



TOWN OF LANCASTER

ANNUAL TOWN REPORT

2019

BOARD OF SELECTMEN 2019 Annual Report

The Board of Selectmen is pleased to present its Annual Report for the calendar year 2019.

Jay M. Moody was elected to the Board of Selectmen at the Town Lancaster Annual Election held on Monday, May 13, 2019.

The Board re-organized at the organizational meeting held on June 3, 2019, following the Town Election. Stanley B. Starr, Jr. was elected to serve as the Chairman of the Board of Selectmen. Walter F. Sendrowski was elected Clerk, and Jay M. Moody served as a member.

Acknowledgements

Throughout 2019, our various boards and committees had very busy agendas. The commitment of our board and committee volunteers was the key to another successful year for the Town of Lancaster.

Without these volunteers past, present, and future there would be no way the Town would be able to undertake all the responsibilities it is charged with and we would like to express our deepest appreciation to all those individuals for their service.

Permanent Standing Committees

Agricultural Commission
Animal Control Commission
Board of Appeals
Board of Assessors
Board of Registrars of Voters
Commission on Disability
Conservation Commission

Cultural Council
Energy Commission
Council on Aging
Historical Commission
Recreation Committee
Town Forest Committee
Open Space and Recreation

Legislative Delegation

The Board wishes to acknowledge the assistance of Representative Harold P. Naughton, Jr., and Senator Dean Tran, for their work on behalf of the Town.

The Town also has a number of projects requiring state involvement and funding. The continued assistance of our Statehouse delegation has made the coordination and completion of these items a success. We thank them for their continued support in the advocacy of issues important to The Town of Lancaster, and its residents.

Fiscal Year 2020 Budget

The Board of Selectmen and Finance Committee were committed to bringing a level service budget before Town Meeting that would maintain services for the community. The budget adopted at the Town Meeting was \$23,165,928, for Fiscal Year 2020. This is an overall increase 4.5% from Fiscal Year 2019.

Minuteman Regional High School

The Board of Selectmen would like to thank the entire Minuteman School Committee for their contributions over the past year. The total assessment of for Fiscal Year 2020 was \$2,085,501.00.

The Board of Selectmen would like to acknowledge the faculty and staff of the school district for all their contributions both in and out of the classroom. We are thankful for community service projects the Town receives.

Nashoba Regional School District Budget

The Board of Selectmen and Finance Committee worked closely with the Lancaster members of the Nashoba Regional School District School Committee to develop a District Operating Budget for Fiscal Year 2020.

The School Committee and Administration put forth a budget that resulted in an assessment to the Town of Lancaster of \$13,014,404.00. This was an increase of 3.19% from the previous fiscal year. The Town looks forward to working with the School Committee and the Superintendent on a budget document that continues to maintain and preserve the quality of education our resident expect from the Nashoba Regional School District.

The Board wishes to acknowledge the hard work of the Lancaster School Committee delegation. Their dedication to the community and its children is deeply appreciated.

The Board of Selectmen would like to acknowledge the dedicated faculty and staff of the school district. The Town and its residents value the great educational product it receives with its tax dollars.

Town Meetings

May 6, 2020 Annual Town Meeting – Attendance approximately 154 residents

The Town Moderator, Mr. William O’Neil, called the Annual Town Meeting to order on Monday, May 6, 2019 to act on Eighteen Warrant Articles. Seventeen Articles passed, including a vote to raise and appropriate \$23,165,928, by taxation, by transfer from available funds, from the Operating Budget, by borrowing, by transfer from Overlay Surplus, by transfer from fund balance reserved for school debt, or any combination thereof; to defray the expenses of the Town for the Fiscal Year beginning July 1, 2019, or act in any manner relating thereto. The town meeting voters approved the Fiscal Year 2020 Budget expenditures as printed in the warrant. Article approved by 2/3rds vote as required.

The Board would also like to thank our Town Moderator, Mr. William O’Neil for the diligent handling of Town Meeting, as well as those members of the Board of Registrars and Dianne Reardon, Town Clerk, who worked the meeting. As always we are grateful to those residents who take time out of their busy schedule to attend and participate.

Planning for the Future

There are several priorities for the Town as we look toward 2019. We know that fiscal challenges lie ahead and will look to address them in the best manner possible. The Board will continue to work with the Town Administrator Orlando Pacheco to facilitate objectives that best balance the overall quality of life in Lancaster, being mindful of our financial ability to do so. One goal is working a range of potential options to address the lack of water infrastructure in the areas zoned for commercial and industrial development in North Lancaster. The installation of water access will be a key incentive to attract companies to Lancaster which will mean jobs and additional tax base.

The Board of Selectmen will continue to work diligently with all departments, boards, and committees to facilitate projects for the betterment of the community with the focus on operating efficiency and improving the overall quality of life in Lancaster.

Appreciation

The Board expresses its appreciation to the Selectmen's office professional staff, Kathleen Rocco, Executive Assistant to the Board and Town Administrator Orlando Pacheco, as well as the Department Heads, for their professionalism, assistance and guidance to this Board.

In Conclusion, we extend our thanks to the many citizens who contributed their time and talent to serve on the Town Boards and Committees. We continue to encourage citizens to participate in their town government by attending public meetings, volunteering to service, and by offering input at Town Meetings.

The Board would also like to extend its appreciation to the all the employees for their invaluable assistance and guidance throughout the year. The hard work and dedication, as always, was evident.

Thank you for the opportunity to serve you.

Sincerely,
Stanley B. Starr Jr., Chairman
Walter F. Sendrowski, Clerk
Jay M. Moody, Member

LICENSES ISSUED BY THE BOARD OF SELECTMEN

Calendar Year 2019

License Type	Issued To	Business Address
Automobile Dealer – Class 1, Class 2	Ron Bouchard Dodge, LLC, d/b/a Ron Bouchard's KIA	488 Old Union Turnpike, Lancaster, MA
Automatic Amusement Devices Weekdays and Sundays	N.E. Fun Centers, Inc. d/b/a Roll-on-America	90 Duval Road, Lancaster, MA
Common Victualler	N.E. Fun Centers, Inc. d/b/a Roll-on-America	90 Duval Road, Lancaster, MA
Roller Skating Rink Weekdays And Public Entertainment on Sundays	N.E. Fun Centers, Inc. d/b/a Roll-on-America	90 Duval Road, Lancaster, MA
Automobile Dealer – Class 1	AMR Holdings – LN, LLC, d/b/a Prime Scion Route 2	700 Old Union Turnpike, Lancaster, MA
Automobile Dealer – Class 1	Padula Bros., Inc.	700 Fort Pond Road, Lancaster, MA
Automobile Dealer – Class 2	Crawford Truck Sales, Inc.	2176 Main Street Lancaster, MA
Automobile Dealer – Class 1, Common Victualler	AMR Holdings – LN, LLC, d/b/a Prime Toyota Route 2	700 Old Union Turnpike, Lancaster, MA
Automobile Dealer – Class 2	F.J.S. Auto, Inc.	248 Main Street So. Lancaster, MA
Automobile Dealer – Class 2	Jose M. Fuentes d/b/a RBI Motors	767 Sterling Road, Lancaster, MA
Automobile Dealer – Class 1, Class 2	Ron Bouchard's Auto Sales, Inc. d/b/a Ron Bouchard's Nissan	490 Old Union Turnpike, Lancaster, MA
Automobile Dealer – Class 1, Class 2	Ron Bouchard's Auto Sales, Inc. d/b/a The Honda Store	500 Old Union Turnpike, Lancaster, MA
Automobile Dealer – Class 2, Class 3, Collector of Junk	Route 117 Used Auto Parts, Inc.	2176 Main Street Lancaster, MA

