

# Comprehensive Annual Financial Report Fiscal Year 2019

## City of Hampton Virginia



*Hampton*  
VIRGINIA

Hampton City Council  
December 11, 2019  
Fiscal Year 2019 CAFR



# Purpose

To provide an overview of the  
Comprehensive Annual Financial  
Report for the fiscal year ended  
June 30, 2019



# Agenda

**Auditor's Presentation**

**Finance Department's Presentation**

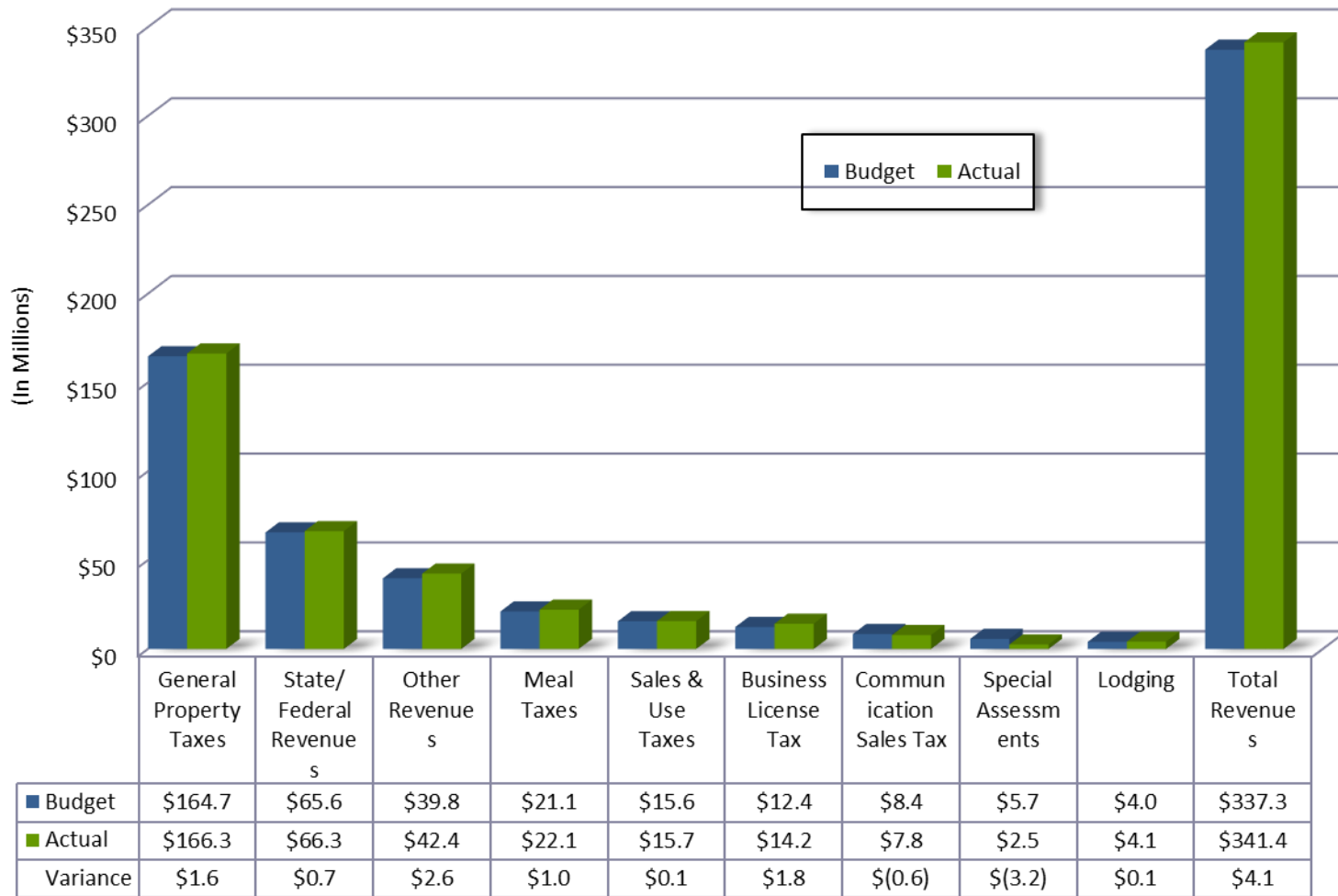
**Questions**

# Summary of General Fund Financial Results

**CITY OF HAMPTON  
SUMMARY REVIEW OF FINANCIAL RESULTS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	(In Millions)		Favorable (Unfavorable) Variance
	<u>Budget</u>	<u>Actual</u>	
Revenues (Excluding Appropriations From Fund Balance & School Funds)	\$ 337.3	\$ 341.4	\$ 4.1
Expenditures (Including Transfers & Excluding Budget Savings)	<u>355.7</u>	<u>338.7</u>	17.0
Excess of Revenues over Expenditures		2.7	
Net Changes in Other Components of Fund Balance		<u>10.6</u>	
Net Increase (Decrease) in Unassigned Fund Balance		13.3	
Unassigned Fund Balance June 30, 2018		<u>61.5</u>	
Unassigned Fund Balance June 30, 2019		<u><u>\$ 74.8</u></u>	

