

Annual Comprehensive Financial Report Fiscal Year 2025

City of Hampton Virginia



Hampton
VIRGINIA

Hampton City Council
December 10, 2025
Fiscal Year 2025 ACFR

Purpose

To provide an overview of the
Annual Comprehensive
Financial Report for the
Fiscal Year Ended June 30, 2025

Agenda

Auditor's Presentation

Finance Department's Presentation

Questions

Summary of General Fund Financial Results

REVIEW OF GENERAL FUND FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

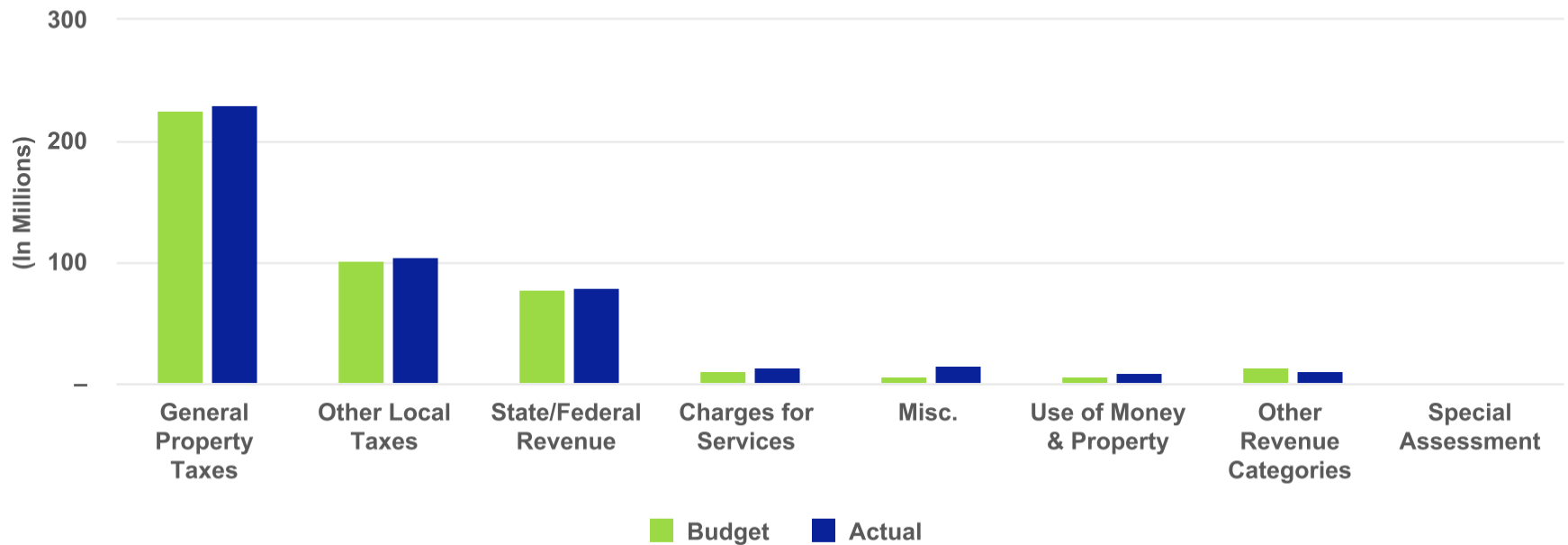
	(In Millions)		
	Budget	Actual	Favorable (Unfavorable) Variance
Revenues	\$ 441.4	\$ 465.0	\$ 23.6
Expenditures	452.4	446.6	(5.8)
Excess of Revenues over Expenditures	<u>\$ (11.0)</u>	<u>\$ 18.4</u>	<u>\$ 29.4</u>

Summary of Changes to Unassigned Fund Balance

Net Changes in Other Components of Fund Balance	<u>\$ (13.2)</u>
Net Increase (Decrease) in unassigned Fund Balance	5.2
Beginning Unassigned Fund Balance – June 30, 2024	<u>109.9</u>
Ending Unassigned Fund Balance – June 30, 2025	<u><u>\$ 115.1</u></u>