Automobile Dealer – Class 3, Collector of Junk	Nationwide Auto Recycling, Inc.	1340 & 1410 Lunenburg Road, Lancaster, MA
Food & Beverage Dispensing to Members	Sterling National, LLC	33 Albright Road, Sterling, MA
Common Victualler, License to Sell Wine and Malt Beverages	Michael A. Gleason d/b/a Michael's Bridge Diner	56 Main Street, Lancaster, MA
Common Victualler	Kimball Farm at Oakridge, LLC	1543 Lunenburg Road, Lancaster, MA
Common Victualler	Jennifer Joan Macellari, d/b/a Sandee's Restaurant	162 Main Street Lancaster, MA
Common Victualler	N&K Lancaster LLC dba Exxon-Mobile	1424 Lunenburg Road, Lancaster, MA
Common Victualler	Trolley Stop Pizzaria, Inc.	18A Prescott Street, So. Lancaster, MA
Inn holder and Common Victualler	Charlotte E. Creighton d/b/a College Town Bed & Breakfast	12 Old Common Road, Lancaster, MA
Lunch Cart @ Bartlett Pond	Michael Murphy	473 Union St., Leominster, MA
Public Amusement & Exhibition @ 318 Seven Bridge Road ;8-8-19-8/10/19	Dean & Flynn	PO Box 460 Seabrook, NH
Public Amusement & Exhibition (Weekdays) 8/09/18 – 8/11/18 & Sunday Entertainment 8/12/18 at the Bolton fair @ 318 Seven Bridge Road	Rose Darden, President, The Bolton Fair	P.O. Box 154, Bolton, MA
Sunday Entertainment – to conduct vintage British Motorcycles Show on 6/2/19 @ Lancaster Fairgrounds, Seven Bridge Road	Peter Quick, BSA Owners Club of New England, Inc.	286 Fitzwilliam Rd., Jaffrey, NH 03452
Sunday Entertainment – Antique & Hot Rod Car Show on 9/10/19 @ 318 Seven Bridge Road	Ty-Rods Club, Inc.	P.O. Box 409, North Reading, MA
Automobile Dealer – Class 1	J. C. Madigan, Inc.	450 Old Union Turnpike., Lancaster, MA
Farmer Series Pouring Permit (Wine & Beer)	Keith Kopley	339 Seven Bridge Rd.,

	dba Hillside Cellars	Lancaster, MA
One Day Beer & Wine License Craft Wine & Brew Tastings – 6/1/19	Kalon Farms	339 Seven Bridge Rd. Lancaster, MA
One Day Beer & Wine License – Profound Market 6/8/19- 6/9/19	Kalon Farms	339 Seven Bridge Rd., Lancaster, MA
One Day Beer & Wine License – 6/22/19 Kids Obstacle Race	Kalon Farms	339 Seven Bridge Rd., Lancaster, MA
One Day Beer & Wine License on 8/9/19; 8/10/19, 8/11/19 – Bolton Fair	Rose Darden, President, The Bolton Fair, Inc.	P.O. Box 154 Bolton, MA
One Day Beer & Wine on 6/15/19– Muddy Princess Obstacle	Kalon Farms	339 Seven Bridge Rd. Bolton, MA
One Day Beer & Wine License for USASA Soccer Festival on 7/10/19-7/14/19	MYSA	339 Seven Bridge Rd., Lancaster
One Day Beer & Wine License on 10/5/19 for the Horseshed Fair	First Church of Christ	725 Main Street Lancaster , MA

In July 2019 we held a “public auction” of properties that were foreclosed upon through the tax taking process. A total of nine properties were advertised for sale. Seven of those received bids and in the end four closed with recorded deed transfers. All of the parcels that sold were land only.

Per vote at the Special Town meeting on October 21, 2019 we added an additional \$ 300,000 to the OPEB (Other Post Employee Benefit) fund bringing a total of \$1,942, 838.00 invested to date. The Town of Lancaster is well ahead of many other municipalities in the commonwealth in funding this liability.

In our efforts to offer ease of payment to the residents we now have the Council on Aging on board to accept payments online for all of their trips, programs and activities. Almost all departments can accept payments through an on line processing system. Departments that accept online payments are: Town Clerk for dog licenses, death and birth certificates. Police for firearms licenses. Fire department can accept payment for a burn permits, and most recreation programs can be paid online.

On December 4th at the annual meeting of the Worcester County Collectors and Treasurers Association I was appointed to be a member of the executive committee. The executive committee supports the officers of the association with the planning and executing of meetings three times a year. We look for education topics or current issues that will assist all Collectors and Treasurers in their daily duties. It is an honor to be considered and appointed to this Board by fellow colleagues.

The Treasurer/Collector’s office is a member of the Finance Department. The office is staffed with one full time employee and two part time employees. The office’s primary responsibility is the billing and collection of Real Estate, Personal Property, Excise Tax, and Water. Other duties include:

- Receiving and depositing of funds collected from the various departments in the Town.
- Payroll, taxes, retirement and insurance benefits are processed in the office.
- Management and collection of retiree’s health insurance premiums.
- Maintaining, reconciling and safe keeping of bank, investment and Trust Funds accounts.
- Issuance of Municipal Lien Certificates.
- Verification tax payments for building permits.
- Working with the Deputy Collector to issue warrants for nonpayment of Taxes
- Working with the Lancaster Sewer District for the collection of sewer Betterments and interest and sewer usage liens.
- Short term and Long term borrowing when necessary.
- Real Estate Tax taking and management of Tax Title accounts.

Respectfully submitted,

Mary E Frost CMMC, CMMT
Treasurer/Collector

FINANCE DIRECTOR

The Financial Statements for the Fiscal Year ended June 30, 2019 are herewith submitted.

The data represents a fair and accurate presentation in all material aspects of the Town's financial position and results of its operations.

Cheryl Gariepy
Finance Director

Heidi Lamb
Assistant Town Accountant

The report is based on information recorded using the Uniform Municipal Accounting System (UMAS) of the Massachusetts Department of Revenue.

An audit of the Town's financial records by Powers & Sullivan, LLC has been completed for FY19 and the results is available on the Finance & Budget page under Financial Documents.

Following the Other Funds listed below is a copy of Moody's annual review of the Town of Lancaster issued May 20, 2020.

I would like to thank all the boards, commissions, committees and department heads for their cooperation during the year.