# General Fund Revenues Budget vs. Actual

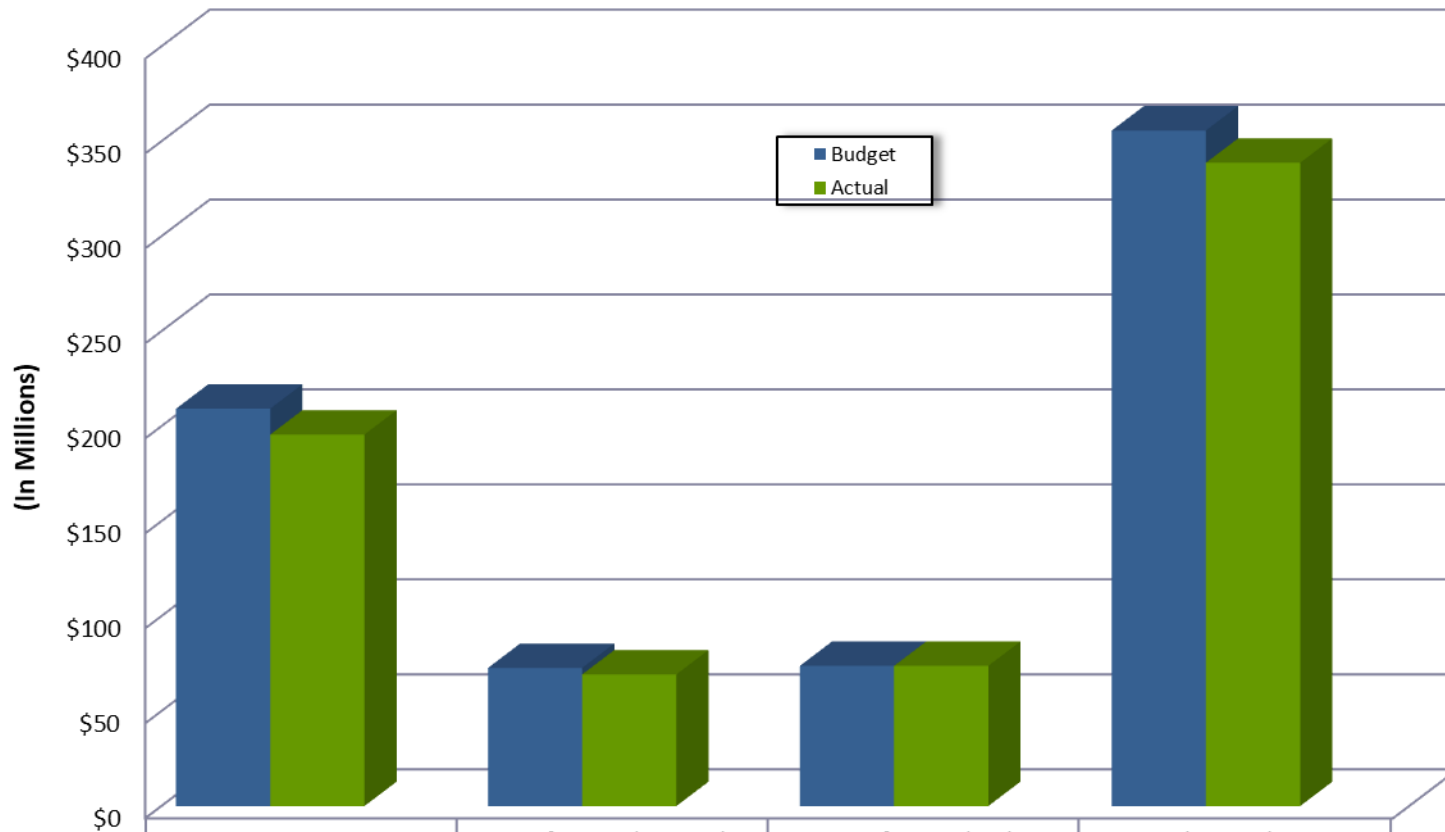


# General Fund Revenues

## Significant Revenue Budget

	VARIANCE FAVORABLE (UNFAVORABLE)
<b>GENERAL PROPERTY TAXES:</b> Actual exceeding the budget because of supplemental real estate assessments for additions/new construction.	\$1.6M
<b>BUSINESS LICENSE TAX:</b> Audit assessments and collections from prior years along with an increase in the number of business licenses issued.	\$1.8M
<b>INTEREST FROM INVESTMENTS:</b> The Federal Reserve increased their interest rates two times during fiscal year 2019. This has positively impacted some of the investment interest rates.	\$1.2M
<b>MEAL TAX:</b> Continues to show steady growth.	\$1.0M
<b>PUBLIC ASSISTANCE STATE/FEDERAL REVENUES:</b> Revenues are a function of the level of expenditures and the federal reimbursement rate for various programs. Revenue and the reimbursement rate were more than budgeted.	\$0.7M
<b>SPECIAL ASSESSMENTS:</b> Collections were less than the revenue estimate.	(\$3.2M)
<b>COMMUNICATION TAX:</b> Continues to decline. Tax has eroded over the years compared to \$9.0M collected in FY2008. Collections in FY19 \$7.8M	(\$0.6M)

# General Fund Expenditures Budget vs. Actual



	City Departments	Transfer to Other Funds	Transfer to Schools	Total Expenditures
■ Budget	\$209.2	\$72.7	\$73.8	\$355.7
■ Actual	\$195.6	\$69.3	\$73.8	\$338.7
Variance	\$(13.6)	\$(3.4)	\$-	\$(17.0)

