

Comprehensive Annual Financial Report Fiscal Year 2015

City of Hampton Virginia



Hampton
VIRGINIA

Hampton City Council
December 9, 2015
Fiscal Year 2015 CAFR



Purpose

To provide an overview of the
Comprehensive Annual Financial
Report for the fiscal year ended
June 30, 2015



Agenda

Auditor's Presentation

Finance Department's Presentation

Questions

Summary of General Fund Financial Results

**CITY OF HAMPTON
SUMMARY REVIEW OF FINANCIAL RESULTS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

| | (In Millions) | | Favorable (Unfavorable) Variance |
|---|---------------|-----------------------|--|
| | <u>Budget</u> | <u>Actual</u> | |
| Revenues (Excluding Appropriations From Fund Balance & School Funds) | \$ 318.7 | \$ 317.2 | \$ (1.5) |
| Expenditures (Including Transfers & Excluding Budget Savings) | <u>331.5</u> | <u>315.7</u> | 15.8 |
| Excess of Revenues over Expenditures | | 1.5 | |
| Net Changes in Other Components of Fund Balance | | <u>(1.0)</u> | |
| Net Increase (Decrease) in Unassigned Fund Balance | | 0.5 | |
| Unassigned Fund Balance June 30, 2014 | | <u>51.6</u> | |
| Unassigned Fund Balance June 30, 2015 | | <u><u>\$ 52.1</u></u> | |

