

Popular Annual Financial Report To the Community For the Fiscal Year ended on June 30, 2020

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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, 2020.

These highlights are based on the City's 2020 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 2020 CAFR and is consistent with Generally Accepted Accounting Principles.

For a complete review of the City's financial position for 2020, consult the 2020 CAFR available on the City's website at <http://lexingtonva.gov> or from the Finance Department at 540-462-3731.

The City Partners with Non-profit "Main Street Lexington" to Help Relieve the Impacts of Covid-19



[E-Commerce Webinars in Fall 2020: Transitions LIFT LEX Program Funding to In-person and Online Webinars for 12 Businesses](#)

The Fiscal Year 2020 was marked by irregularities due to the COVID-19 Pandemic. The City of Lexington was no exception. Following the national trend, retailers and lodging establishments took a notable hit this year due to lockdown protocols. However, through government grants, community cooperation, and an increase in E-Commerce, the City was able to weather the worst of the storm. Thanks to the "Federal CARES Act Coronavirus Relief Fund", the City received a total of \$1,299,270 in Federal Aid.



[4th of July Children's Bike Parade: MSL Provides over 200 Bags to Families to Decorate Bikes.](#)
MSL is committed to hosting all community events.

The City utilized the Industrial Development Authority (IDA) and non-profit "Main Street Lexington" (MSL) to appropriate approximately \$385,000 in Federal relief directly to local businesses and nonprofit relief. This coordination between the City leadership and establishments such as "Main Street Lexington"

coupled with an increase in E-Commerce retail for many local businesses has allowed for the City to persevere.

Infrastructure and Improvements in Lexington

The City of Lexington made a series of improvements to infrastructure throughout the community. Several of these improvements are described below.

Storm Water Project

The stormwater project cost approximately \$100,000 and included the installation of three hydro-dynamic sediment removal units. These units were installed to reduce the sediment load discharged from the Public Works compound's two stormwater outfalls. Increased suspended solids removal was required by the Department of Environmental Quality.



Main Street Paving

The repaving of Main Street was part of the City's FY21 Street Resurfacing Schedule. Due to the pandemic budget cuts, this schedule included only VDOT Inventory Streets. Approximately \$500,000 of State Street Funds were spent on the resurfacing of portions of numerous downtown streets around Lexington.

Main Street Waterline Project

This \$1.6M project replaced the myriad of aged 8-inch, 10-inch, and 12-inch waterlines within Main Street with new 12-inch ductile iron pipe from Jordan Street to Maiden Lane. This project also included the installation of new master water meters for the Virginia Military Institute. Also, the Main Street paving is relevant for 2 reasons – it is our downtown Main Street and the water line replacement project had damaged the street in such a manner that it was truly a priority to repave.

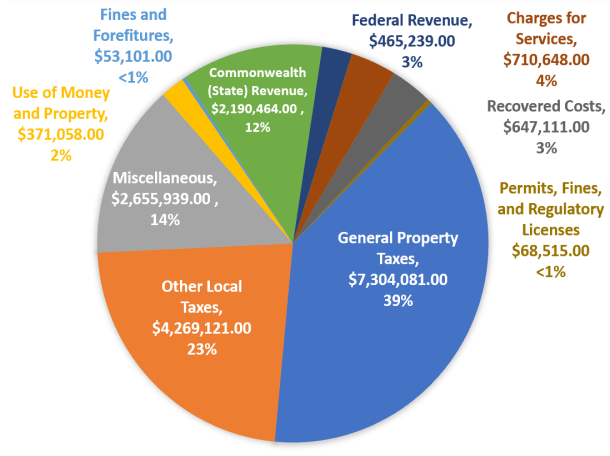


More Street Paving

Alongside Main Street, Preston Street, Nelson Street, Washington Street, Henry Street, Spotswood Drive, Varner Lane, Moore Street, and Taylor Street were also resurfaced. These Central Business District Streets were prioritized as paving funds were limited due to COVID-19 setbacks.

