

Comprehensive Annual Financial Report Fiscal Year 2020

City of Hampton Virginia



Hampton
VIRGINIA

Hampton City Council
January 13, 2021
Fiscal Year 2020 CAFR



Purpose

To provide an overview of the
Comprehensive Annual Financial
Report for the fiscal year ended
June 30, 2020



Agenda

Auditor's Presentation

Finance Department's Presentation

Questions

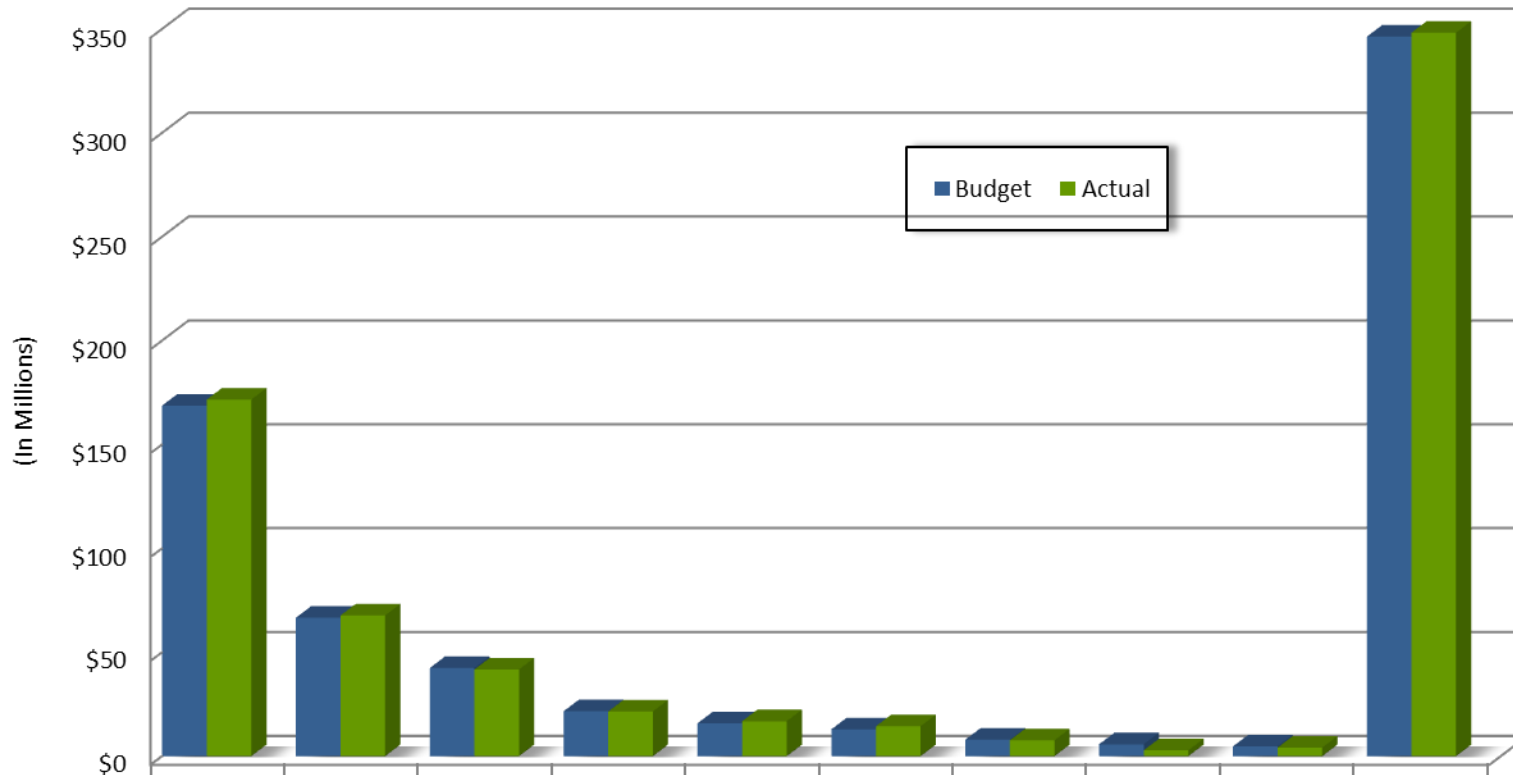
Summary of General Fund Financial Results

