

CITY OF COMPTON STATE OF CALIFORNIA

Annual Financial Report

Year Ended June 30, 2011

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CITY OF COMPTON

Annual Financial Report

Year Ended June 30, 2011

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City Council
City of Compton
Compton, California

INDEPENDENT AUDITORS' REPORT

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Compton, California, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City of Compton.

On December 1, 2011, the Mayor of the City of Compton sent a letter to the California State Controller alleging waste, fraud, and abuse of public monies. Audit inquiries made to the Mayor went unanswered; therefore, we were unable to determine the financial impact of this allegation on the City of Compton financial statements as of and for the year ended June 30, 2011. Further, the City of Compton did not take steps necessary to evaluate the financial impact of the allegation made, nor did the Mayor of the City of Compton respond to audit inquiries made. We were unable to satisfy ourselves about these matters by means of other audit procedures.

Because of the significance of the matters discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on these financial statements referred to in the first paragraph.

As described further in Note 1 to the financial statements, the accompanying financial statements reflect certain changes in the reporting of fund types and fund balance classifications for governmental funds due to the implementation of GASB Statement No. 54.

The accompanying financial statements have been prepared assuming that the City will continue as a going concern. As discussed in Note 15, the City has suffered substantial recurring losses in its General Fund, has a deficit in its General Fund, a deficit in unrestricted net assets of the Rubbish and Recreation Enterprise funds, and deficits in fund balance of non-major governmental funds, and those funds have a lack of liquidity to meet obligations as they become due from unrestricted funds that raises substantial doubt about the City's ability to continue as a going concern. Management's plans in regards to those matters are also described in Note 15.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or amounts and classifications of liabilities that might result should the City be unable to continue as a going concern.

City Council
City of Compton
Compton, California

As explained further in Note 16, a major blended component unit of the City of Compton, the Community Redevelopment Agency of the City of Compton's future operations will not continue as a going concern. On December 29, 2011, the Supreme Court of the State of California upheld the enforceability of legislation that provides for the dissolution of California redevelopment agencies. The full impacts of this most recent development are not known at this time. These recent legislative and judicial actions raise substantial doubt about the ability of this Agency's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The information identified in the accompanying table of contents as *required supplementary information* is not a required part of the basic financial statements, but is supplementary information required by accounting standards generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We were engaged to conduct an audit for the purpose of forming opinions on the financial statements that collectively comprise the City of Compton's basic financial statements. The combining and individual fund financial statements, schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. As discussed above, the scope of our work was not sufficient for us to express, and we did not express, an opinion on the basic financial statements and, accordingly, we do not express an opinion on the combining and individual fund financial statements and schedules in relation to the basic financial statements taken as a whole. The statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Irvine, California
June 27, 2012

BASIC FINANCIAL STATEMENTS

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CITY OF COMPTON
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments (note 4)	\$ 114,762,821	43,696,296	158,459,117
Receivables (note 5)	46,651,073	2,939,586	49,590,659
Interest receivable	2,135	-	2,135
Internal balances	(16,169,427)	16,169,427	-
Inventories	8,131	208,604	216,735
Prepaid expenses	1,195,866	-	1,195,866
Deposits	1,222,390	-	1,222,390
Land held for resale	40,172,475	-	40,172,475
Capital assets (note 6):			
Nondepreciable	49,772,316	4,905,374	54,677,690
Depreciable	100,474,163	9,237,251	109,711,414
Deferred bond issuance costs	3,116,089	1,296,900	4,412,989
Total assets	<u>341,208,032</u>	<u>78,453,438</u>	<u>419,661,470</u>
Liabilities:			
Accounts payable	13,122,599	482,073	13,604,672
Accrued liabilities	5,842,854	921,975	6,764,829
Accrued interest payable	2,877,068	1,506,696	4,383,764
Deposits	474,708	1,018,734	1,493,442
Self-insurance claims	9,767,843	-	9,767,843
Due to other governmental agencies	470,748	-	470,748
Unearned revenue	686,053	-	686,053
Other	34,715	-	34,715
Long-term liabilities:			
Postemployment benefit obligation	23,845,783	1,401,436	25,247,219
Due within one year (note 8)	12,024,510	720,570	12,745,080
Due within more than one year (note 8)	208,535,988	68,157,795	276,693,783
Total liabilities	<u>277,682,869</u>	<u>74,209,279</u>	<u>351,892,148</u>
Net assets:			
Invested in capital assets, net of related debt	55,081,469	(8,996,759)	46,084,710
Restricted for:			
Federal grants	4,612,502	-	4,612,502
Retirement	7,271,325	-	7,271,325
Debt service	52,430,561	-	52,430,561
Low/Moderate income housing	13,128,885	-	13,128,885
Unrestricted	(68,999,579)	13,240,918	(55,758,661)
Total net assets	<u>\$ 63,525,163</u>	<u>4,244,159</u>	<u>67,769,322</u>

See accompanying notes to the basic financial statements.