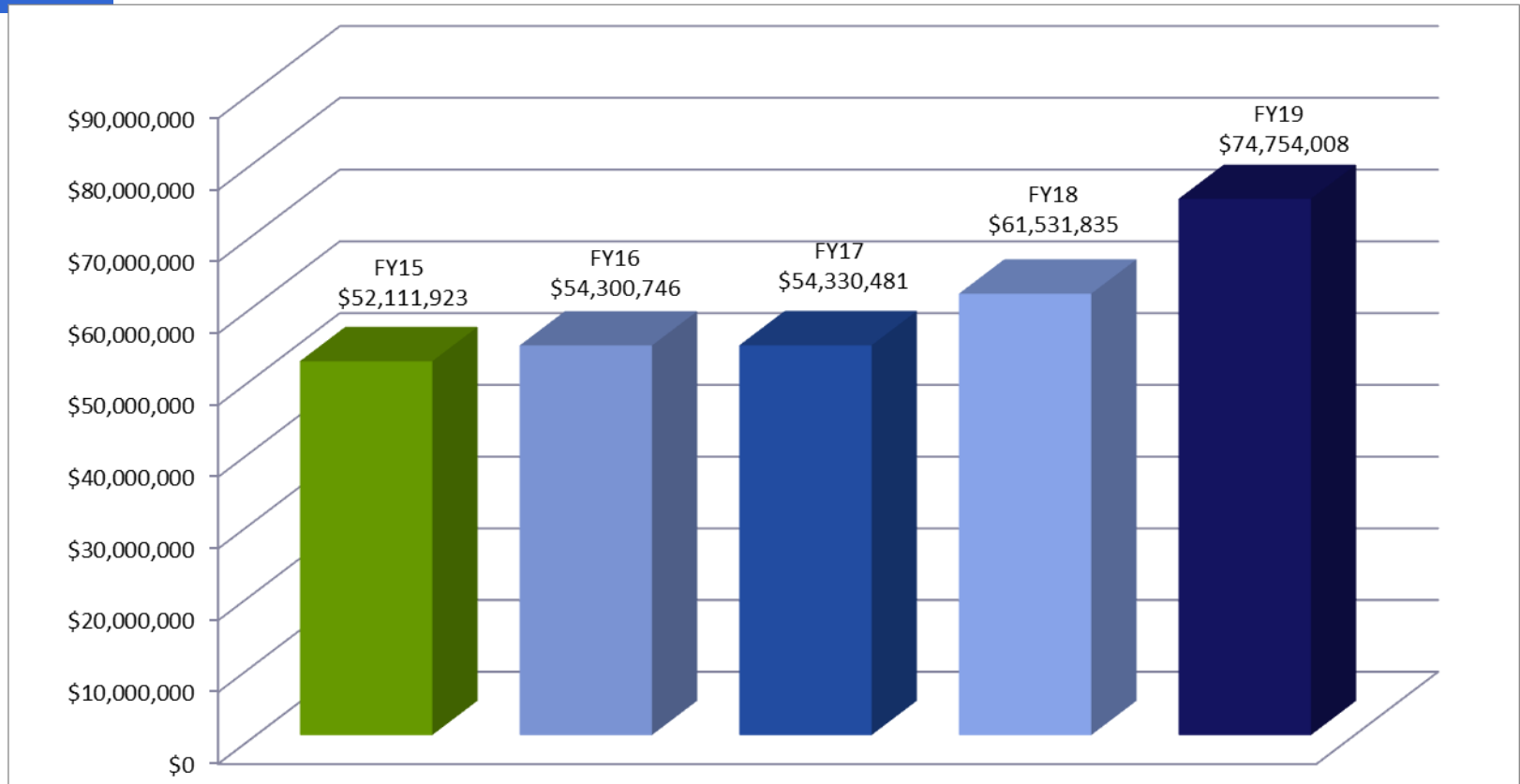
# General Fund Expenditures

## Significant Appropriation Variances

	VARIANCE FAVORABLE (UNFAVORABLE)
<b>POSITION AND BENEFIT SAVINGS PRIMARILY FROM VACANT POSITIONS</b>	<b>\$6.5M</b>
<b>TRANSFERS TO OTHER FUNDS: Debt Service savings (\$3.1), Special Revenue (\$356K), and Capital Projects (\$8K)</b>	<b>\$3.5M</b>
<b>SPECIAL ASSESSMENTS: Collections were less than the revenue estimate</b>	<b>\$3.2M</b>