Cheryl Gariepy
Finance Director

CITY/TOWN OF LANCASTER, MASSACHUSETTS
Combined Balance Sheet - All Fund Types and Account Groups
as of June 30, 2019
(Unaudited)

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Groups	Totals
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	Long-term Debt	(Memorandum Only)
<u>ASSETS</u>								
Cash and cash equivalents	3,315,681.70	866,334.00	713,801.12	3,016,971.09		4,865,892.73		12,778,680.64
Investments								0.00
Receivables:								
Personal property taxes	8,506.39							8,506.39
Real estate taxes	207,020.93							207,020.93
Deferred taxes	3,961.20							3,961.20
Allowance for abatements and exemptions	(600,771.99)							(600,771.99)
Special assessments	-							0.00
Tax liens	260,559.14	13,880.97		14,758.13				289,198.24
Tax foreclosures	467,899.14							467,899.14
Motor vehicle excise	176,927.29							176,927.29
Other excises								0.00
User fees				147,921.77				147,921.77
Utility liens added to taxes	180,365.68							180,365.68
Departmental								0.00
Sewer Betterment & Interest		4,976.81						4,976.81
Due from other governments								0.00
Due to/from other funds								0.00
Working deposit								0.00
Prepays								0.00
Inventory								0.00
Fixed assets, net of accumulated depreciation				2,814,709.00				2,814,709.00
Amounts to be provided - payment of bonds							10,404,398.00	10,404,398.00
Amounts to be provided - vacation and sick leave								0.00
Total Assets	<u>4,020,149.48</u>	<u>885,191.78</u>	<u>713,801.12</u>	<u>5,994,359.99</u>	<u>-</u>	<u>4,865,892.73</u>	<u>10,404,398.00</u>	<u>26,883,793.10</u>
<u>LIABILITIES AND FUND EQUITY</u>								
Liabilities:								
Accounts payable	284.00							284.00
Warrants payable								0.00
Accrued payroll and withholdings								0.00
Accrued claims payable								0.00
IBNR								0.00
Other liabilities	742.85			2,814,709.00				2,815,451.85
Agency Funds								0.00
Deferred revenue:								
Real and personal property taxes	(385,493.84)							(385,493.84)
Deferred taxes	3,961.20							3,961.20
Prepaid taxes/fees								0.00
Special assessments								0.00
Tax liens	260,559.14	13,880.97		14,758.13				289,198.24
Tax foreclosures	467,899.14							467,899.14

FY19 BUDGET TO ACTUAL

OPERATING BUDGET

DEPARTMENT	ATM 5/2/2018	COMP/FINANCE RESERVE	ATM/STM 5/2/19	EXPENDED	CLOSED TO FUND BALANCE	ENCUMBER
113 TOWN MEETING						
Expenses	2,970.00	0.00	2,970.00	2,012.12	957.88	
122 SELECTMEN						
Personal Srvc	180,735.00	838.00 C	181,573.00	181,572.96	0.04	
Expenses	12,830.00	0.00	12,830.00	4,637.00	8,193.00	
Norfold Agri	0.00	0.00	0.00	0.00	0.00	
131 FINANCE COMM						
Expenses	280.00	0.00	280.00	180.00	100.00	
Comp Rsrv	53,151.00	(31,152.15) C	21,998.85	7,438.58	14,560.27	
Reserve Fund	138,665.00	(103,192.00)	35,473.00	0.00	35,473.00	
135 ACCOUNTANT						
Personal Srvc	146,628.00	9.00	146,637.00	146,637.43	(0.43)	
Expenses	4,676.00	0.00	4,676.00	2,901.93	1,774.07	
Audit	35,000.00	0.00	35,000.00	24,500.00	10,500.00	(10,500.00)
141 ASSESSORS						
Personal Srvc	109,910.00	160.00 C	110,070.00	110,069.72	0.28	
Expenses	36,950.00	0.00	36,950.00	38,140.22	(1,190.22)	
147 TREAS/COLLECTOR						
Personal Srvc	148,306.00	4,156.00 C	152,462.00	152,461.92	0.08	
Expenses	22,502.00	20,000.00 R	42,502.00	36,464.69	6,037.31	
151 TOWN COUNSEL						
Expenses	58,500.00	0.00	58,500.00	56,005.79	2,494.21	(1,627.59)

FY19 BUDGET TO ACTUAL

OPERATING BUDGET

DEPARTMENT	ATM 5/2/2018	COMP/FINANCE RESERVE	ATM/STM 5/2/19	EXPENDED	CLOSED TO FUND BALANCE	ENCUMBER
155 TECHNOLOGY						
Personal Svc	77,022.00	0.00	77,022.00	77,022.40	(0.40)	
Expenses	121,742.00	35,511.00	157,253.00	157,253.18	(0.18)	
161 TOWN CLERK						
Personal Svc	93,895.00	0.00	93,895.00	83,244.67	10,650.33	
Expenses	3,200.00	0.00	3,200.00	6,353.74	(3,153.74)	
164 ELECTIONS						
Personal Svc	7,814.00	0.00	7,814.00	4,628.20	3,185.80	
Expenses	9,975.00	0.00	9,975.00	8,822.52	1,152.48	
179 COMM DEV PLANNING						
Personal Svc	128,011.00	0.00	128,011.00	107,872.87	20,138.13	
Expenses	5,137.00	0.00	5,137.00	4,002.94	1,134.06	
199 BUILDING MAINTENANCE						
Personal Svc	72,837.00	6,562.00 C	79,399.00	79,754.98	(355.98)	
Expenses	313,104.00	0.00	313,104.00	303,702.54	9,401.46	(694.83)
GENERAL GOVERNMENT						
Personal Svc	1,018,309.00	(19,427.15)	998,881.85	950,703.73	48,178.12	
Expenses	765,531.00	(47,681.00)	717,850.00	644,976.67	72,873.33	
210 POLICE						
Personal Svc	1,018,931.00	0.00	1,018,931.00	1,013,880.49	5,050.51	
Expenses	85,404.00	0.00	85,404.00	67,290.63	18,113.37	(2,950.00)

FY19 BUDGET TO ACTUAL

OPERATING BUDGET

DEPARTMENT	ATM 5/2/2018	COMP/FINANCE RESERVE	ATM/STM 5/2/19	EXPENDED	CLOSED TO FUND BALANCE	ENCUMBER
220 FIRE						
Personal Svc	393,029.00	3,675.15	396,704.15	396,704.15	0.00	
Expenses	206,010.00	0.00	206,010.00	209,695.33	(3,685.33)	
240 INSPECTIONAL SRVCS						
Personal Svc	89,754.00	2,412.00	92,166.00	92,165.80	0.20	
Expenses	4,900.00	0.00	4,900.00	2,754.78	2,145.22	
290 ANIMAL CONTROL						
Personal Svc	11,859.00	1,145.00 S	13,004.00	13,003.54	0.46	
Expenses	5,676.00	0.00	5,676.00	4,050.58	1,625.42	
296 COMMUNICATIONS						
Expenses	175,000.00	0.00	175,000.00	175,000.00	0.00	
PUBLIC SAFETY						
Personal Svc	1,513,573.00	7,232.15	1,520,805.15	1,515,753.98	5,051.17	
Expenses	476,990.00	0.00	476,990.00	458,791.32	18,198.68	
340 EDUCATION						
MINUTEMAN	1,780,470.00	0.00	1,780,470.00	1,780,470.00	0.00	
NASHOBA REGIONAL	12,613,085.00	0.00	12,613,085.00	12,613,085.00	0.00	
422 DPW - HIGHWAY						
Personal Svc	258,423.00	0.00	258,423.00	251,453.96	6,969.04	
Expenses	78,050.00	0.00	78,050.00	75,880.41	2,169.59	
423 DPW - SNOW & ICE						
Personal Svc	52,500.00	6,888.00	59,388.00	59,387.77	0.23	
Expenses	66,200.00	67,681.00	133,881.00	133,880.65	0.00	

