

Comprehensive Annual Financial Report Fiscal Year 2018

City of Hampton Virginia



Hampton
VIRGINIA

Hampton City Council
December 12, 2018
Fiscal Year 2018 CAFR



Purpose

To provide an overview of the
Comprehensive Annual Financial
Report for the fiscal year ended
June 30, 2018



Agenda

Auditor's Presentation

Finance Department's Presentation

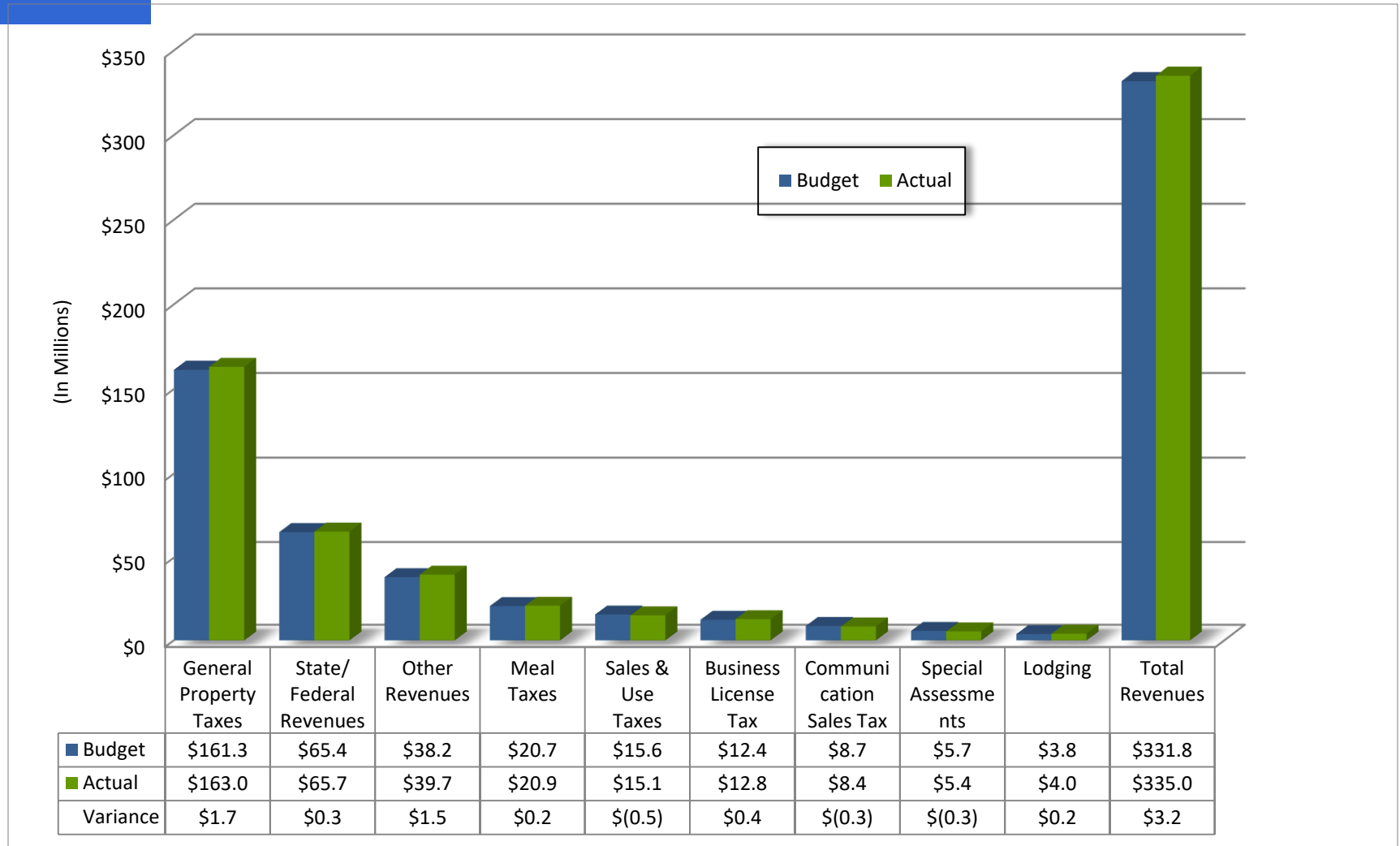
Questions

Summary of General Fund Financial Results

**CITY OF HAMPTON
SUMMARY REVIEW OF FINANCIAL RESULTS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	(In Millions)		Favorable (Unfavorable) Variance
	<u>Budget</u>	<u>Actual</u>	
Revenues (Excluding Appropriations From Fund Balance & School Funds)	\$ 331.8	\$ 335.0	\$ 3.2
Expenditures (Including Transfers & Excluding Budget Savings)	<u>342.8</u>	<u>329.8</u>	13.0
Excess of Revenues over Expenditures		5.2	
Net Changes in Other Components of Fund Balance		<u>2.0</u>	
Net Increase (Decrease) in Unassigned Fund Balance		7.2	
Unassigned Fund Balance June 30, 2017		<u>54.3</u>	
Unassigned Fund Balance June 30, 2018		<u><u>\$ 61.5</u></u>	