General Fund Revenues Budget vs. Actual



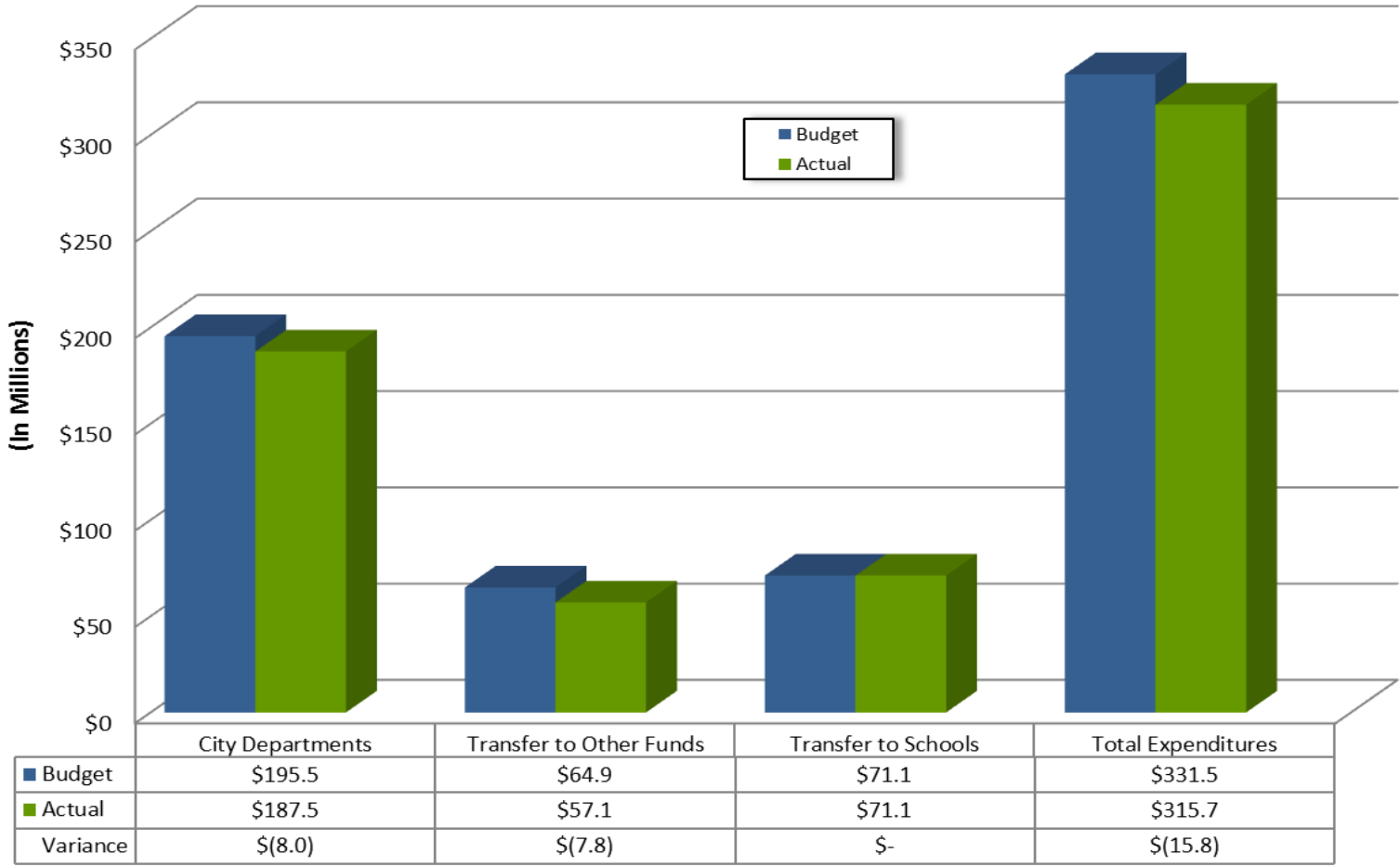
General Fund Revenues

Significant Revenue Budget Variances

| | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|--|
| MEAL TAXES: This revenue was 3% over the budget primarily from an improving economy. | \$0.6M |
| SALES TAXES: This revenue was 4% over the budget primarily from an improving economy. | \$0.6M |
| PUBLIC ASSISTANCE STATE/FEDERAL REVENUES: Revenues are a function of the level of expenditures and the federal reimbursement rate for various programs. Expenditures were less than budget; however, the reimbursement rate was greater than what was budgeted. | (\$0.5M) |
| LOCAL AID TO THE COMMONWEALTH: Mid-year adjustment approved by the General Assembly. | (\$0.7M) |
| BUSINESS LICENSE TAX: Revenues were under the budget estimate due to some significant refunds that were made in 2015. | (\$1M) |
| SPECIAL ASSESSMENTS FOR THE COMMUNITY DEVELOPMENT AUTHORITIES: Collections were less than the revenue estimate. | (\$0.7M) |