**CITY OF HAMPTON
SUMMARY REVIEW OF FINANCIAL RESULTS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	(In Millions)		Favorable (Unfavorable) Variance
	<u>Budget</u>	<u>Actual</u>	
Revenues (Excluding Appropriations From Fund Balance & School Funds)	\$ 346.3	\$ 348.2	\$ 1.9
Expenditures (Including Transfers & Excluding Budget Savings)	<u>353.9</u>	<u>340.1</u>	13.8
Excess of Revenues over Expenditures		8.1	
Net Changes in Other Components of Fund Balance		<u>(2.5)</u>	
Net Increase (Decrease) in Unassigned Fund Balance		5.6	
Unassigned Fund Balance June 30, 2019		<u>74.8</u>	
Unassigned Fund Balance June 30, 2020		<u><u>\$ 80.4</u></u>	

General Fund Revenues

Budget vs. Actual



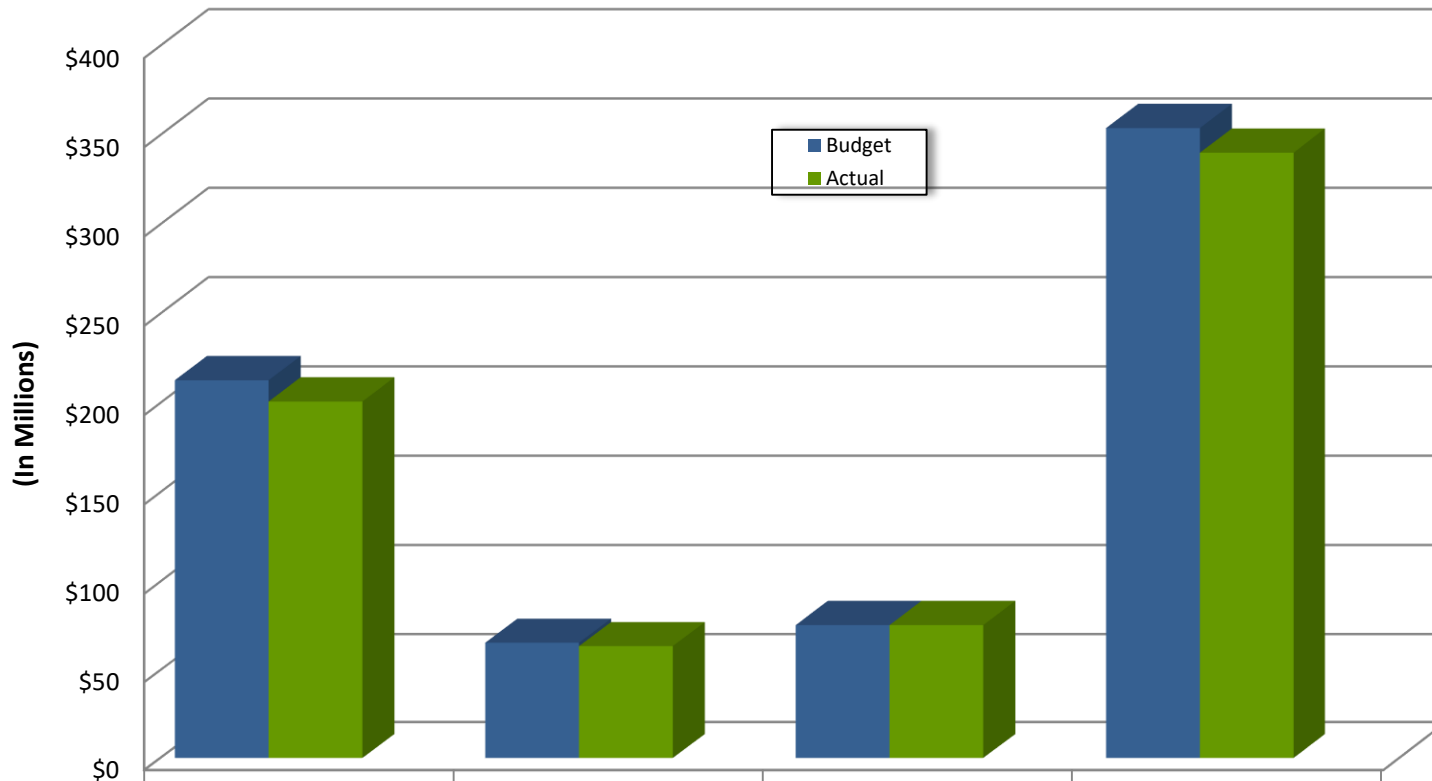
	General Property Taxes	State/Federal Revenues	Other Revenues	Meal Taxes	Sales & Use Taxes	Business License Tax	Communication Sales Tax	Special Assessments	Lodging	Total Revenues
■ Budget	\$168.7	\$66.6	\$42.4	\$21.6	\$15.8	\$12.9	\$7.9	\$5.7	\$4.7	\$346.3
■ Actual	\$171.6	\$67.7	\$41.7	\$21.5	\$16.8	\$14.4	\$7.6	\$2.8	\$4.1	\$348.2
Variance	\$2.9	\$1.1	\$(0.7)	\$(0.1)	\$1.0	\$1.5	\$(0.3)	\$(2.9)	\$(0.6)	\$1.9

