The City is beginning to change the trajectory of its finances. The management team has implemented several cost saving measures, which in turn have allowed greater management of the expenditures along with revenue enhancing factors. For the 2018-2019 fiscal year, the General Fund Revenues outpaced the expenditures by more than $4M. The revenues came in approximately $3.9M over the projected budget. A few contributing factors to this uptick in revenue is a $779k increase in property tax received, a $1.2M increase in License and Permits, $350k in Fines & Forfeitures, Interest income was up $500k, and Revenues from other agencies up by $674k. There was also a one-time recovery of $900k in unreimbursed grant funds. The increased revenues over expenditures serves to reduce the deficit. In addition, the City passed a Measure P sales tax initiative, which has generated revenues in excess of $29M from the inception of its first receipt in January 2017. The sales tax is part of the general fund revenue although accounted for separately for transparency. The revenue has allowed for not only the reformation of our streets, parks and infrastructure, but also funds part of the public safety costs, and salaries for staff members working in those areas among other things as needed.

Also of special note is the City’s retirement tax fund. While the City has over $146M in unfunded liability, we are more than 65% funded. The special retirement tax that was approved in approximately 1947, generates enough revenue to cover the more than $21M in annual retirement expenses. The City is also in the beginning phase of planning a strategy moving forward to fully fund our liability.

However, the City of Compton is not without its fiscal challenges. The General Fund continues to operate with a deficit that we still cannot quantify with certain accuracy until the completion of audits that are currently underway. Our Internal Service Funds also continue to operate at a deficit. Our Enterprise Funds are operating on a small profit margin but have a continual need to upgrade the infrastructure.

As noted in the State Controllers Report in February of 2018, the City Controller’s Office, was severely understaffed. The City has internalized the report and poured resources into the department to make sure the financials can be recorded and reported accurately and timely so the information is relevant, as well as ensuring the City’s assets are safeguarded. The City is now able to bring reliable financial data to the public as well as manage the financials for the City in a productive and responsible manner.

The City is committed to transparency in all of our financial reporting. Should anyone like to view our financial reports even before they get submitted for the audit, they can find preliminary reporting for the last month in the latest monthly Financial Report on the City’s website. The location to access those documents is Departments > City Controller > Documents and Reports > Monthly Unaudited Financial Reports.