreneurial opportunities. Third, “learning” consists of providing access to K-12 education that is complete with top ranked schools in the broader region, increasing availability of fulltime affordable daycare, providing opportunities for apprenticeships, workforce development, adult education, and encouraging the expansion of lifelong learning opportunities. Fourth, a “safe” city means decreasing crime rate, achieving a class 3 ISO rating, providing and improving infrastructure and accommodations for bikers and pedestrians, and promoting the awareness of bikers and pedestrians. Lastly, an “engaged” city aims to increase and diversify community involvement and civic awareness. The City of Lexington will be working towards these goals laid out in the strategic plan to guide future decision-making.

Infrastructure and Improvements in Lexington

The City of Lexington made a series of improvements to infrastructure throughout the community.

Randolph Street Sidewalk/Curb Reconstruction



A portion of the sidewalk and curb on Randolph Street was reconstructed for \$33,012, along with the waterline at the cost of \$381,294.

Stormwater Structure Installment



The Brewbaker Annex was developed into a recreational practice field for local sports organizations. The picture here shows the storm water structure installed. This development was at a cost \$60,197 in the FY 18 and will be an additional \$67,898 in this upcoming fiscal year.



Waddell Playground

A new playground was installed at Waddell Elementary School for a cost of \$131,136.

Waterline Replacements

The city replaced the waterline on West Nelson Street at a cost of \$1,537,766.

Street Paving

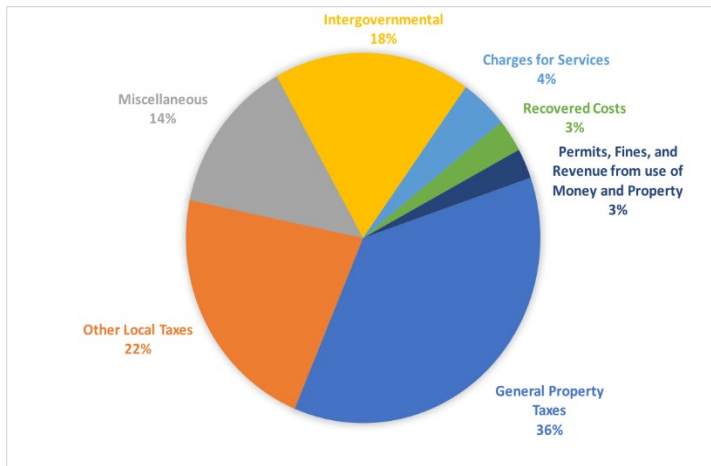
Street paving was conducted on a series of streets throughout the City, including W. Nelson Street, E. Nelson Street, a portion of Randolph Street, a portion of the Rt. 11 bridge, and the following residential streets: Jordan Street, White Street, Shenandoah Road, Morrison Drive, McCormick Street, Thornridge Court, Anderson Street, Gibbs Street and Arpia Street. The project cost \$1,140,774.

Sewer Improvements

Sewer improvements were also conducted for the Thornhill Sewer (\$152,558), Battery Lane Sewer (\$268,433), and Lampe Circle Sewer (\$83,468), for a total of \$504,459. The Campbell Lane pump station was rehabilitated and updated which cost \$565,997.

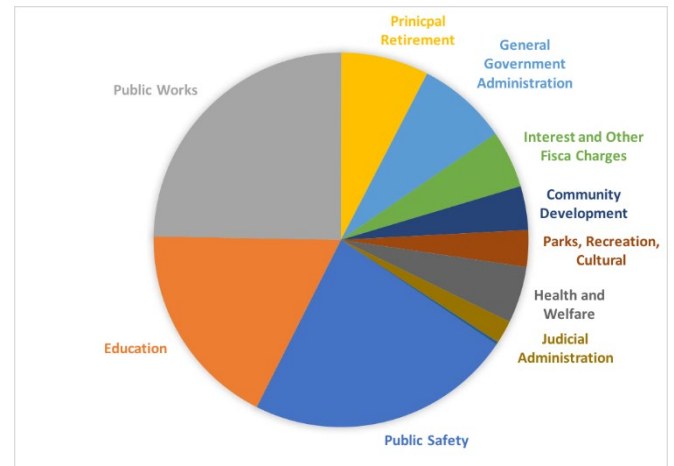
General Fund Revenue

Total: \$19,039,193



General Fund Expenditure

Total: \$17,132,779



The General Fund is one of the largest funds for Lexington's operation. The General Fund accounts for day-to-day general expenditures such as street and park maintenance, public safety, and administrative services; while, also providing resources to other funds. However, it does not account for the purchase of tangible assets like buildings. Those purchases fall under the Capital Projects Fund.

In the Fiscal Year of 2018, most of Lexington's expenditure came from public works (25%), public safety (23%), and education (18%). The total expenditure was \$17,132,779 which was 8% (\$1,397,873) lower than the approved budget of \$18,530,652.00. This was due to a decrease in public works, non-departmental, and community development.