General Fund Revenues

Significant Revenue Budget

	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL PROPERTY TAXES: Actual exceeding the budget due to robust collections in real estate and public service taxes along with a strong performance in delinquent collections.	\$2.9M
BUSINESS LICENSE TAX: Calendar year 2019 tax in which we had a strong economy before the pandemic hit.	\$1.5M
SALES & USE TAX: Continued growth even with COVID due to online purchases, big box home improvement stores and grocery store sales.	\$1.0M
STATE AND FEDERAL REVENUES (Primarily in Public Assistance): Revenues are a function of the level of expenditures and federal reimbursement rate for various programs Revenue and the reimbursement rate were more than budgeted.	\$1.1M
SPECIAL ASSESSMENTS: Collections were less than revenue estimates.	(\$2.9M)
LODGING AND TRANSIT: Decline in revenues are due to COVID 19 causing business travel restrictions and decline in leisure travel as consumers are mostly staying home.	(\$0.6M)
FINES & FOREITURES: With courts being closed several months due to COVID there was a corresponding decrease in fine collection.	(\$.3M)

General Fund Expenditures Budget vs. Actual



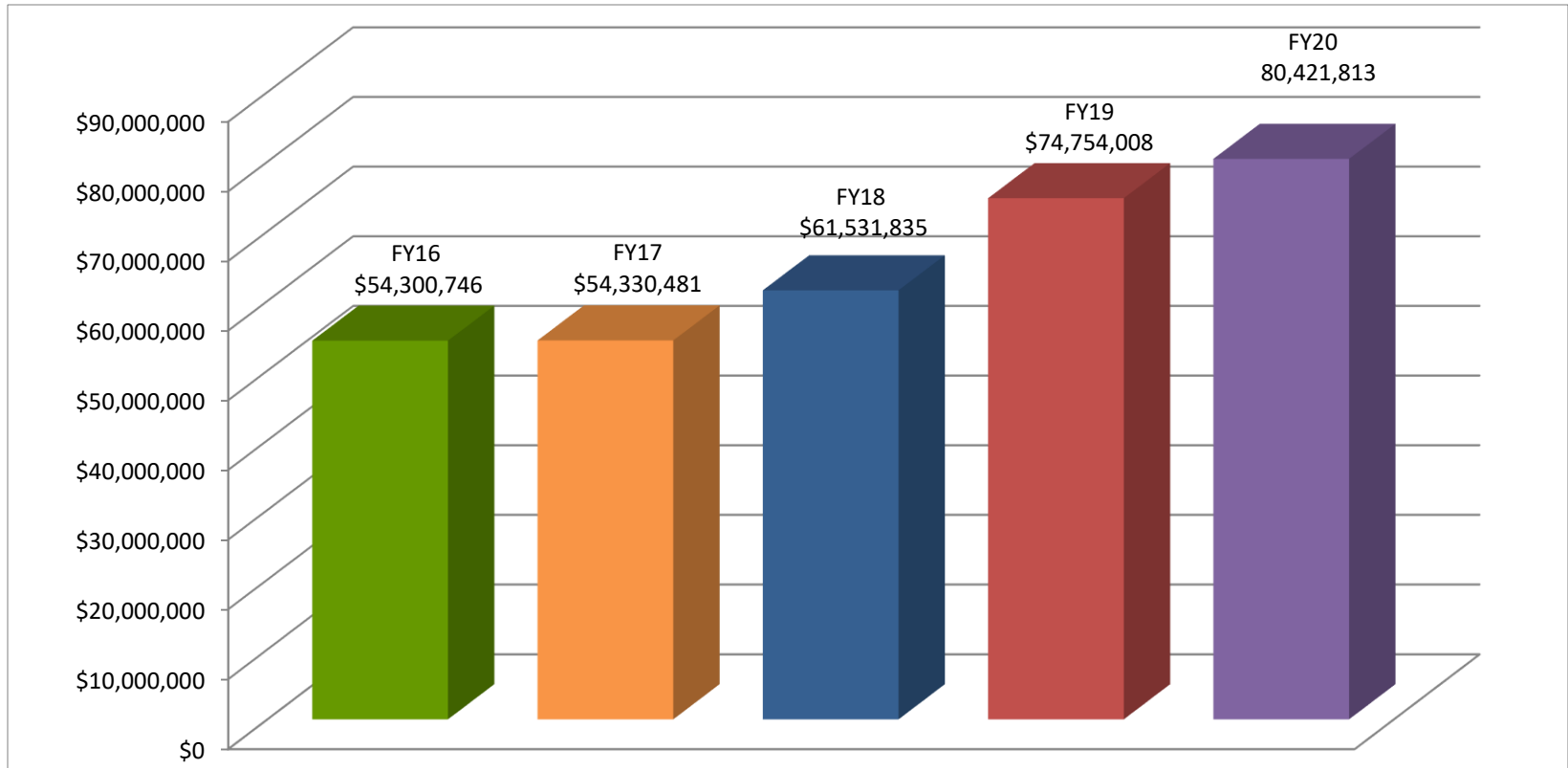
	City Departments	Transfer to Other Funds	Transfer to Schools	Total Expenditures
Budget	\$212.7	\$65.6	\$75.6	\$353.9
Actual	\$200.8	\$63.7	\$75.6	\$340.1
Variance	\$(11.9)	\$(1.9)	\$-	\$(13.8)

General Fund Expenditures

Significant Appropriation Variances

	VARIANCE FAVORABLE (UNFAVORABLE)
POSITION AND BENEFIT SAVINGS PRIMARILY FROM VACANT POSITIONS	\$4.1M
CITY DEPARTMENT'S OPERATING AND CAPITAL OUTLAY: Due to uncertainty of revenues, City Department's were asked to exercise best judgement and limit spending to essential only.	\$4.9M
TRANSFERS TO OTHER FUNDS: Debt Service savings (\$1.7) and Special Revenue (\$115K)	\$1.9M
SPECIAL ASSESSMENTS: Collections were less than the revenue estimate	\$2.9M