# General Fund Unassigned Fund Balance

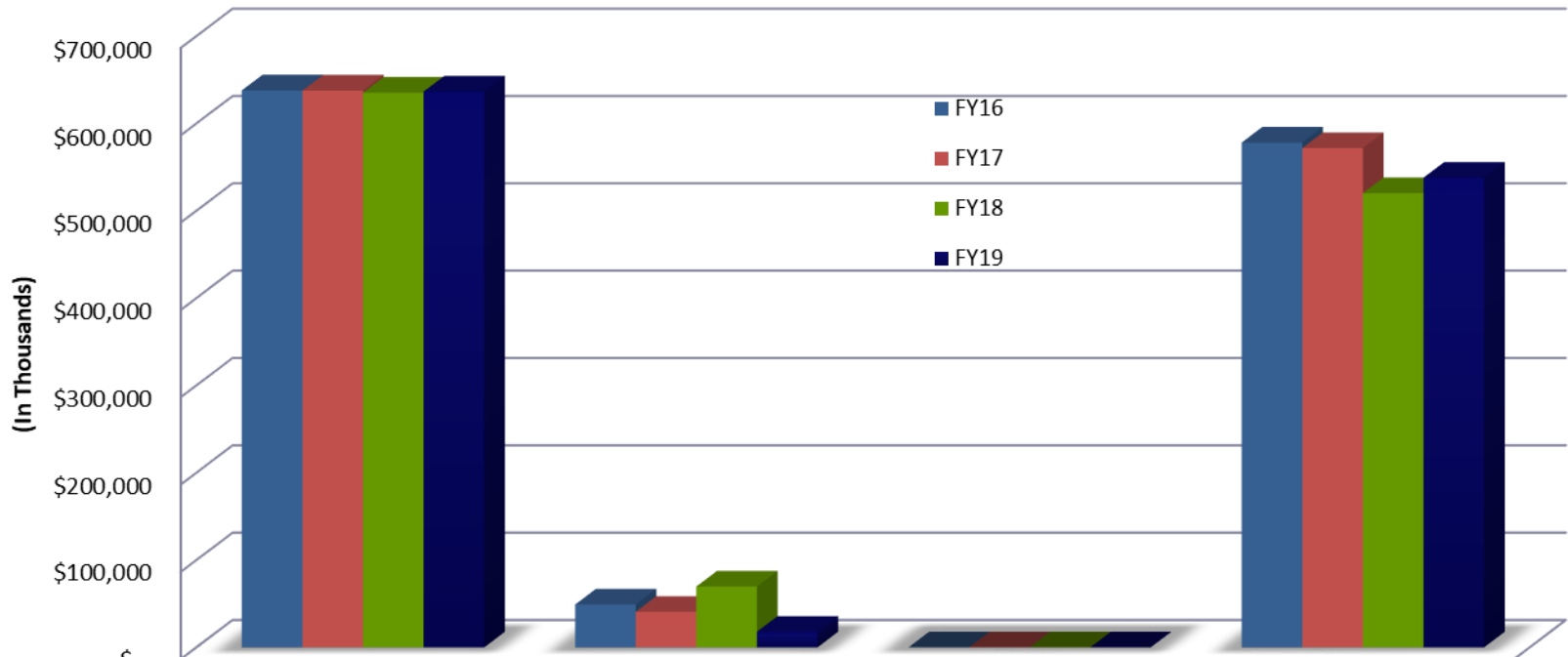


	FY15	FY16	FY17	FY18	FY19
Actual FB as a % of Revenues	11.8%	12.1%	12.0%	13.3%	15.8%
Policy %	10.0%	10.0%	10.0%	10.0%	10.0%
In Excess of Policy %	1.8%	2.1%	2.0%	3.3%	5.8%
In Excess of Policy \$	\$8.0	\$9.2	\$8.9	\$15.1	\$27.5

# 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
■ FY16	\$637,860	\$49,062	\$(108,850)	\$578,072
■ 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

# Business-Type Activities–Net Position