FY19 BUDGET TO ACTUAL

OPERATING BUDGET

DEPARTMENT	ATM 5/2/2018	COMP/FINANCE RESERVE	ATM/STM 5/2/19	EXPENDED	CLOSED TO FUND BALANCE	ENCUMBER
424 DPW - STREET LIGHTS						
Expenses	15,000.00	0.00	15,000.00	8,446.86	6,553.14	
429 DPW - HIGHWAY SAFETY						
Expenses	39,200.00	0.00	39,200.00	39,187.88	12.12	
491 DPW - CEMETERY						
Personal Svc	131,546.00	0.00	131,546.00	126,235.76	5,310.24	
Expenses	34,620.00	0.00	34,620.00	42,340.64	-7,720.64	
PUBLIC WORKS						
Personal Svc	442,469.00	6,888.00	449,357.00	437,077.49	12,279.51	
Expenses	233,070.00	67,681.00	300,751.00	299,736.44	1,014.21	
510 BOARD OF HEALTH						
Personal Svc	6,125.00	0.00	6,125.00	6,040.57	84.43	
Expenses	31,558.00	0.00	31,558.00	28,355.99	3,202.01	
541 COUNCIL ON AGING						
Personal Svc	53,612.00	5,307.00 C	58,919.00	58,918.62	0.38	
Expenses	18,070.00	0.00	18,070.00	13,219.65	4,850.35	(1,924.23)
543 VETERAN'S SERVICES						
Personal Svc	20,000.00	0.00	20,000.00	0.00	20,000.00	(20,000.00)
Expenses	30,000.00	0.00	30,000.00	20,926.87	9,073.13	
560 DISABILITY						
Expenses	275.00	0.00	275.00	30.51	244.49	
HEALTH & HUMAN SERVICES						
Personal Svc	79,737.00	5,307.00	85,044.00	64,959.19	20,084.81	
Expenses	79,903.00	0.00	79,903.00	62,533.02	17,369.98	

FY19 BUDGET TO ACTUAL

OPERATING BUDGET

DEPARTMENT	ATM 5/2/2018	COMP/FINANCE RESERVE	ATM/STM 5/2/19	EXPENDED	CLOSED TO FUND BALANCE	ENCUMBER
610 LIBRARY						
Personal Srvc	281,236.00	0.00	281,236.00	277,214.37	4,021.63	
Expenses	70,883.00	0.00	70,883.00	70,882.41	0.59	
630 RECREATION						
Personal Srvc	21,878.00	0.00	21,878.00	21,074.66	803.34	
Expenses	3,000.00	0.00	3,000.00	3,009.90	(9.90)	
691 HISTORIC COMMISSION						
Expenses	1,120.00	0.00	1,120.00	1,146.00	(26.00)	
692 MEMORIAL DAY						
Expenses	900.00	0.00	900.00	879.60	20.40	
694 COMMUNITY CENTER						
Personal Services	26,770.00	0.00	26,770.00	26,769.60	0.40	
CULTURAL & RECREATION						
Personal Srvc	329,884.00	0.00	329,884.00	325,058.63	4,824.97	
Expenses	75,903.00	0.00	75,903.00	75,917.91	(14.51)	
EMPLOYEE BENEFITS	1,391,963.00	0.00	1,391,963.00	1,354,195.91	37,767.09	
TOWN INSURANCES	105,657.00	0.00	105,657.00	122,015.87	(16,358.87)	
DEBT						
PRINCIPAL	914,000.00	0.00	914,000.00	913,800.00	200.00	
INTEREST	222,057.00	0.00	222,057.00	222,057.00	0.00	

FY19 BUDGET TO ACTUAL

OPERATING BUDGET

DEPARTMENT	ATM 5/2/2018	COMP/FINANCE RESERVE	ATM/STM 5/2/19	EXPENDED	CLOSED TO FUND BALANCE	ENCUMBER
LOCAL AID ASSESSMENTS						
Expenses	0.00	0.00	0.00	134,347.00	(134,347.00)	
OPERATING BUDGETS						
Personal Svc	3,383,972.00	0.00	3,383,972.00	3,293,553.02	90,418.58	
Expenses	16,024,952.00	20,000.00	16,044,952.00	16,069,857.36	-24,905.31	
PRINCIPAL	914,000.00	0.00	914,000.00	913,800.00	200.00	
INTEREST	222,057.00	0.00	222,057.00	222,057.00	0.00	
EMPLOYEE BENEFITS	1,391,963.00	0.00	1,391,963.00	1,354,195.91	37,767.09	
TOWN INSURANCEES	105,657.00	0.00	105,657.00	122,015.87	-16,358.87	
	22,042,601.00	20,000.00	22,062,601.00	21,975,479.16	87,121.49	(37,696.65)
TRANSFER TO CAPITAL/STAB	50,000.00		341,856.00	341,856.00	0.00	
FREE CASH		322,990.00		0.00		
TOTAL OPERATING BUDGET	22,092,601.00	20,000.00	22,404,457.00	22,317,335.16	87,121.84	close to FB

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Groups	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	Long-term Debt	
Motor vehicle excise	167,824.33							167,824.33
Other excises								0.00
User fees - Septic Loan-Water User Charges		2,488.32		147,921.77				150,410.09
Sewer Betterment & Interest		2,488.49						2,488.49
Departmental	180,365.68							180,365.68
Deposits receivable								0.00
Other receivables								0.00
Due from other governments								0.00
Due to other governments								0.00
Due to/from other funds								0.00
Bonds payable							10,404,398.00	10,404,398.00
Notes payable								0.00
Vacation and sick leave liability								0.00
Total Liabilities	696,142.50	18,857.78	0.00	2,977,388.90	0.00	0.00	10,404,398.00	14,096,787.18
Fund Equity:								
Reserved for encumbrances	37,696.62							37,696.62
Reserved for expenditures	550,000.00	866,334.00	713,801.12	180,000.00		4,865,892.73		7,176,027.85
Reserved for continuing appropriations								0.00
Reserved for petty cash								0.00
Reserved for appropriation deficit								0.00
Reserved for snow and ice deficit								0.00
Reserved for debt service								0.00
Reserved for premiums								0.00
Reserved for working deposit	221,312.00							221,312.00
Undesignated fund balance	2,514,998.33			2,836,971.12				5,351,969.45
Unreserved retained earnings								0.00
Investment in capital assets								0.00
Total Fund Equity	3,324,006.95	866,334.00	713,801.12	3,016,971.12	0.00	4,865,892.73	0.00	12,787,005.92
Total Liabilities and Fund Equity	4,020,149.45	885,191.78	713,801.12	5,994,360.02	0.00	4,865,892.73	10,404,398.00	26,883,793.10