General Fund Revenues Budget vs. Actual

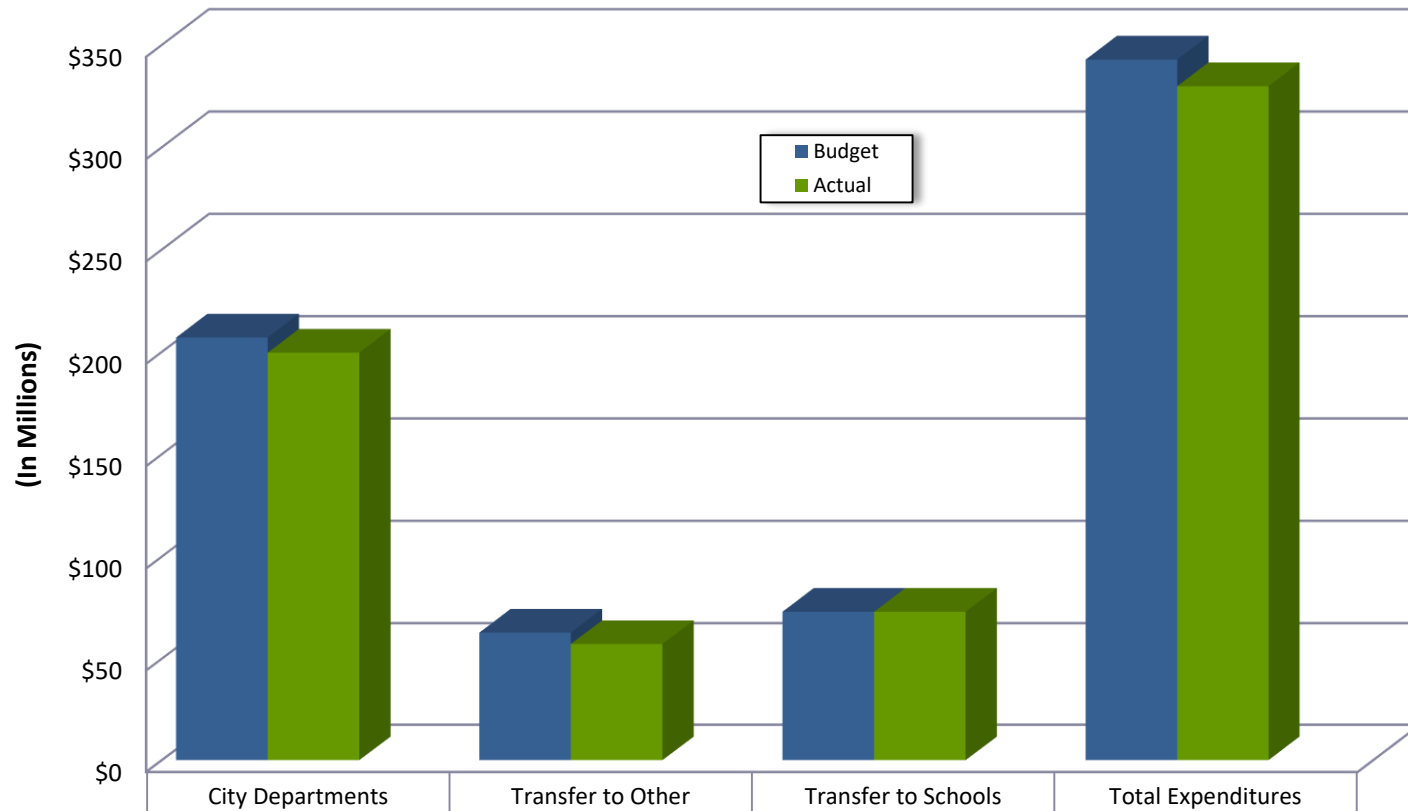


General Fund Revenues

Significant Revenue Budget Variances

	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL PROPERTY TAXES: Actual exceeding the budget because of supplemental real estate assessments for additions/new construction.	\$1.6M
BUSINESS LICENSE TAX: Three large audits conducted in FY18, produced back taxes that made up approximately 75% of the increase in this tax.	\$0.4M
MEAL TAXES: Sales in sit-down along with quick service restaurants continue to grow each year.	\$0.2M
INTEREST FROM INVESTMENTS: The Federal Reserve increased their interest rates three times during fiscal year 2018. This has positively impacted some of the investment interest rates.	\$0.5M
CHARGES FOR SERVICES: Increase in Landfill Host fees is attributed to error in calculation from Waste Management while increased efforts in collections on delinquent EMS Fees along new billing policy for residents co-pays make up the majority of the growth in this category. Greater participation in both AM and PM School Age Program increased revenues in Youth, Education and Family Services.	\$1.0M
SALES AND USE TAX: The impact of e-commerce on retail stores.	(\$0.5M)