General Fund Expenditures

Budget vs. Actual



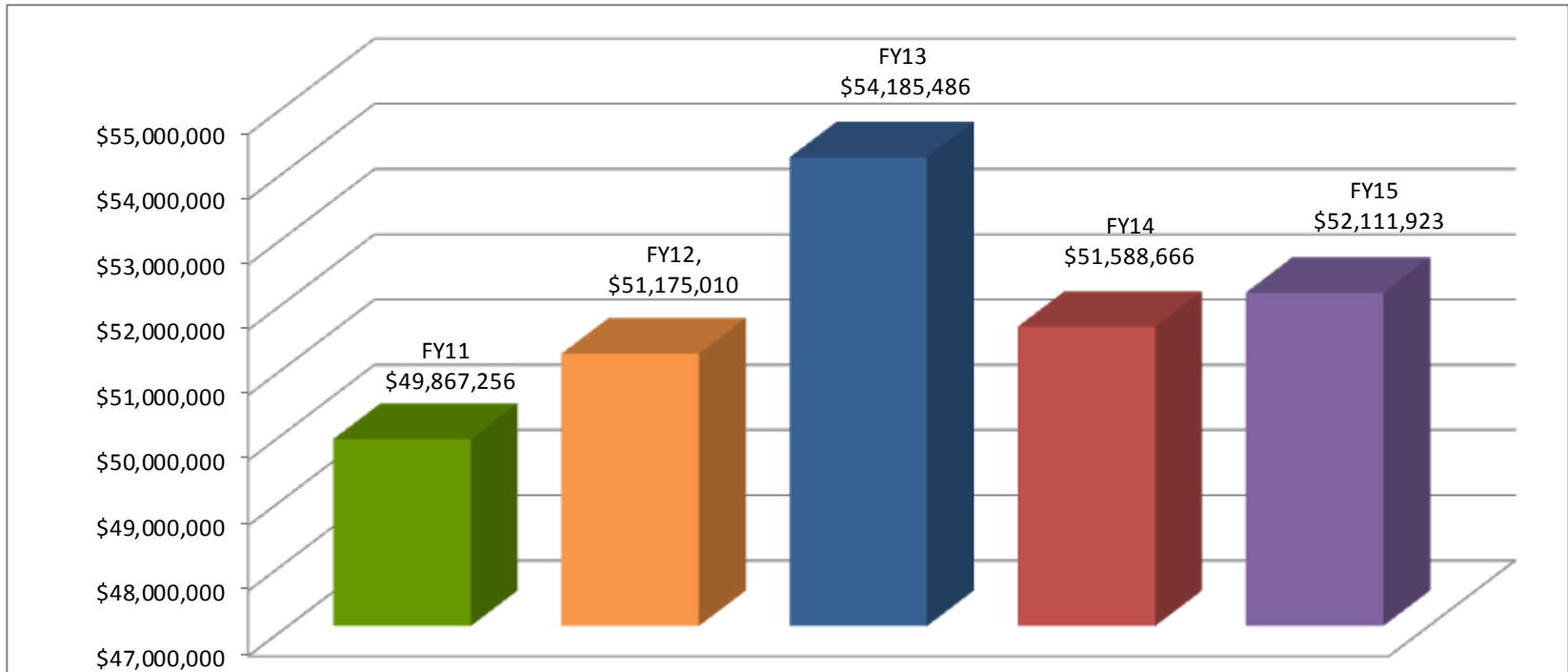
General Fund Expenditures

Significant Appropriation Variances

| | VARIANCE FAVORABLE (UNFAVORABLE) |
|---|--|
| HUMAN SERVICE APPROPRIATIONS THAT RELATE TO PUBLIC ASSISTANCE STATE/FEDERAL REVENUES | \$1.3M |
| TRANSFERS TO OTHER FUNDS: Projects in the Capital Projects Fund were at various stages of completion; most of this funding was re-appropriated in FY16 to complete the various projects (\$6.85M). Debt Service savings (\$738K). | \$7.6M |
| POSITION AND BENEFIT SAVINGS PRIMARILY FROM VACANT POSITIONS | \$3.1M |
| SPECIAL ASSESSMENTS FOR THE COMMUNITY DEVELOPMENT AUTHORITIES: Collections were less than the revenue estimate | \$0.7K |

For the committed fund balance – budget savings program, we added approximately \$2.3 million from savings generated by departments during fiscal year 2015

General Fund Unassigned Fund Balance



| | FY11 | FY12 | FY13 | FY14 | FY15 |
|------------------------------|--------|--------|---------|--------|-------|
| Actual FB as a % of Revenues | 12.1% | 12.3% | 12.7% | 11.6% | 11.8% |
| Policy % | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |
| In Excess of Policy % | 2.1% | 2.3% | 2.7% | 1.6% | 1.8% |
| In Excess of Policy \$ | \$8.5M | \$9.5M | \$11.4M | \$7.2M | \$8.0 |