PROOF THAT BALANCE SHEET IS IN BALANCE	(0.03)	0.00	0.00	0.03	0.00	0.00	0.00	0.00
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PROOF THAT FUND DETAIL OF FUND BALANCE AGREES TO THE BALANCE SHEET	0.00	0.00	0.03	0.00	0.00
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AGENCY FUND BALANCE PROOF	0.00
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TRUST FUND BALANCE PROOF	0.00
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FY19 SPECIAL REVENUES		7/1/18	EXPENSE	REVENUE	6/30/2019
FED GRANT	25014 COMM DEV BLOCK GRANT	30,867.50	752.50	35,235.00	65,350.00
FED GRANT	25023 FIRE DHS	0.00	0.00	0.00	0.00
GRANTS	26005 INSURANCE RECOVERY	19,770.66	37,444.07	146,142.00	128,468.59
	26006 HISTORIC GIFTS	8,209.88	4,937.88	217.66	3,489.66
	26008 LIBRARY GIFTS	20,443.03	22,931.23	13,525.00	11,036.80
	26009 LIBRARY PARKER GIFT	(1,199.86)	0.00	0.00	(1,199.86)
	26012 DISABILITY COMMISSION GIFT	99.72	0.00	0.00	99.72
	26013 VETERANS MEMORIAL GIFT	6,026.00	1,393.00	0.00	4,633.00
	26014 COA GIFT	2,519.35	0.00	0.00	2,519.35
	26015 TOWN FOREST GIFT	666.28	0.00	0.00	666.28
	26016 AMBULANCE GIFT	1,451.55	79.17	0.00	1,372.38
	26017 FIRE DEPT GIFT	4,287.29	241.25	760.00	4,806.04
	26018 POLICE GIFT	623.87	0.00	50.00	673.87
	26020 ANN COMASKEY CONSERVATION	672.88	0.00	0.00	672.88
	26021 FARNSWORTH MEMORIAL	10.00	0.00	0.00	10.00
	26024 SELECTMEN CABLE	1.00	0.00	1,094.00	1,095.00
	26026 BLUE HERON MITIGATION	19,707.00	0.00	0.00	19,707.00
	26027 AGRICULTURE COMMISSION	3,482.22	0.00	0.00	3,482.22
	26042 AGRICULTURE SCHOLARSHIP	0.00	0.00	4,500.00	4,500.00
	26043 ZERO OLD UNION	0.00	1,451.63	2,225.00	773.37
	26044 438 OLD UNION	0.00	1,451.63	2,225.00	773.37
	26045 2038 LUNENBURG ROAD	0.00	0.00	0.00	0.00
RECEIPTS	29001 CEMETERY SALE OF LOTS	21,266.65	18.78	3,200.00	24,447.87
RECEIPTS	29002 WETLANDS	30,662.79	27,529.99	36,267.50	39,400.30
RECEIPTS	29003 TOWN OWNED LAND	163,767.81	45,000.00	29,000.00	147,767.81
CH53 1/2	27010 RECREATION	53,887.96	27,090.94	31,291.05	58,088.07
REVOLVING	27002 CLERK PUBLICATIONS	2,882.42	0.00	332.00	3,214.42
	27003 PLANNING BOARD	39,566.94	7,849.21	10,723.81	42,441.54
	27004 RECYCLING	8,722.28	14,578.68	10,687.62	4,831.22
	27005 MART	(8,622.41)	33,388.13	24,235.87	(17,774.67)
	27006 LIBRARY REVOLVING	14,192.63	7,999.92	7,828.71	14,021.42
	27007 BUILDING RENTAL DEP	0.00	300.00	385.00	85.00
	27013 COMMUNITY CENTER	33,741.21	16,760.85	0.00	16,980.36
	27016 COA REVOLVING	2,252.44	10,687.47	16,599.35	8,164.32
	27014 CRUISER OUTSIDE DETAIL	3,667.50	0.00	0.00	3,667.50
	27015 STORMWATER MANAGEMENT	1,500.00	0.00	2,500.00	4,000.00
OTHER	26001 RECREATION ED	20.50	0.00	0.00	20.50
SPECIAL	26002 DRUG ENFORCEMENT	40,864.43	0.00	0.00	40,864.43
REVENUE	26003 SEWER COLLECTION	23,575.97	959.54	9,606.92	32,223.35
	26022 BOUCHARD MITIGATION	0.00	0.00	0.00	0.00
	26028 FIREARMS RECORD	39,694.57	12,812.50	16,200.00	43,082.07
	26029 DUVAL RD REVOVLING	0.00	3,712.97	3,712.97	0.00
	26031 JB HUNT MITIGATION	0.00	0.00	0.00	0.00
	26032 PORAS REALTY	24,139.88	19,004.25	0.00	5,135.63
	26033 COLONY LANE	1.04	0.00	0.00	1.04
	26034 WING ESTATES	0.00	0.00	0.00	0.00
	26036 DUNKIN DONUTS	0.00	0.00	0.00	0.00
	26037 BOH JONES CROSSING	940.00	440.00	0.00	500.00
	26039 SEMPER FI	3,367.50	3,367.50	0.00	0.00
	26040 BROCKELMAN RD SOLAR	0.00	3,900.00	5,000.00	1,100.00
	26041 MOBILE MART	0.00	0.00	6,000.00	6,000.00
	27012 CDP ADVERTISING	408.99	1,564.89	1,964.33	808.43
SEWER	28000 APPORTIONED BETTERMENTS	13,571.45	251,795.39	247,846.73	9,622.79