General Fund Expenditures Budget vs. Actual



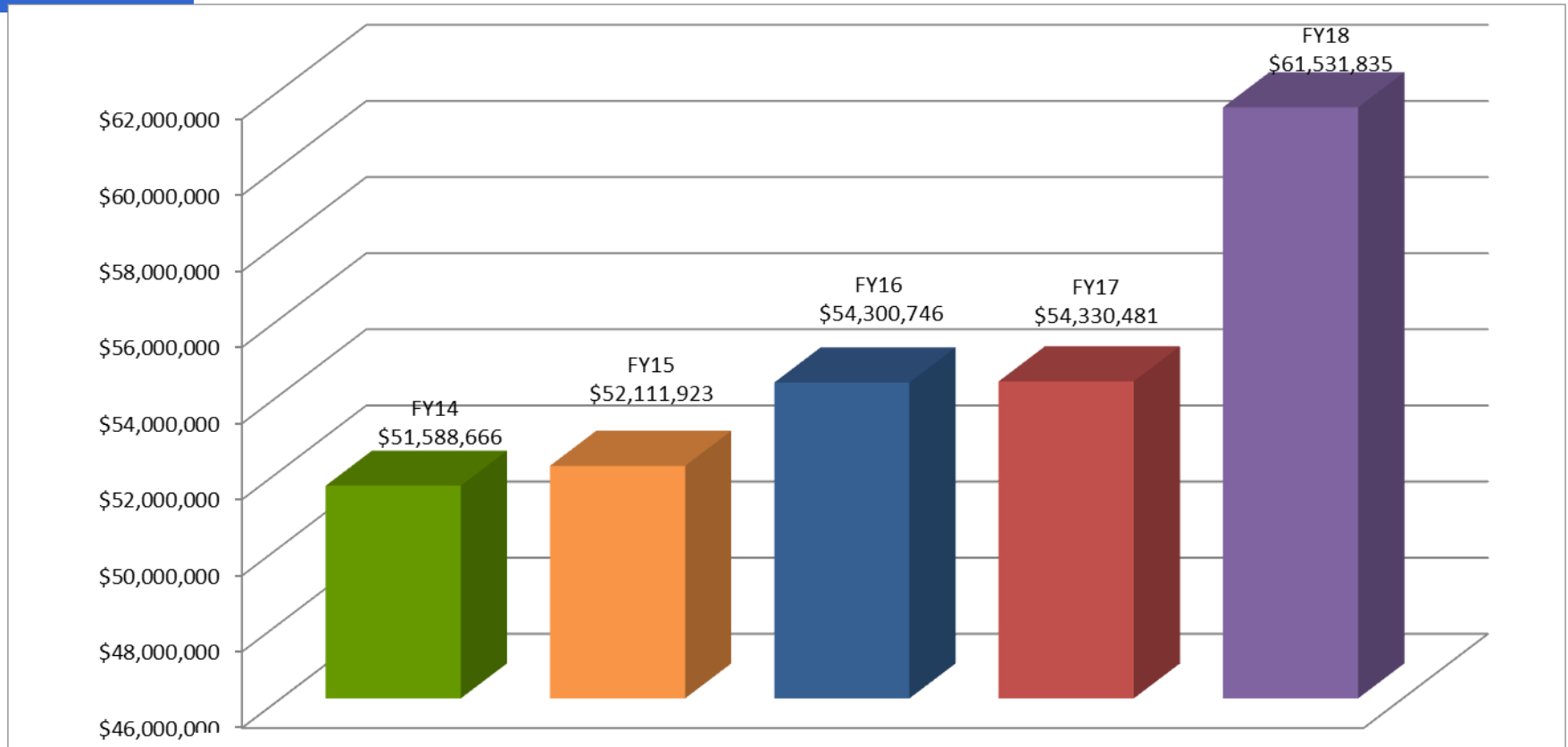
■ Budget	\$207.0	\$62.8	\$73.0	\$342.8
■ Actual	\$199.6	\$57.2	\$73.0	\$329.8
Variance	\$(7.4)	\$(5.6)	\$-	\$(13.0)

General Fund Expenditures

Significant Appropriation Variances

	VARIANCE FAVORABLE (UNFAVORABLE)
TRANSFERS TO OTHER FUNDS: Projects in the Capital Projects Fund were at various stages of completion; most of this funding was re-appropriated in FY19 to complete these projects (\$3.3M). Debt Service savings (\$1.6M), Special Revenue (\$321K), EDA Fund (\$86K), and Bass Pro (\$231K)	\$5.6M
POSITION AND BENEFIT SAVINGS PRIMARILY FROM VACANT POSITIONS	\$3.7M