CITY OF COMPTON
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 35,093,830	19,852,561	1,088,658	-
Public safety	42,134,581	-	148,789	203,166
Public works	1,221,586	4,351,246	2,095,128	3,683,185
Environmental and human services	48,696,889	2,326,669	16,990,218	-
Interest on long-term debt	12,022,699	-	-	-
Total governmental activities	<u>139,169,585</u>	<u>26,530,476</u>	<u>20,322,793</u>	<u>3,886,351</u>
Business-type activities:				
Water	14,422,598	14,581,061	-	-
Rubbish	9,473,223	9,148,917	-	-
Sewer	2,614,713	2,888,927	-	-
Golf Course	43,349	78,091	-	-
Recreational	18,802	30,411	-	-
Total business-type activities	<u>26,572,685</u>	<u>26,727,407</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 165,742,270</u>	<u>53,257,883</u>	<u>20,322,793</u>	<u>3,886,351</u>

General revenues:

Taxes:

Property taxes, net
Sales and use taxes
Utility user tax
Franchise taxes
Transient occupancy taxes
Motor vehicle in-lieu, unrestricted

Investment earnings

Other

Total general revenues

Change in net assets

Net assets at beginning of year

Net assets - end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue
and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(14,152,611)	-	(14,152,611)
(41,782,626)	-	(41,782,626)
8,907,973	-	8,907,973
(29,380,002)	-	(29,380,002)
<u>(12,022,699)</u>	<u>-</u>	<u>(12,022,699)</u>
<u>(88,429,965)</u>	<u>-</u>	<u>(88,429,965)</u>
-	158,463	158,463
-	(324,306)	(324,306)
-	274,214	274,214
-	34,742	34,742
<u>-</u>	<u>11,609</u>	<u>11,609</u>
<u>-</u>	<u>154,722</u>	<u>154,722</u>
<u>(88,429,965)</u>	<u>154,722</u>	<u>(88,275,243)</u>
30,990,271	-	30,990,271
10,221,689	-	10,221,689
12,522,154	-	12,522,154
1,228,340	-	1,228,340
149,817	-	149,817
8,046,635	-	8,046,635
44,641	7,072	51,713
<u>7,765,987</u>	<u>-</u>	<u>7,765,987</u>
<u>70,969,534</u>	<u>7,072</u>	<u>70,976,606</u>
(17,460,431)	161,794	(17,298,637)
<u>80,985,594</u>	<u>4,082,365</u>	<u>85,067,959</u>
<u>\$ 63,525,163</u>	<u>4,244,159</u>	<u>67,769,322</u>

CITY OF COMPTON
Governmental Funds - Balance Sheet
June 30, 2011

		Special Revenue	
	General	Federal Grants	Retirement
<u>Assets</u>			
Cash and investments	\$ -	3,398,639	871,467
Property taxes receivable (note 5)	660,152	-	1,235,071
Accounts receivable, net (note 5)	2,303,188	-	-
Grants receivable (note 5)	-	1,188,222	-
Due from other funds (note 7)	-	-	5,281,025
Prepaid expenses	40,969	787,527	367,161
Inventories	244	-	-
Notes receivable, net (note 5)	-	-	-
Loans receivable (note 5)	-	4,910,048	-
Interest receivable	5	2,130	-
Deposits	-	-	-
Land held for resale	-	-	-
Total assets	<u>\$ 3,004,558</u>	<u>10,286,566</u>	<u>7,754,724</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 12,560,317	-	-
Accrued liabilities	3,282,798	36,258	483,399
Due to other funds (note 7)	28,253,324	-	-
Due to other governmental agencies	-	34,874	-
Deposits	103,036	-	-
Deferred revenue	-	5,596,101	-
Other	27,884	6,831	-
Total liabilities	<u>44,227,359</u>	<u>5,674,064</u>	<u>483,399</u>
Fund balances:			
Nonspendable:			
Inventories and prepaid items	41,213	787,527	367,161
Spendable:			
Restricted for:			
Debt service	-	-	-
Community development	-	4,080,456	-
Low and moderate income housing	-	-	-
Highway and street projects	-	245,466	-
Retirement	-	-	6,904,164
Unassigned	(41,264,014)	(500,947)	-
Total fund balances	<u>(41,222,801)</u>	<u>4,612,502</u>	<u>7,271,325</u>
Total liabilities and fund balances	<u>\$ 3,004,558</u>	<u>10,286,566</u>	<u>7,754,724</u>

See accompanying notes to the basic financial statements.