	25011 TECHNICAL ASSISTANCE	647.75	0.00	0.00	647.75
STATE	25003 HOMELAND SECURITY	0.00	0.00	0.00	0.00
	25045 MASSWORKS STERLING	0.00	0.00	0.00	0.00
PUBLIC SAFET	25015 COMMUNITY POLICING	3,842.39	0.00	0.00	3,842.39
	25016 COPS MOBILE	2,308.28	0.00	0.00	2,308.28
	25018 911 STATE GRANT	6,105.13	0.00	0.00	6,105.13
	25024 FIRE NASHUA RIVER	7,295.44	0.00	0.00	7,295.44
	25025 FIRE SAFE GRANT	13,738.32	0.00	6,154.00	19,892.32
	25047 FIRE EMP GRANT	0.00	2,780.00	2,780.00	0.00
FEMA	25038 OCTOBER STORM	0.00	0.00	0.00	0.00
COA	25030 FORMULA GRANT	0.00	14,575.53	16,440.00	1,864.47
	25031 ACCENT GRANT	1,019.93	709.39	0.00	310.54
	25049 HEALTHY FOOD	4,315.63	1,095.66	0.00	3,219.97
LIBRARY	25035 LIBRARY STATE AID	25,144.02	17,586.04	14,548.09	22,106.07
OTHER	25001 EXTENDED POLLING HOURS	4,920.95	2,350.49	1,730.00	4,300.46
GRANTS	25004 MASS HOUSING	6,446.04	0.00	0.00	6,446.04
	25006 ENERGY EFFICIENCY BLOCK GRANT	330.99	0.40	0.00	330.59
	25009 GREEN COMMUNITIES GRANT	11,133.65	70,044.65	58,911.00	0.00
	25029 SEPTIC PROGRAM	12,497.56	11,919.00	3,499.85	4,078.41
	25033 CULTURAL COUNCIL	779.77	5,698.75	5,608.33	689.35
	25050 COMPLETE STREETS	(210,213.14)	42,076.70	241,241.87	(11,047.97)
	25051 IT COMPACT GRANT	273.24	19,693.56	135,020.00	115,599.68
	25047 COMPACT GRANT	6,300.00	0.00	0.00	6,300.00
	25052 LIBRARY DIGITIZE	0.00	30,000.00	30,000.00	0.00
	25054 PRESERVATION VETERANS	12,500.00	12,500.00	0.00	0.00
	BROCKELMAN CULVERT	(56,700.00)	55,300.00	81,000.00	(31,000.00)
	25055 THAYER FIELD PLAYGROUND	47,306.21	120,846.12	63,848.00	(9,691.91)
	25056 GREEN COMMUNITIES 2	0.00	283,772.11	253,505.65	(30,266.46)
	25057 FY18 TRAFFIC	0.00	4,800.00	6,180.00	1,380.00
	25058 MCOA GO4LIFE	0.00	86.24	86.24	0.00
	25059 JAG	0.00	19,288.42	19,288.42	0.00
	25060 BOAT LAUNCH	0.00	20,000.00	20,000.00	0.00
FY19 CAPITAL/CHAPTER 90					
CHAP 90	23001 CHAPTER 90	0.01	271,000.32	185,998.10	(85,002.21)
CAPITAL	30001 VETERANS WAR MEMORIAL	9,580.39	0.00	0.00	9,580.39
	30003 PUBLIC BLDG FIBER OPTIC	995.18	0.00	0.00	995.18
	30005 POLICE CRUISERS	1,102.06	41,547.85	45,000.00	4,554.21
	30010 HOT TOP CEMETERY	3,511.80	0.00	0.00	3,511.80
	30014 OFFICE MOLD REMOVAL	30,000.00	0.00	0.00	30,000.00
	30015 REPAVE TOWN HALL DRIVEWAY	20,000.00	0.00	0.00	20,000.00
	30019 MRE/LBM BOILER	0.00	37,600.00	37,900.00	300.00
	30020 DPW - DRAINAGE	25,468.74	8,775.00	0.00	16,693.74
	30023 CEMETERY FURNACE	31.56	0.00	0.00	31.56
	30026 ASSESSOR'S ENCYCLICAL	30,152.89	0.00	0.00	30,152.89
	30028 FIRE CUSTOM PUMPER	2,608.85	48,077.00	50,000.00	4,531.85
	30030 PRESCOTT BUILDING RENOVATION	209,611.01	194,266.67	0.00	15,344.34
	30043 RTE 117 INTERSECTION	43,660.00	43,660.00	0.00	0.00
	30044 PRESCOTT MOVE	23,932.84	1,017.99	0.00	22,914.85
	30045 OLD COUNTY ROAD	13,600.00	13,600.00	0.00	0.00
	30046 BARTLETT POND DAM	66,657.50	2,157.50	65,000.00	129,500.00
	30047 LIBRARY REPOINTING	0.00	24,400.00	27,000.00	2,600.00
	30048 MRE/LBM BOILER	0.00	0.00	35,000.00	35,000.00
	30049 MRE/LBM SMOKE DETECTOR	0.00	16,197.00	17,000.00	803.00
FY19 TRUST/ESCROW					
TRUST	83002 LAND PURCHASE	13,715.80	0.00	23.70	13,739.50

	83003 NO LANC MUNICIPAL WATER	3,808.05	0.00	2.57	3,810.62
	83004 61A LAND PURCHASE	44,769.61	0.00	41.00	44,810.61
	83005 DIGITAL LANC TECH PARK	637.60	0.00	0.64	638.24
	83006 PUBLIC SAFETY OFFICERS SURVIVOR	3,235.97	0.00	9.38	3,245.35
	83007 LOCAL EDUCATION	246.81	0.00	0.25	247.06
	83008 POLICE LAW ENFORCEMENT TRUST	588.35	0.00	0.59	588.94
	83009 CONSERV GREENWAY	21.93	0.00	0.03	21.96
	83010 ELDERLY DISABLE TAX	3,516.30	0.00	828.17	4,344.47
	83011 CEMETERY FLOWERS	2,017.13	0.00	5.63	2,022.76
	83013 CONSERVATION TRUST	18,492.28	5,874.88	3,420.76	16,038.16
	90001 WINSOR HEIGHTS ESCROW	0.00	0.00	0.00	0.00
	90002 EAGLE RIDGE ESCROW	10,463.92	414.00	0.00	10,049.92
	90008 JONES CROSSING ESCROW	405.00	405.00	0.00	0.00
	90010 WHITE OAKS ESCROW	2,821.70	2,821.70	0.00	0.00
	90011 FIELDCREST ESCROW	0.00	0.00	0.00	0.00
	90014 CLEAR SUMMIT MITIGATION	0.00	0.00	0.00	0.00
	90016 ERP MOUNTAIN LAUREL	2.26	836.56	838.56	4.26
	90017 ERP KANIS	0.06	767.77	767.77	0.06
	90018 ERP CENTRAL MASS	0.00	2,402.88	2,402.88	0.00
	90019 ERP BALDARELLI	1,000.01	0.00	0.00	1,000.01
	90020 ERP KEATING	0.00	5,074.09	5,074.09	0.00
	90023 ERP LLEC	1,000.68	1,638.56	1,638.56	1,000.68
	90024 ERP CENTRAL MASS	1,100.50	0.00	0.00	1,100.50
	90031 DEVONSHIRE ESTATES BOND	15,747.50	53,187.50	38,000.00	560.00
	90032 CONSERVATION SHORELINE	613.62	0.00	0.00	613.62
	90033 SANDY HOLLOW ESCROW	0.00	0.00	0.00	0.00
	90034 FORT POND LLC	61,481.06	3,319.86	4,100.28	62,261.48
	90035 DUVAL ROAD SEWER	39,085.75	4,307.49	8,011.14	42,789.40
	90036 NO LANCASTER LLC	958.52	388.68	0.00	569.84
	90038 J. B. HUNT	1,667.20	0.00	0.00	1,667.20
	90039 SHIRLEY ROAD LANDSCAPING ESCROW	4,710.00	0.00	0.00	4,710.00
	90040 GRAND OAKS	0.00	0.00	0.00	0.00
	90041 F.C. STARS	3,313.18	2,487.93	0.00	825.25
	90042 AGWAY LANDSCAPING	604.18	604.18	0.00	0.00
	90045 NO LANCASTER WATER	8,650.00	0.00	0.00	8,650.00
	26010 LIBRARY PARKER GIFT	3,306.02	0.00	0.00	3,306.02
	26011 CONSERVATION PARKER GIFT	93.75	0.00	0.10	93.85
	83012 CAPITAL STABILIZATION	248,338.91	206,900.00	2,762.58	44,201.49
	83001 STABILIZATION	1,764,779.06	291,856.00	308,847.59	1,781,770.65
	83014 OPEB INTEREST	1,973,084.03	0.00	111,605.66	2,084,689.69
AGENCY	89001 FEDERAL TAX	0.00	408,037.91	408,037.91	0.00
	89002 STATE TAX	0.00	187,710.70	187,710.70	0.00
	89003 MEDICARE	100.00	49,549.25	49,549.25	100.00
	89004 DEFERRED COMP	0.00	68,481.37	56,481.37	(12,000.00)
	89005 COUNTY RETIREMENT	5,274.60	282,134.02	282,513.89	5,654.47
	89006 OBRA MANDATORY	0.20	34,691.15	34,691.15	0.20
	89007 OBRA VOLUNTARY	0.00	5,272.88	5,272.88	0.00
	89008 GROUP HEALTH	15,234.74	200,027.90	185,179.65	386.49
	89009 EMPLOYEE FSA	599.86	36,450.00	36,638.25	788.11
	89010 POLICE ACADEMY REPAYMENT	0.00	3,769.02	0.00	(3,769.02)
	89011 DISABILITY	1,293.37	19,393.50	19,594.33	1,494.20
	89012 LIFE	57.94	6,914.88	6,917.35	60.41
	89013 LEVY	499.80	30,882.98	30,882.98	499.80
	89014 DENTAL	583.50	23,359.00	23,486.00	710.50
	89015 POLICE UNION DUES	140.00	6,390.00	6,385.00	135.00