General Fund Unassigned Fund Balance

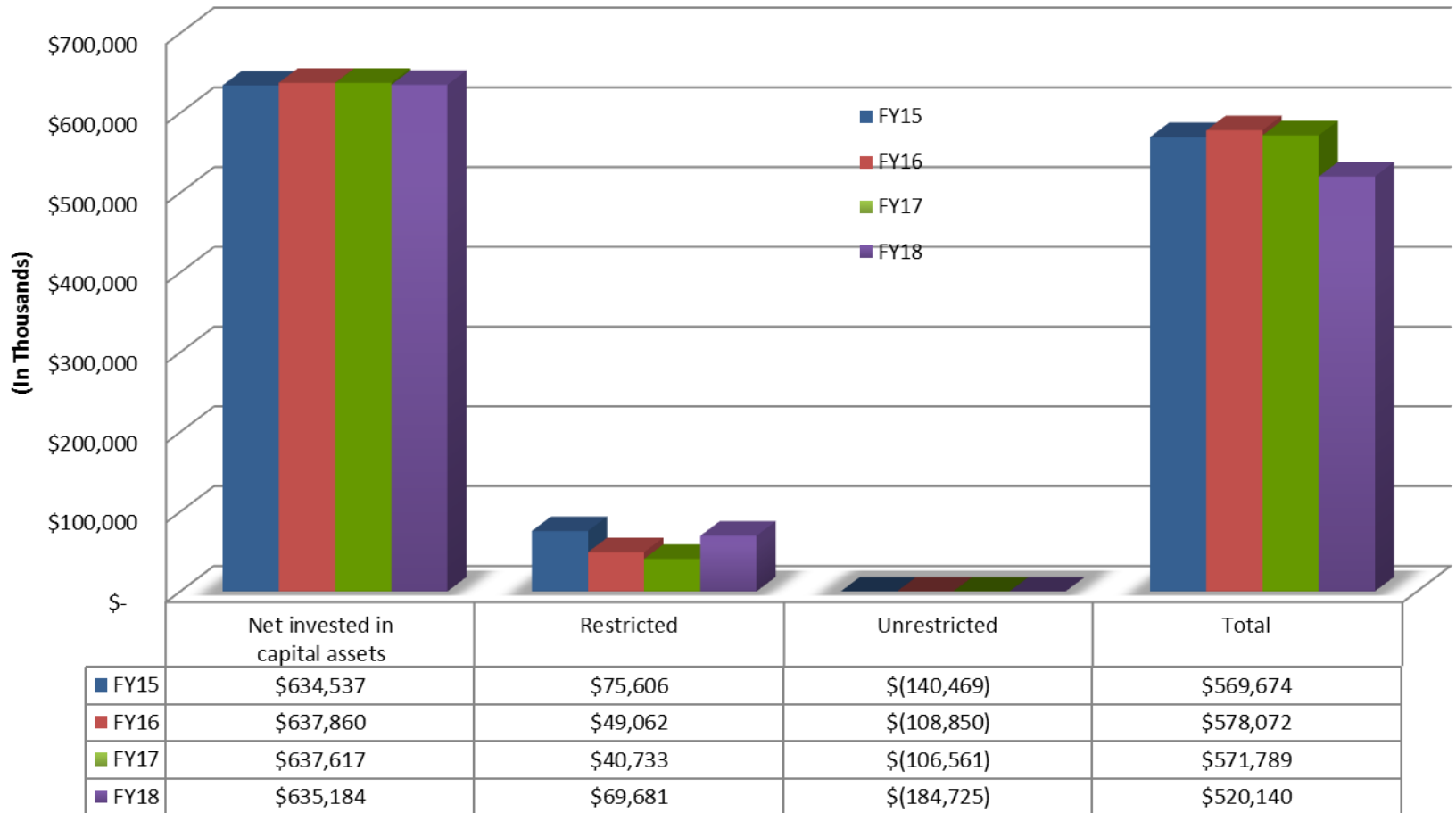


	FY14	FY15	FY16	FY17	FY18
Actual FB as a % of Revenues	11.6%	11.8%	12.1%	12.0%	13.3%
Policy %	10.0%	10.0%	10.0%	10.0%	10.0%
In Excess of Policy %	1.6%	1.8%	2.1%	2.0%	3.3%
In Excess of Policy \$	\$7.2	\$8.0	\$9.2	\$8.9	\$15.1

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
 - Net OPEB Liability
- ❖ Provide information to assess the City's long-term, total financial condition (Net Position)

Governmental Activities – Net Position



Business-Type Activities–Net Position