General Fund Unassigned Fund Balance

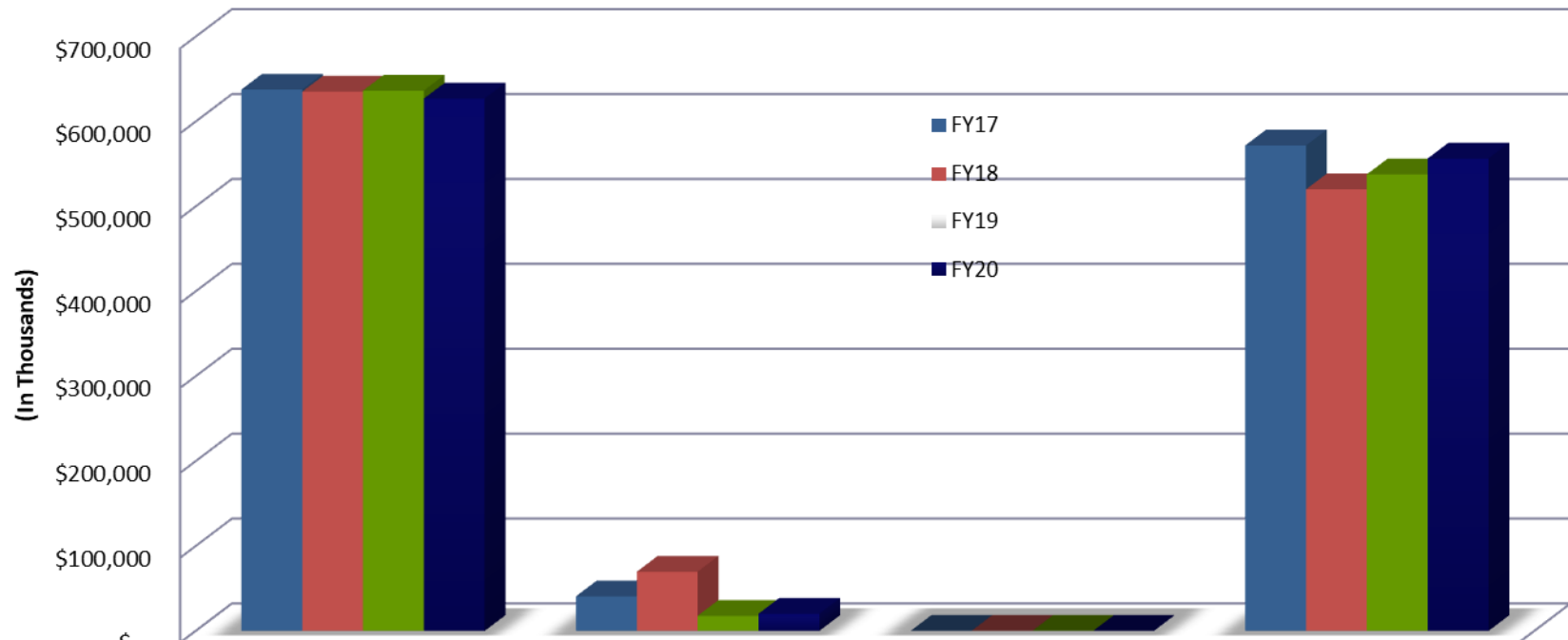


	FY16	FY17	FY18	FY19	FY20
Actual FB as a % of Revenues	12.1%	12.0%	13.3%	15.8%	16.5%
Policy %	10.0%	10.0%	10.0%	10.0%	10.0%
In Excess of Policy %	2.1%	2.0%	3.3%	5.8%	6.5%
In Excess of Policy \$	\$9.2	\$8.9	\$15.1	\$27.5	\$31.8