General Fund Revenues

General Fund Revenues Budget vs. Actuals



	General Property Taxes	Other Local Taxes	State/Federal Revenue	Charges for Services	Misc.	Use of Money & Property	Other Revenue Categories	Special Assessment
Budget	225.5	102.0	77.4	10.9	5.4	5.3	13.1	1.6
Actual	230.5	105.0	79.0	13.2	15.3	9.6	10.3	2.2
Favorable (Unfavorable)	5.0	3.0	1.6	2.3	9.9	4.3	(2.8)	0.6

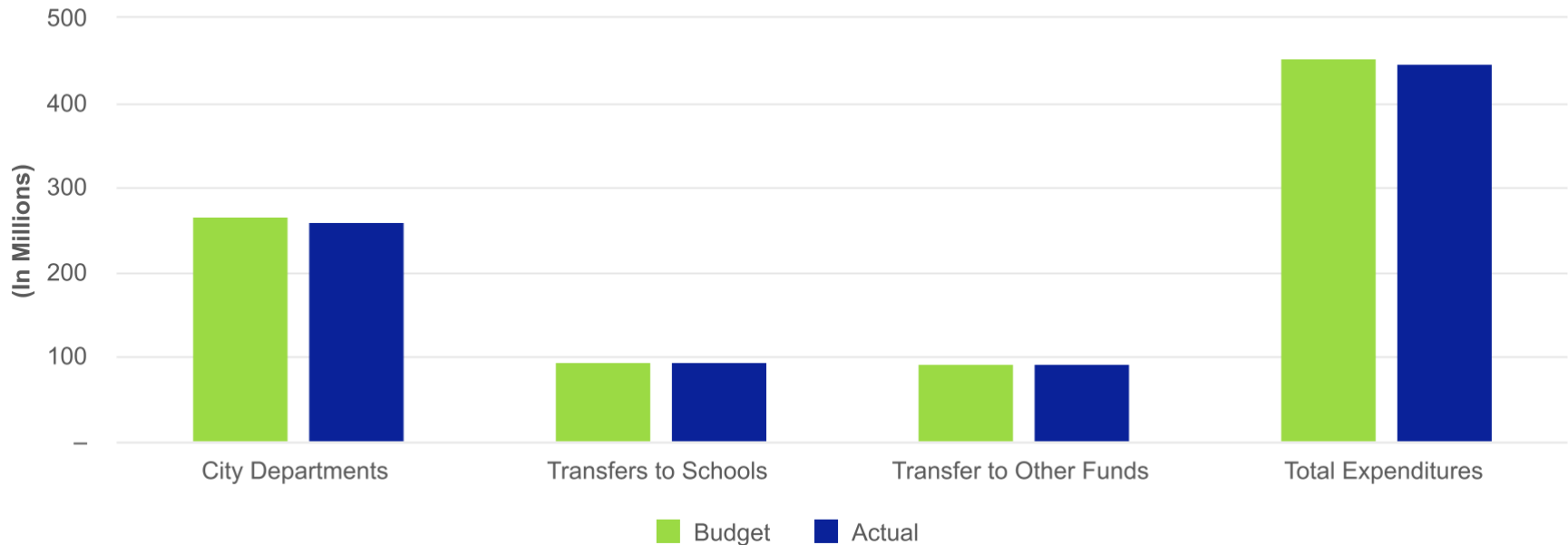
General Fund Revenues

SUMMARY OF SIGNIFICANT CHANGES IN REVENUE

REVENUE SOURCE	VARIANCE FAVORABLE (UNFAVORABLE)
MISCELLANEOUS REVENUES: Miscellaneous revenues includes reimbursements from the Hampton Schools (i.e. School Resource Offices. operating cost for Ruppert Sargent Building, their share of operating cost for the joint procurement office) , indirect cost reimbursements from other Funds, Opioid Abatement Settlement Funds and other revenues.For fiscal year 2025, miscellaneous revenues exceeded the budget by \$9.8 million. The City was a member of the Hampton Road's Regional Jail Authority (Authority). The Authority ceased operations in April 2024 and sold it's jail facility to the City of Portsmouth in October 2024. The City received \$8.1 million for its proportionate share of the sale of the jail facility. In addition, we received a .909 million check from HRT for service credits for fiscal years 2020 and 2022.	\$ 9.5