Capital Projects Fund

Capital Projects Fund Revenue

Miscellaneous	-
Commonwealth	-
Total Revenue	=

Capital Projects Expenditure

Current

Public Works	\$375,161
Education	\$111,669
Parks, recreation and cultural	\$57,547
Public Safety	\$49,804

Total Expenditure **\$594,181**

Revenue

-

Expenditure **\$594,181**

Excess **\$(594,181)**

Transfer in **\$1,071,797**

Net Change in Fund **\$477,616**

Beginning Fund **\$2,317,171**

Ending Fund **\$2,794,787**

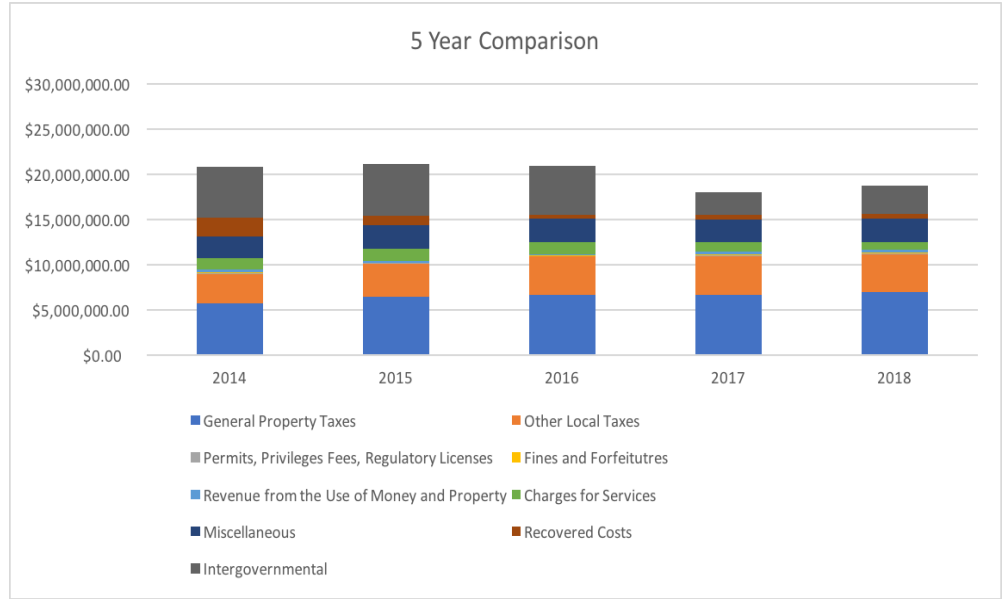
A transfer of \$1,071,797 was made from bond funds and the General Fund to cover the excess in expenditure, \$1,071,797, which brought the excess to a positive \$477,616. This excess was added to the beginning Capital Projects Fund of \$2,317,171 to leave \$2,794,787 as the ending balance of the Capital Projects Fund.

Governmental Revenue and Expenditure

Revenue

Lexington's revenue for the FY 2018 was a total of \$19,128,359. This was about a 5.98% increase from 2017's revenue.

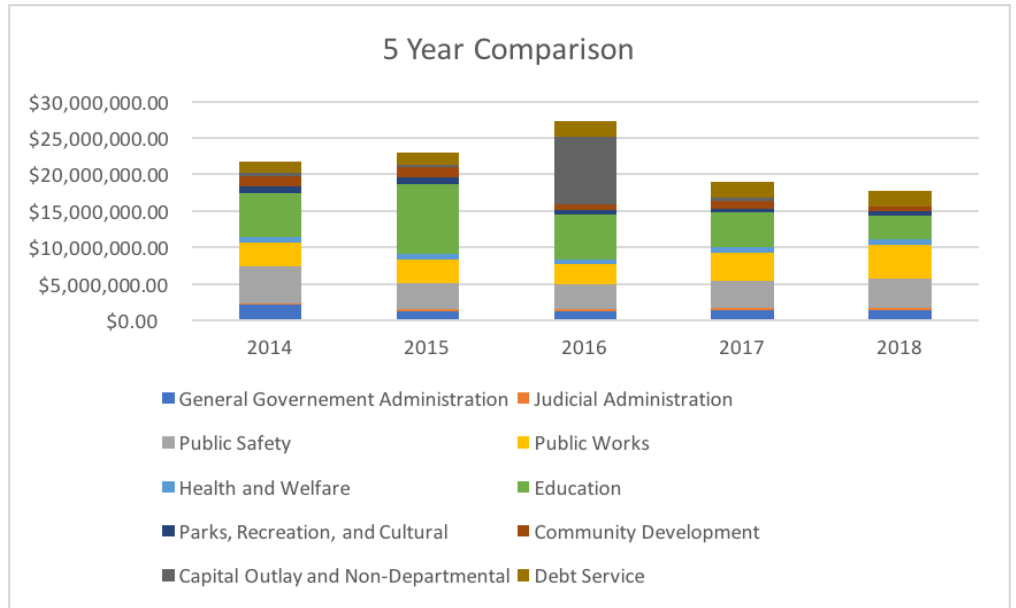
The increase in revenue for the FY 2018 was mainly due to an increase in intergovernmental revenue.



Expenditure

Lexington's expenditure in the FY 2018 was a total of \$17,763,582. This was about a 6.12% decrease from 2017's total expenditure.

The decrease in expenditure was mainly due to a decrease in education.



Long-term Debt

2017 \$27,334,327
2018 \$26,037,374

The City's total general obligation debt decreased by \$1,296,953 or 4.7% during the fiscal year of 2018.

The current debt limit for the City of Lexington is \$54,449,000, so the current long-term debt is *significantly* lower than the debt limit.