	89016 DPW UNION DUES	(673.13)	10,184.98	9,979.28	(878.83)
	89017 FIRE UNION DUES	842.23	5,865.00	6,070.81	1,048.04
	89018 COMM OF MA FISHERIES	52.15	0.00	0.00	52.15
	89019 POLICE OUTSIDE DETAIL	(78,008.05)	622,807.98	605,530.32	(95,285.71)
	89020 FIRE OUTSIDE DETAIL	366.16	15,899.80	15,509.80	(23.84)
	89022 SENIOR TAX WORKOFF	(3,554.23)	13,143.10	13,143.10	(3,554.23)
	89023 RETIREE HEALTH INS	5,275.00	83,316.34	81,386.71	3,345.37
NON-EXP	81006 CEMETERY NON-EXP PRINC	262,487.31	0.00	0.00	262,487.31
	CEMETERY NON-EXP INT	(3,179.95)	10,863.95	64,951.76	50,907.86
	81014 SELECTMEN NON-EXP PRINC	18,017.58	0.00	0.00	18,017.58
	SELECTMEN NON-EXP INT	26,293.30	0.00	4,930.00	31,223.30
	81008 UNRESTRICTED PRINCIPAL	60,606.72	0.00	2,025.97	62,632.69
	UNRESTRICTED UNEXPEND INT	9,353.56	3,240.57	807.30	6,920.29
	81009 TRUSTEES PRINCIPAL	21,216.63	0.00	688.28	21,904.91
	TRUSTEES UNEXPEND INT	1,927.08	1,681.00	260.13	506.21
	81010 SPECIAL COLLECTIONS PRINCIPAL	31,492.24	0.00	611.43	32,103.67
	SPECIAL COLLECTIONS UNEXPEND	1,669.79	1,826.77	898.92	741.94
	81011 MEMORIAL BOOK PRINCIPAL	1,645.33	401.20	0.00	1,244.13
	MEMORIAL BOOK UNEXPEND INT	(51.12)	39.77	521.81	430.92
	81012 BOOKS PRINCIPAL	147,822.12	0.00	9,977.01	157,799.13
	BOOKS UNEXPEND INT	23,885.69	5,647.80	4,845.88	23,083.77
	81013 JOHN ELIOT THAYER	26,806.95	2,647.03	0.00	24,159.92
	JOHN ELIOT THAYER UNEXPEND INT	7,987.74	7,406.31	0.00	581.43
	82001 HENRY FITZGERALD	517.05	0.00	0.00	517.05
	82002 WHITNEY LECTURE	4,711.59	0.00	0.00	4,711.59
	82003 WELFARE	12,610.68	0.00	0.00	12,610.68
	82004 BILLINGS	8,168.23	0.00	0.00	8,168.23
	82005 McGURIE	1,722.00	0.00	0.00	1,722.00
	82006 CEMETERY	42,290.89	0.00	10,863.95	53,154.84
	82007 CEMETERY PERP CARE	108,029.22	64,100.90	5,250.00	49,178.32
	82008 BOOKS	(2,500.31)	0.00	5,647.80	3,147.49
	82009 UNRESTRICTED	(574.31)	0.00	2,171.77	1,597.46
	82010 TRUSTEES	(124.51)	0.00	699.79	575.28
	82011 SPECIAL COLLECTIONS	(802.84)	0.00	1,826.77	1,023.93
	82012 MEMORIAL	(17.65)	0.00	39.77	22.12

ISSUER COMMENT

15 May 2020

RATING

General Obligation (or GO Related) ¹

Aa3 No Outlook

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Town of Lancaster, MA

Annual Comment on Lancaster

Issuer Profile

The Town of Lancaster is located in northeastern Worcester County, Massachusetts, approximately 18 miles northeast of the city of Worcester and 37 miles northwest of Boston. The county has a population of 822,280 and a moderate population density of 543 people per square mile. The county's median family income is \$93,012 (1st quartile) and the March 2020 unemployment rate was 3.6% (2nd quartile) ². The largest industry sectors that drive the local economy are health services, retail trade, and manufacturing.

We regard the coronavirus outbreak as a social risk under our environmental, social and governance framework, given the substantial implications for public health and safety and the economy. We do not see any material immediate credit risks for Lancaster. However, the situation surrounding coronavirus is rapidly evolving and the longer term impact will depend on both the severity and duration of the crisis. If our view of the credit quality of Lancaster changes, we will update our opinion at that time.

Credit Overview

Lancaster has a strong credit position, and its Aa3 rating is level with the US cities median of Aa3. Notable credit factors include a healthy financial position, an average debt burden and a low pension liability. It also reflects a strong wealth and income profile and a modestly sized tax base.

Finances: The town's financial position is very solid and is relatively in line with the assigned rating of Aa3. However, the cash balance as a percent of operating revenues (26.3%) is smaller than the US median, after remaining stable between 2015 and 2019. In addition, Lancaster's fund balance as a percent of operating revenues (20.7%) falls short of other Moody's-rated cities and towns nationwide. That said, Massachusetts local governments tend to have financial ratios lower than US medians because they generally derive a majority of revenues from stable property taxes and their financials typically incorporate school operations which are predictable.

Debt and Pensions: The debt and pension liabilities of the town are affordable overall and are slightly favorable in relation to its Aa3 rating. The net direct debt to full value (1%) is roughly equivalent to the US median, and remained the same from 2015 to 2019. Furthermore, the Moody's-adjusted net pension liability to operating revenues (0.74x) favorably is materially below the US median.