GENERAL PROPERTY TAXES: Current real estate and personal tax revenues finished the year with actual revenues exceeding the budget by \$.4 million and \$1.1 million, respectively. Most of the favorable budget variance was driven by the collection of delinquent personal property taxes for 2024.	\$ 5.0
REVENUE FROM USE OF MONEY AND PROPERTY: Interest income from investments continue to outperform budget due to elevated interest rates. The Federal Reserve has taken a measured step down approach to lowering interest rates, resulting the continued growth of this revenue source. The City also capitalized on the higher interest rates, prior to the first rate reduction of FY25, by investing \$30 million into a 12-month certificate of deposit which returned \$0.95 million of interest revenues.	\$ 3.8
OTHER LOCAL TAXES: Business license , one of the strongest performers, finished the year with a performance of \$1.5 million exceeding the budget. While meals , sales and lodging tax revenues experienced positive budget performance. License Tax Pari-Mutuel revenues exceeded the budget expectations by \$0.8 million.	\$ 2.9

General Fund Expenditures

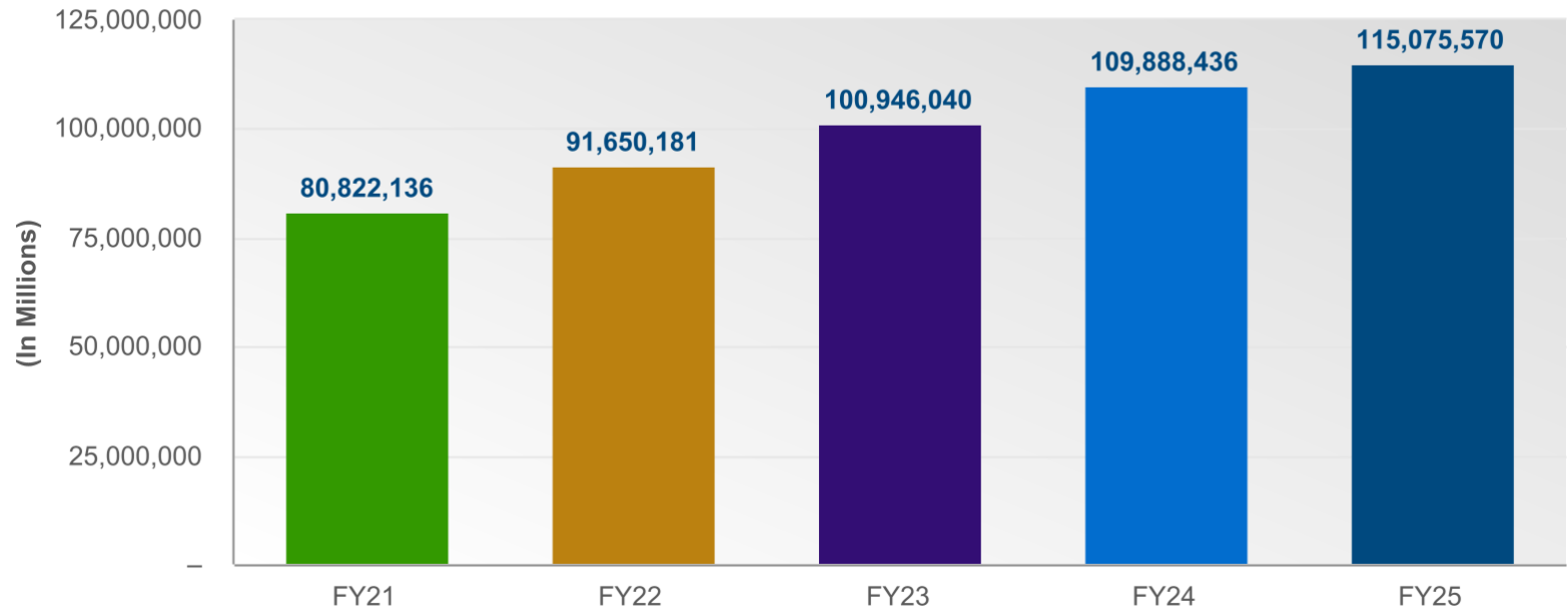
General Fund Expenditures Budget vs. Actuals