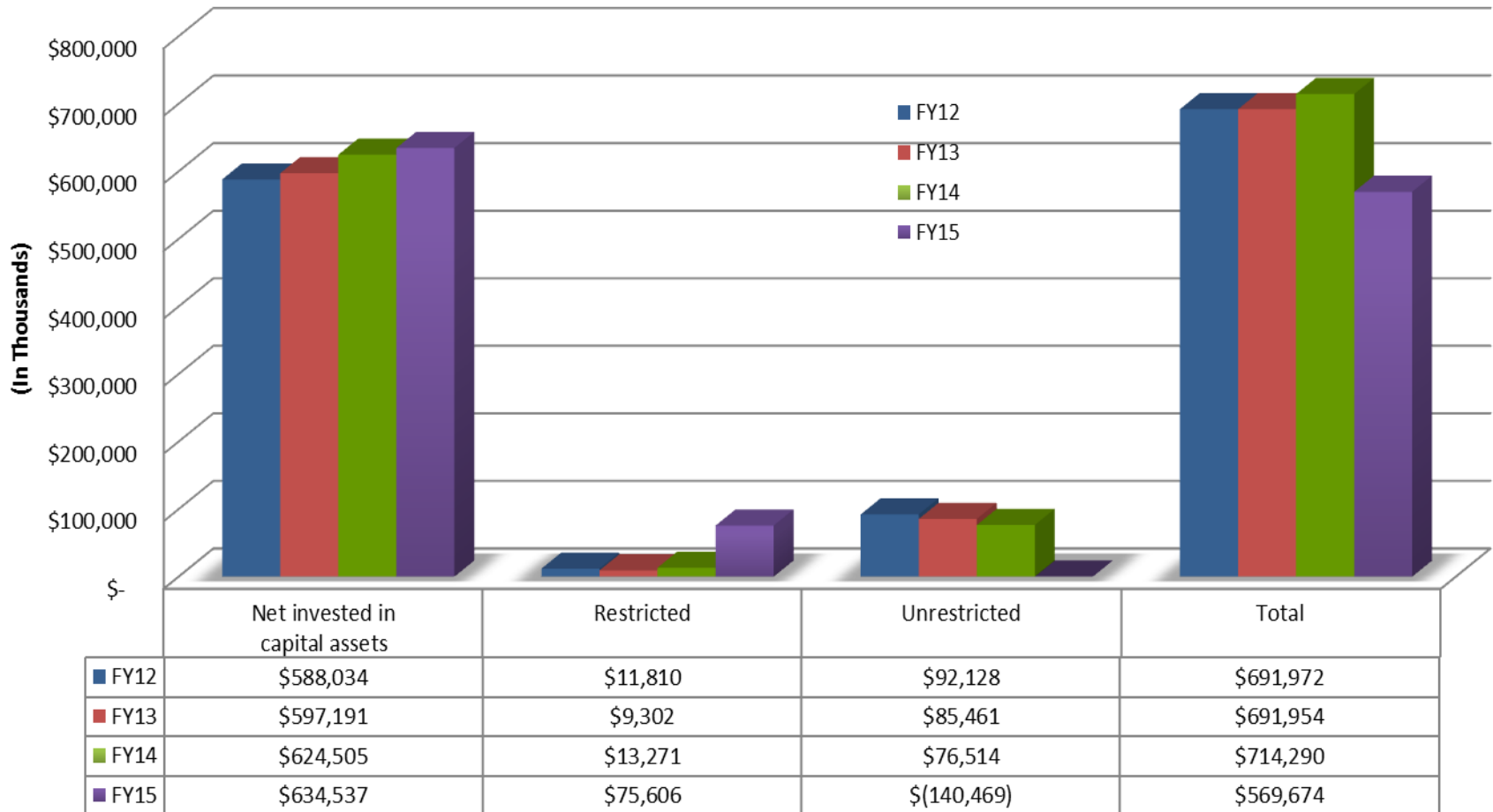
Government-Wide Financial Statements

- ❖ Designed to view the City as a single economic unit, not just a collection of funds
- ❖ Uses a basis of accounting similar to corporate America
 - Capital assets
 - Long-term debt
 - Net pension liability
- ❖ Provide information to assess the City's long-term, total financial condition (Net Position)

New Accounting Standards for Pensions

- ❖ Required to record the net pension liability in the financial statements
- ❖ City's Net Pension liabilities:
 - Government Activities \$129.9M
 - Business Activities \$ 11.9M
- ❖ School Board's Net Pension Liability \$204.1M
- ❖ No impact on pension funding
- ❖ No impact on the General or Schools Operating Funds

Governmental Activities – Net Position



Business-Type Activities–Net Position