Economy and Tax Base: Overall, Lancaster has a healthy economy and tax base, which are aligned with the assigned rating of Aa3. The median family income equates to a strong

145.1% of the US level. Additionally, the full value per capita (\$118,723) is consistent with other Moody's-rated cities nationwide, and grew markedly between 2015 and 2019. That said, the total full value (\$955 million) is smaller than the US median.

The coronavirus pandemic is driving an unprecedented economic slowdown. We currently forecast real US GDP to decline significantly over the first and second quarters of 2020, but a more moderate decline for the full year. Local governments with the highest exposure to the tourism, health care, consumer and international trade sectors could suffer particularly severe impacts.

Management and Governance: Massachusetts cities have an institutional framework score ³ of "Aa", which is strong. The sector's major revenue source of property taxes, are subject to the Proposition 2 1/2 tax levy cap which can be overridden with voter approval only. However, the cap of 2.5% still allows for moderate revenue-raising ability. Expenditures primarily consist of personnel costs, as well as education costs for cities that manage school operations, and are highly predictable given state-mandated school spending guidelines and employee contracts. Unpredictable revenue fluctuations tend to be minor, or under 5% annually. Across the sector, fixed and mandated costs are generally greater than 25% of expenditures. Fixed costs are driven mainly by debt service and pension costs. Unpredictable expenditure fluctuations tend to be minor, under 5% annually.

Sector Trends - Massachusetts Cities

Massachusetts cities will generally benefit from an expanding state economy. The vibrant expansion throughout the greater Boston region will continue to bolster most of the state, resulting in favorable employment trends relative to the nation as a whole. We expect the operating environment of cities to be favorable due to the growing residential and commercial real estate markets which will boost property tax revenues. However, Massachusetts cities will remain somewhat challenged by relatively low housing affordability and very high costs of doing business.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

EXHIBIT 1

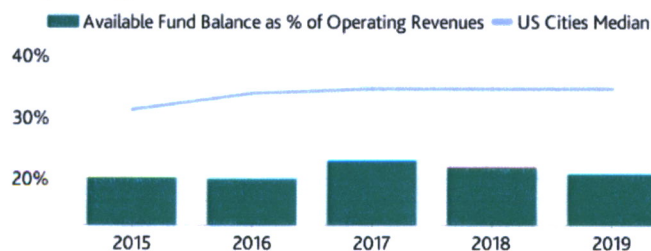
Key Indicators ⁴ ⁵ Lancaster

	2015	2016	2017	2018	2019	US Median	Credit Trend
Economy / Tax Base							
Total Full Value	\$848M	\$848M	\$892M	\$892M	\$954M	\$1,904M	Improved
Full Value Per Capita	\$105,383	\$104,810	\$111,899	\$110,994	\$118,723	\$94,106	Improved
Median Family Income (% of US Median)	150%	153%	156%	145%	145%	111%	Weakened
Finances							
Available Fund Balance as % of Operating Revenues	20.1%	19.9%	22.9%	21.7%	20.7%	34.6%	Stable
Net Cash Balance as % of Operating Revenues	25.2%	23.4%	25.3%	26.0%	26.3%	39.6%	Stable
Debt / Pensions							
Net Direct Debt / Full Value	1.1%	1.0%	0.7%	1.2%	1.0%	1.1%	Stable
Net Direct Debt / Operating Revenues	0.50x	0.43x	0.32x	0.52x	0.43x	0.84x	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Full Value	1.4%	1.5%	1.5%	1.7%	1.7%	1.9%	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Operating Revenues	0.68x	0.65x	0.68x	0.72x	0.74x	1.56x	Stable
	2015	2016	2017	2018	2019	US Median	
Debt and Financial Data							
Population	8,048	8,092	7,978	8,043	8,043	N/A	
Available Fund Balance (\$000s)	\$3,600	\$3,900	\$4,580	\$4,569	\$4,592	\$8,028	
Net Cash Balance (\$000s)	\$4,510	\$4,587	\$5,070	\$5,463	\$5,825	\$9,530	
Operating Revenues (\$000s)	\$17,887	\$19,608	\$20,015	\$21,037	\$22,168	\$23,172	
Net Direct Debt (\$000s)	\$8,985	\$8,508	\$6,439	\$10,876	\$9,626	\$19,139	
Moody's Adjusted Net Pension Liability (3-yr average) (\$000s)	\$12,169	\$12,736	\$13,603	\$15,164	\$16,501	\$35,448	

Source: Moody's Investors Service

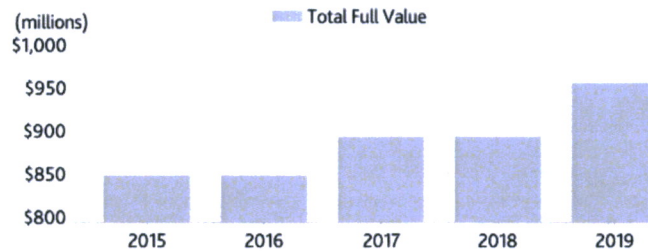
EXHIBIT 2

Available fund balance as a percent of operating revenues increased from 2015 to 2019



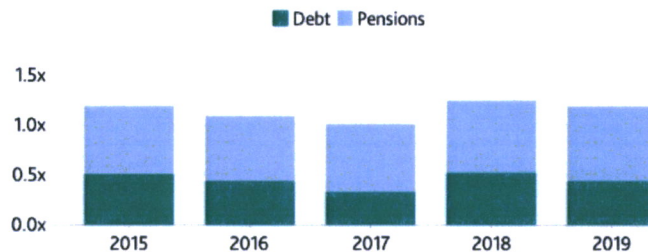
Source: Issuer financial statements; Moody's Investors Service

EXHIBIT 3

Full value of the property tax base increased from 2015 to 2019

Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

EXHIBIT 4

Moody's-adjusted net pension liability to operating revenues increased from 2015 to 2019

Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

Endnotes

- The rating referenced in this report is the issuer's General Obligation (GO) rating or its highest public rating that is GO-related. A GO bond is generally backed by the full faith and credit pledge and total taxing power of the issuer. GO-related securities include general obligation limited tax, annual appropriation, lease revenue, non-ad valorem, and moral obligation debt. The referenced ratings reflect the government's underlying credit quality without regard to state guarantees, enhancement programs or bond insurance.
 - The demographic data presented, including population, population density, per capita personal income and unemployment rate are derived from the most recently available US government databases. Population, population density and per capita personal income come from the American Community Survey while the unemployment rate comes from the Bureau of Labor Statistics.
- The largest industry sectors are derived from the Bureau of Economic Analysis. Moody's allocated the per capita personal income data and unemployment data for all counties in the US census into quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile.
- The institutional framework score assesses a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See [US Local Government General Obligation Debt \(September 2019\)](#) methodology report for more details.
 - For definitions of the metrics in the Key Indicators Table, [US Local Government General Obligation Methodology and Scorecard User Guide \(July 2014\)](#). Metrics represented as N/A indicate the data were not available at the time of publication.
 - The medians come from our most recently published local government medians report, [Medians - Tax base growth underpins sector strength, while pension challenges remain \(May 2019\)](#) which is available on Moodys.com. The medians presented here are based on the key metrics outlined in Moody's GO methodology and the associated scorecard.