Debt Service		Capital Project		Nonmajor Governmental Funds	Total Governmental Funds
Redevelopment	Public Finance Authority	Redevelopment	Low/Moderate Income Housing		
19,054,522	29,671,989	51,610,325	7,648,009	2,507,870	114,762,821
4,126,092	-	-	-	286,183	6,307,498
-	-	508,789	-	373,877	3,185,854
-	-	-	-	735,502	1,923,724
-	655,423	-	5,027,002	-	10,963,450
-	-	-	-	209	1,195,866
-	-	-	-	-	244
-	-	327,972	-	-	327,972
-	-	9,850,000	20,145,977	-	34,906,025
-	-	-	-	-	2,135
-	1,433	1,220,957	-	-	1,222,390
-	-	39,677,176	495,299	-	40,172,475
<u>23,180,614</u>	<u>30,328,845</u>	<u>103,195,219</u>	<u>33,316,287</u>	<u>3,903,641</u>	<u>214,970,454</u>
-	-	204,518	-	357,764	13,122,599
-	1,376	1,534,140	41,425	398,267	5,777,663
-	-	5,027,002	-	2,436,162	35,716,488
-	-	309,249	-	126,625	470,748
-	-	371,672	-	-	474,708
1,077,522	-	7,327,972	20,145,977	-	34,147,572
-	-	-	-	-	34,715
<u>1,077,522</u>	<u>1,376</u>	<u>14,774,553</u>	<u>20,187,402</u>	<u>3,318,818</u>	<u>89,744,493</u>
-	-	-	-	209	1,196,110
19,045,871	3,949,267	-	-	-	22,995,138
3,057,221	26,378,202	88,420,666	-	-	121,936,545
-	-	-	13,128,885	-	13,128,885
-	-	-	-	3,463,713	3,709,179
-	-	-	-	24,889	6,929,053
-	-	-	-	(2,903,988)	(44,668,949)
<u>22,103,092</u>	<u>30,327,469</u>	<u>88,420,666</u>	<u>13,128,885</u>	<u>584,823</u>	<u>125,225,961</u>
<u>23,180,614</u>	<u>30,328,845</u>	<u>103,195,219</u>	<u>33,316,287</u>	<u>3,903,641</u>	<u>214,970,454</u>

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CITY OF COMPTON
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Assets
June 30, 2011

Fund balances of governmental funds \$ 125,225,961

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital Related Items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the Statement of Net Assets includes those capital assets among the assets of the City as a whole.

Capital assets, not being depreciated	49,728,208
Capital assets, being depreciated	257,089,127
Accumulated depreciation	(156,857,291)

Long-Term Debt Transactions

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Assets.

Other post employment benefits	(23,845,783)
Compensated absences	(6,756,779)
Tax allocation bonds payable	(213,514,392)
Unamortized bond issuance costs	3,116,089

Accrued Interest

Accrued interest payable in the Statement of Net Assets differs from the amount reported in governmental funds due to accrued interest on outstanding long-term debt. (2,877,068)

Internal Service Funds

Internal Service Funds are used by management to charge the costs of certain activities to individual City funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Assets because they primarily service governmental activities of the City. (1,244,428)

Deferred Revenue

Earned revenue has been deferred in the fund financial statements if it is collectible after the availability period. 33,461,519

Net assets of governmental activities	<u><u>\$ 63,525,163</u></u>
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See accompanying notes to the basic financial statements.