Government-Wide Financial Statements

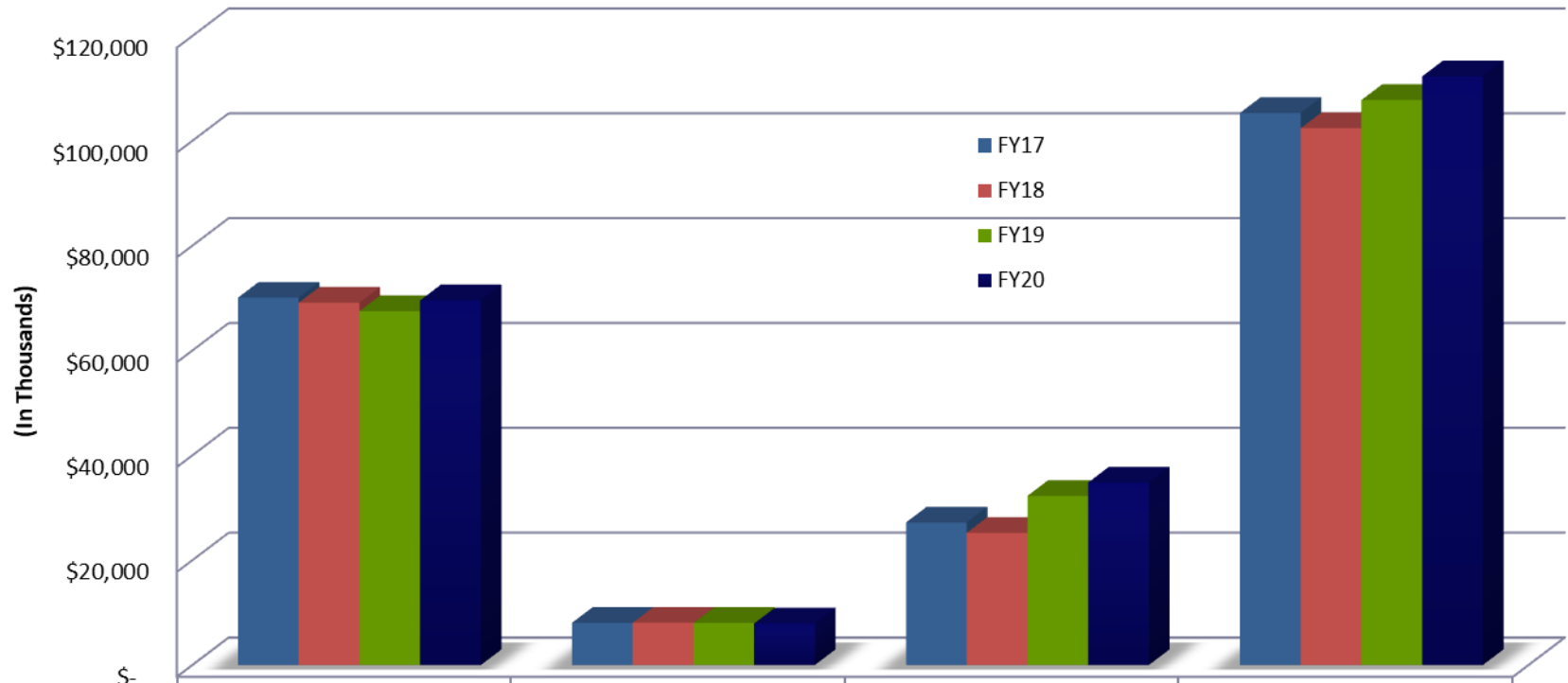
- ❖ Designed to view the City as a single economic unit, not just a collection of funds
- ❖ Uses a basis of accounting similar to corporate America
 - Capital assets
 - Long-term debt
 - Net pension liability
 - Net OPEB Liability
- ❖ Provide information to assess the City's long-term, total financial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

Governmental Activities – Net Position



	Net invested in capital assets	Restricted	Unrestricted	Total
FY17	\$637,617	\$40,733	\$(106,561)	\$571,789
FY18	\$635,184	\$69,681	\$(184,735)	\$520,130
FY19	\$636,462	\$17,817	\$(116,482)	\$537,797
FY20	\$626,982	\$20,198	\$(90,694)	\$556,486

Business-Type Activities–Net Position



	Net invested in capital assets	Restricted	Unrestricted	Total
■ FY17	\$70,078	\$8,048	\$27,189	\$105,315
■ FY18	\$69,107	\$8,068	\$25,216	\$102,391
■ FY19	\$67,497	\$8,016	\$32,260	\$107,773
■ FY20	\$69,562	\$7,906	\$34,812	\$112,280