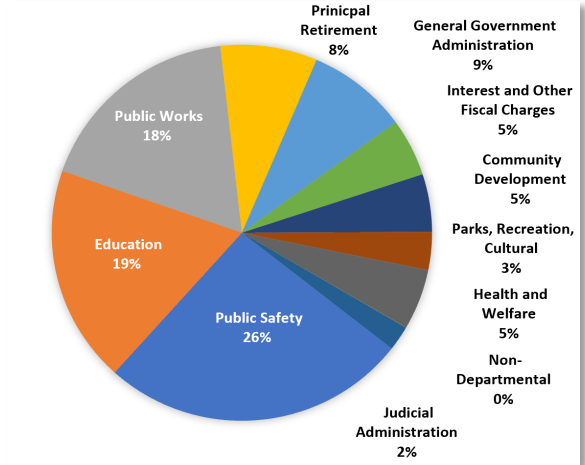
General Fund Revenue

Total: \$18,735,277



General Fund Expenditure

Total: \$16,517,858



The General Fund is one of the largest funds for Lexington’s operation. The General Fund accounts for day-to-day general revenues such as property & local taxes, permits, fines, and recovered costs. It also includes intergovernmental transfers from the Commonwealth of Virginia and the Federal Government. The General Fund Revenues totaled \$18,735,277, 3.5% lower than the final approved budget of \$19,399,306.

In Fiscal Year 2020, most of Lexington’s expenditure split among Public Safety (26%), Education (19%), and Public Works (18%). The total expenditure was \$16,517,858, which was 9.6% lower than the final approved budget of \$18,186,115. This was due to a decrease in public safety, non-departmental, and community development.

Capital Projects Fund

Capital Projects Fund Revenue

<u>Commonwealth</u>	\$78,602
<u>Total Revenue</u>	<u>\$78,602</u>

Capital Projects Expenditure

<u>Current</u>	
<u>Public Works</u>	<u>\$699,742</u>
<u>Education</u>	<u>N/A</u>
<u>Parks, Recreation and Cultural</u>	<u>\$135,583</u>
<u>General Government Administration</u>	<u>\$7,570</u>
<u>Total Expenditure</u>	<u>\$842,895</u>

<u>Revenue</u>	<u>\$78,602</u>
<u>Expenditure</u>	<u>\$842,895</u>

Excess (\$764,293)

Transfers In \$623,000

Beginning Fund Balance \$3,358,428

Ending Fund Balance **\$3,217,135**

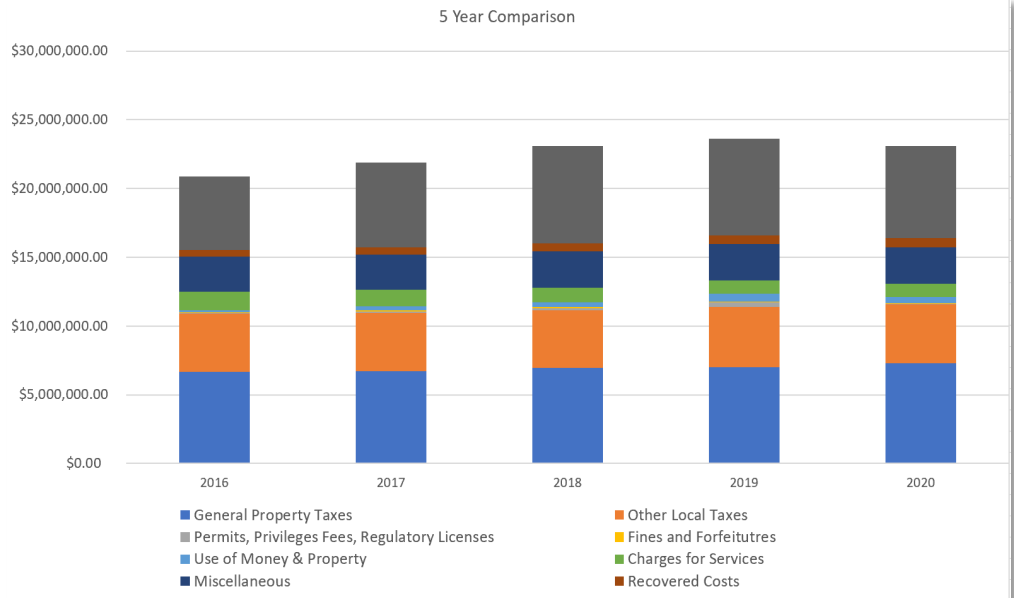
The Capital Projects Fund had a balance of \$3,358,428 at the beginning of FY 2020. After taking into account the revenue, expenditure, and transfers into the Capital Projects Fund, the ending balance was \$3,217,135. This represents a 4.20% decrease from the beginning to the ending balance of the Capital Projects Fund.