	City Departments	Transfers to Schools	Transfer to Other Funds	Total Expenditures
Budget	265.1	95.0	92.3	452.4
Actual	259.6	95.0	92.0	446.6
Variance	(5.5)	—	(0.3)	(5.8)

General Fund Unassigned Fund Balance

General Fund Unassigned Fund Balance



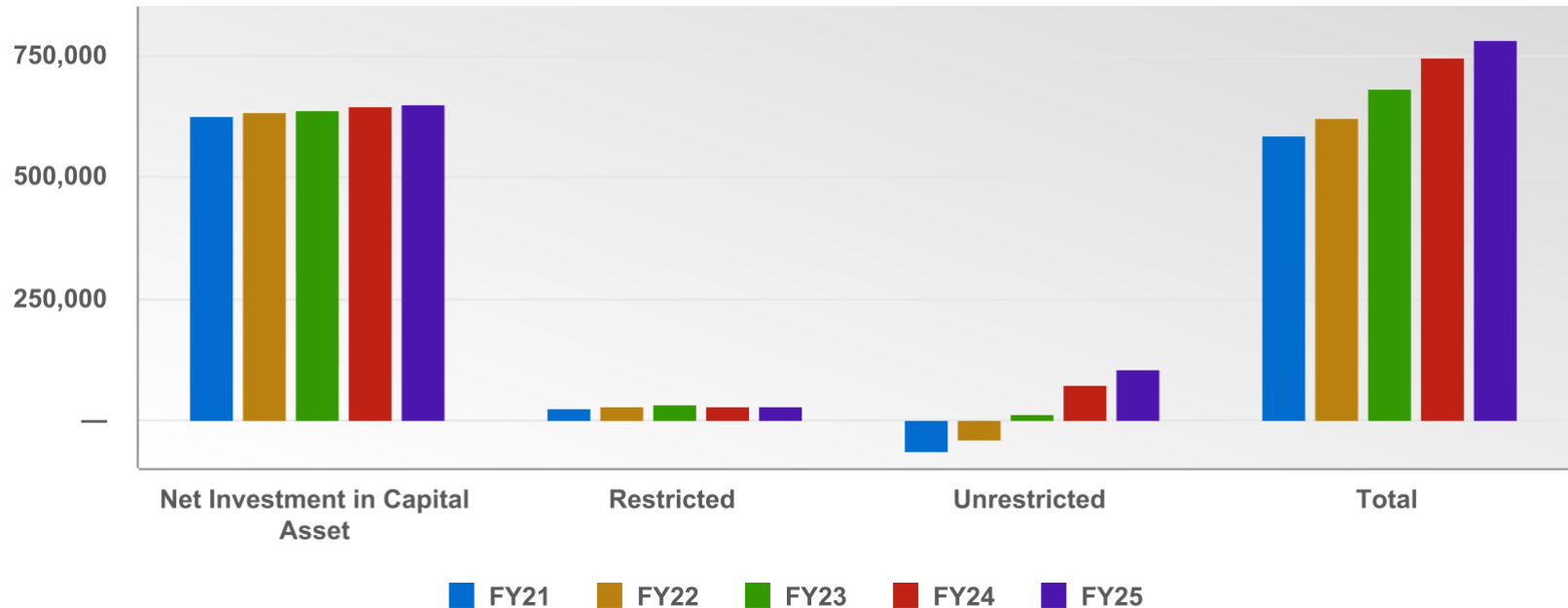
	FY21	FY22	FY23	FY24	FY25
FB as a % of Revenues	15.9%	17.2%	17.1%	17.5%	17.1%
Policy %	10.0%	10.0%	10.0%	10.0%	10.0%
In Excess of Policy %	5.9%	7.2%	7.1%	7.5%	7.1%
In Excess of \$	\$30.1	\$38.4	\$41.8	\$47.0	\$47.7

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
 - Lease Payable
 - Subscription-based IT Arrangements Payable
- Provide information to assess the City's long-term, total financial condition (Net Position)

