

# Annual Comprehensive Financial Report Fiscal Year 2021

## City of Hampton Virginia



*Hampton*  
VIRGINIA

Hampton City Council  
December 8, 2021  
Fiscal Year 2021 ACFR



# Purpose

To provide an overview of the  
Annual Comprehensive  
Financial Report for the fiscal  
year ended June 30, 2021



# 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, 2021**

	<b>(In Millions)</b>		<b>Favorable (Unfavorable) Variance</b>
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	
Revenues (Excluding Appropriations From Fund Balance & School Funds)	\$ 358.4	\$ 357.7	\$ (0.7)
Expenditures (Including Transfers & Excluding Budget Savings)	<u>364.2</u>	<u>342.2</u>	22.0
Excess of Revenues over Expenditures		15.5	
Net Changes in Other Components of Fund Balance		<u>(15.1)</u>	
Net Increase (Decrease) in Unassigned Fund Balance		0.4	
Unassigned Fund Balance June 30, 2020		<u>80.4</u>	
Unassigned Fund Balance June 30, 2021		<u><u>\$ 80.8</u></u>	

# General Fund Revenues

## Significant Revenue Variances

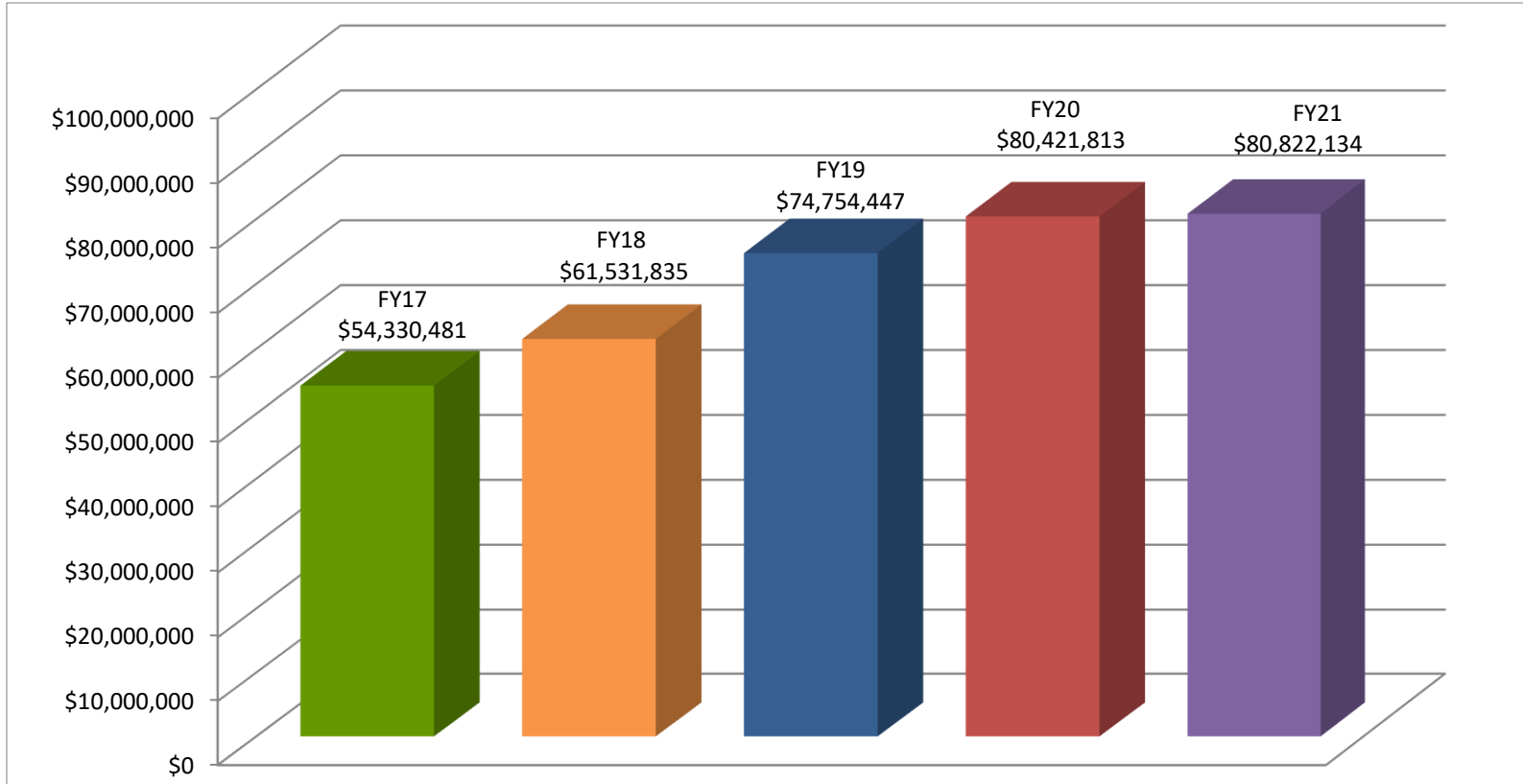
	VARIANCE FAVORABLE (UNFAVORABLE)
<b>GENERAL PROPERTY TAXES:</b> Actual exceeding the budget as a result of new real estate development and increases in values of existing properties.	\$4.0M
<b>SALES &amp; USE TAX:</b> Continued growth even with COVID due to online purchases, big box home improvement stores and grocery store sales steaming from the pandemic	\$2.5M
<b>BUSINESS LICENSE TAX:</b> Back taxes collected due to audits conducted in prior fiscal years along with new businesses associated with construction of the new Hampton Roads Bridge Tunnel.	\$2.9M
<b>OTHER REVENUES:</b> Decrease of \$1.9M in interest on investments due to Federal Reserve reduction in the interest rates to 0% to .25%, virtual learning and closure of School Age Program sites caused a decrease of \$1.5M and Amusement Taxes \$0.994M.	(\$4.2M)
<b>SPECIAL ASSESSMENTS:</b> Collections were less than revenue estimates.	(\$3.0M)
<b>LODGING AND TRANSIT:</b> Continued decline due to COVID-19 causing business travel restrictions and decline in leisure travel.	(\$1.0M)