Governmental Revenue and Expenditure

Revenue

Lexington's revenue for FY 2020 was a total of \$18,735,277. This was about a 2.77% decrease from 2019's revenue.

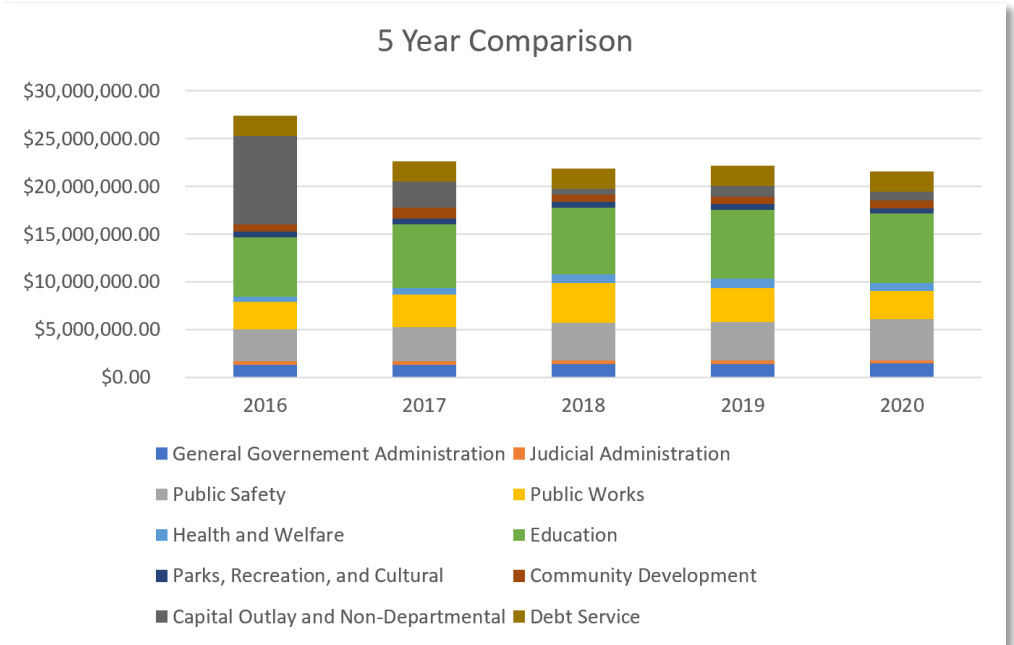
Decreases in intergovernmental revenue and revenue from permits, privilege, and regulatory fees in FY 2020 contributed most to this decrease.



Expenditure

Lexington's expenditure in the FY 2020 was a total of \$16,517,858. This was about a 2.03% decrease from 2019's total expenditure.

The decrease in expenditure was mainly due to a decrease in public works and capital outlay spending.



Long-Term Debt
2019 - \$29,397,936
2020 - \$27,886,024

The City's total general obligation debt decreased by \$1,511,912 or 5.1% during the current fiscal year.

The current debt limitation for the City of Lexington is \$59,462,700, so the current long-term debt is *significantly* lower than the debt limit.