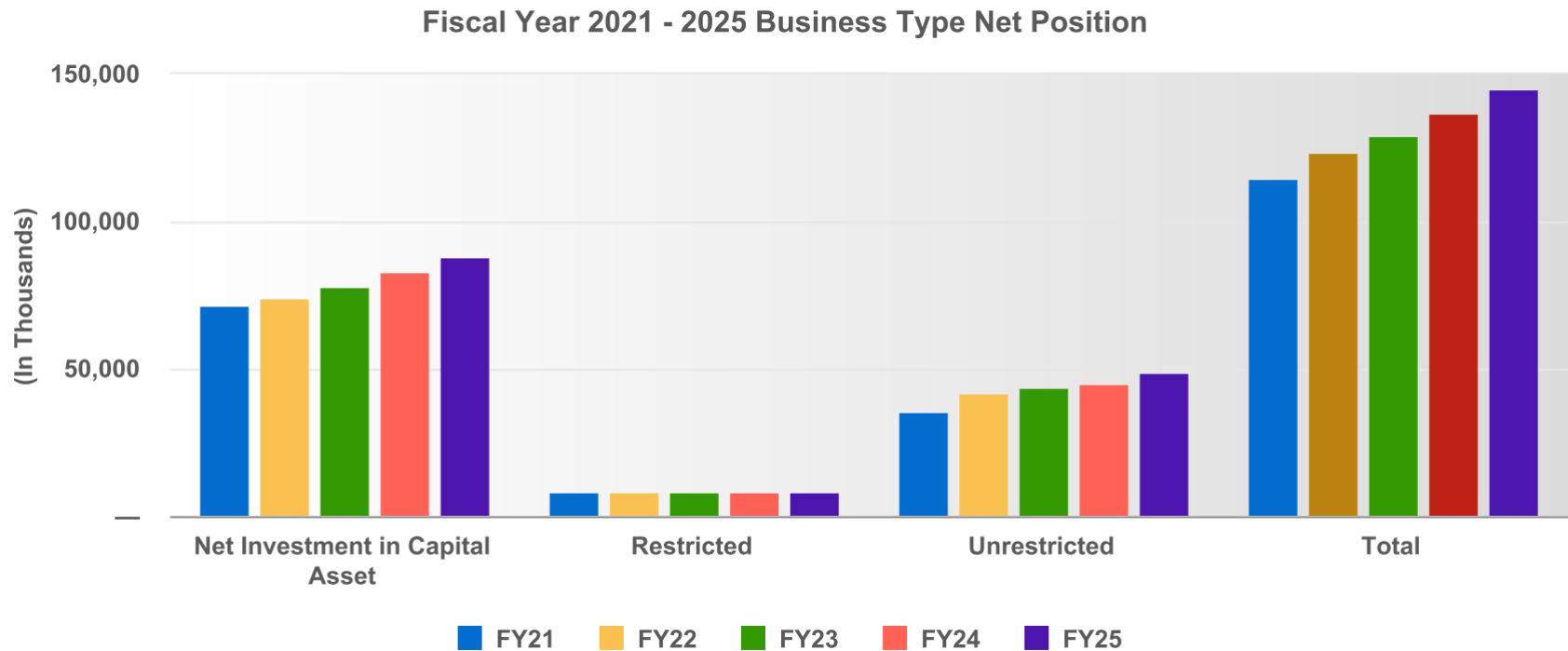
Governmental Activities – Net Position

Fiscal Year 2021 - 2025 Governmental Activities Net Position



Fiscal Year	Net Investment in Capital Asset	Restricted	Unrestricted	Total
FY21	626,390	23,793	(65,676)	584,507
FY22	634,996	30,085	(41,817)	623,264
FY23	638,708	32,083	12,778	683,569
FY24	644,973	28,492	72,813	746,278
FY25	647,723	28,812	106,332	782,866

Business-type Activities – Net Position



Fiscal Year	Net Investment in Capital Asset	Restricted	Unrestricted	Total
FY21	71,434	8,119	35,194	114,747
FY22	73,888	8,121	41,605	123,614
FY23	78,058	8,145	43,633	128,836
FY24	83,161	8,179	45,183	136,523
FY25	88,144	8,129	48,484	144,757

Questions