# General Fund Expenditures

## Significant Appropriation Variances

	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PUBLIC SAFETY SALARIES AND COVID LEAVE:</b> Pandemic relief funds (CARES) used for staffing costs for city police and fire departments and COVID leave.	\$8.7M
<b>CITY DEPARTMENT'S PERSONNEL, OPERATING AND CAPITAL OUTLAY:</b> Savings facilitated by departmental spending freezes; suspension of certain special events, community center activities, after-school programs and other similar type offers due to COVID restrictions. Vacancy savings.	\$4.8M
<b>TRANSFERS TO OTHER FUNDS:</b> Debt Service savings (\$5.1), Enterprise Fund (\$370K) and Special Revenue (\$115K)	\$5.5M
<b>SPECIAL ASSESSMENTS:</b> Collections were less than the revenue estimate	\$3.0 M

# General Fund Unassigned Fund Balance



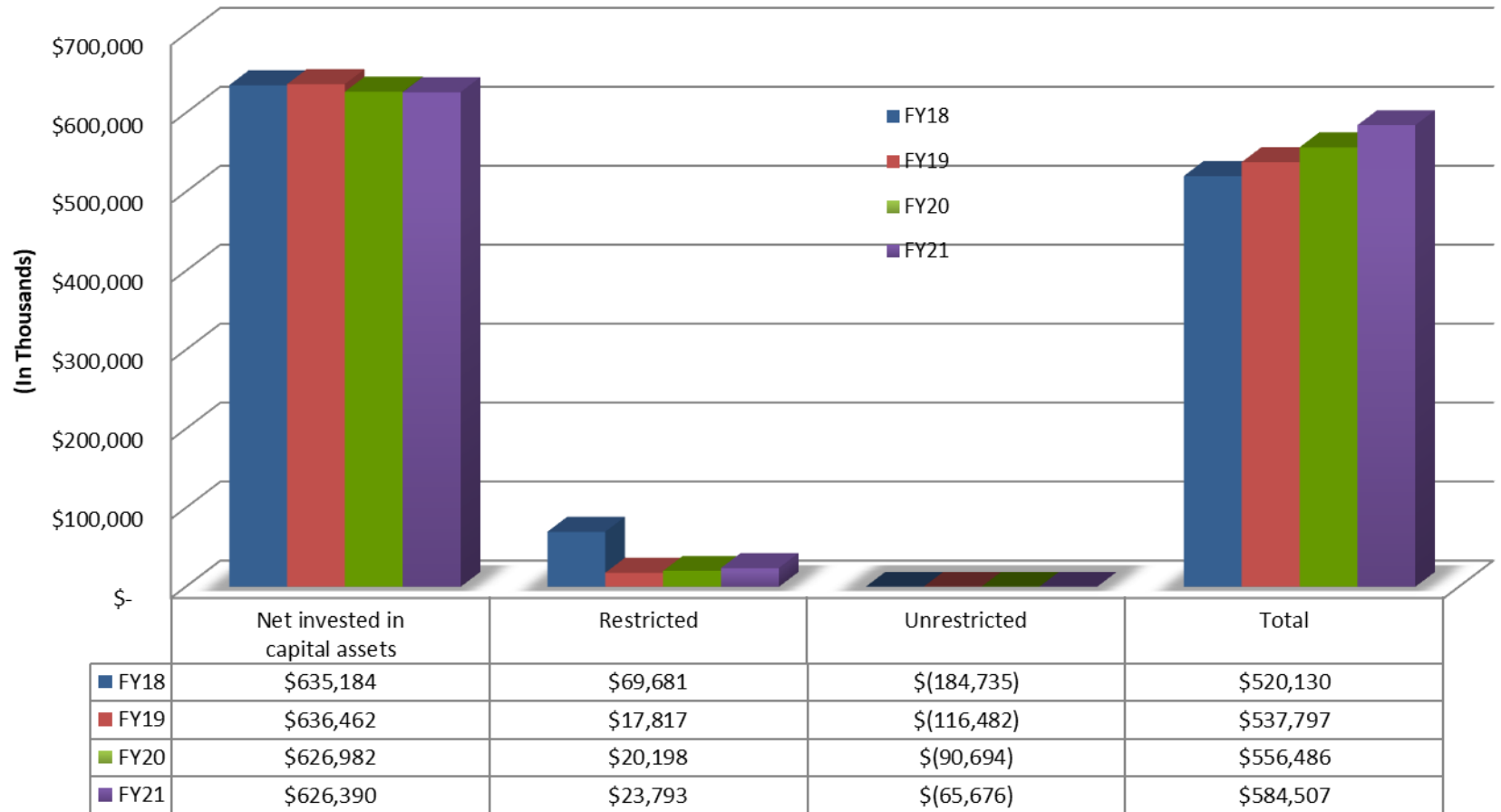
	FY17	FY18	FY19	FY20	FY21
Actual FB as a % of Revenues	12.0%	13.3%	15.8%	16.5%	15.9%
Policy %	10.0%	10.0%	10.0%	10.0%	10.0%
In Excess of Policy %	2.0%	3.3%	5.8%	6.5%	5.9%
In Excess of Policy \$	\$8.9	\$15.1	\$27.5	\$31.8	\$30.1

# 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