CITY OF COMPTON
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2011

		Special Revenue	
	General	Federal Grants	Retirement
Revenues:			
Taxes and special assessments	\$ 24,241,363	-	12,764,261
Licenses and permits	2,744,778	-	-
Intergovernmental revenues	8,308,736	17,946,422	274,877
Fines, forfeitures, and penalties	1,969,371	-	-
Use of money and property	5,732,298	2,320,091	187
Charges for services	1,137,827	941,941	-
Other	57,798	11,311	135,632
Total revenues	<u>44,192,171</u>	<u>21,219,765</u>	<u>13,174,957</u>
Expenditures:			
Current:			
General government	27,069,866	51,156	8,783,890
Public safety	34,681,857	112,567	5,291,862
Public works	990,269	2,864,984	27,178
Environmental and human services	6,111,857	16,279,989	1,442,965
Debt service:			
Principal	325,374	200,000	-
Interest and fiscal charges	2,380	265,400	-
Pass-through payments	-	-	-
Total expenditures	<u>69,181,603</u>	<u>19,774,096</u>	<u>15,545,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,989,432)</u>	<u>1,445,669</u>	<u>(2,370,938)</u>
Other financing sources (uses):			
Transfers in (note 7)	88,909	38,235	-
Transfers out (note 7)	<u>(1,714,576)</u>	<u>(943,123)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,625,667)</u>	<u>(904,888)</u>	<u>-</u>
Net change in fund balances	(26,615,099)	540,781	(2,370,938)
Fund balances (deficits) at beginning of year, as restated (note 17)	<u>(14,607,702)</u>	<u>4,071,721</u>	<u>9,642,263</u>
Fund balances (deficits) at end of year	<u><u>\$ (41,222,801)</u></u>	<u><u>4,612,502</u></u>	<u><u>7,271,325</u></u>

See accompanying notes to the basic financial statements.

Debt Service		Capital Project			
Redevelopment	Public Finance Authority	Redevelopment	Low/Moderate Income Housing	Nonmajor Governmental Funds	Total Governmental Funds
25,639,181	-	-	4,417,118	4,351,246	71,413,169
-	-	-	-	-	2,744,778
-	-	-	-	9,141,935	35,671,970
-	-	-	-	-	1,969,371
1,444	3,982	558,354	9,257	135,891	8,761,504
-	2,319,389	-	-	4,639	4,403,796
-	-	-	91,325	369,280	665,346
<u>25,640,625</u>	<u>2,323,371</u>	<u>558,354</u>	<u>4,517,700</u>	<u>14,002,991</u>	<u>125,629,934</u>
-	2,174,637	-	3,234,511	31,587	41,345,647
-	-	-	-	155,669	40,241,955
-	-	-	-	10,410,588	14,293,019
-	-	30,545,854	-	1,821,960	56,202,625
7,305,000	-	-	-	98,964	7,929,338
5,415,711	2,319,888	-	-	8,006	8,011,385
<u>2,777,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,777,426</u>
<u>15,498,137</u>	<u>4,494,525</u>	<u>30,545,854</u>	<u>3,234,511</u>	<u>12,526,774</u>	<u>170,801,395</u>
<u>10,142,488</u>	<u>(2,171,154)</u>	<u>(29,987,500)</u>	<u>1,283,189</u>	<u>1,476,217</u>	<u>(45,171,461)</u>
-	-	19,340,366	213,445	105,808	19,786,763
<u>(17,676,838)</u>	<u>-</u>	<u>-</u>	<u>(847,396)</u>	<u>(173,000)</u>	<u>(21,354,933)</u>
<u>(17,676,838)</u>	<u>-</u>	<u>19,340,366</u>	<u>(633,951)</u>	<u>(67,192)</u>	<u>(1,568,170)</u>
<u>(7,534,350)</u>	<u>(2,171,154)</u>	<u>(10,647,134)</u>	<u>649,238</u>	<u>1,409,025</u>	<u>(46,739,631)</u>
<u>29,637,442</u>	<u>32,498,623</u>	<u>99,067,800</u>	<u>12,479,647</u>	<u>(824,202)</u>	<u>171,965,592</u>
<u><u>22,103,092</u></u>	<u><u>30,327,469</u></u>	<u><u>88,420,666</u></u>	<u><u>13,128,885</u></u>	<u><u>584,823</u></u>	<u><u>125,225,961</u></u>

CITY OF COMPTON

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities

For the Fiscal Year Ended June 30, 2011

Net changes in fund balances - total governmental funds \$ (46,739,631)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital expenditures	19,336,484
Depreciation of capital assets	(7,901,662)

Long-Term Debt Transactions

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	7,929,338
Interest accretion	(2,608,271)
Amortization of bond issuance costs, premium, discounts and deferred loss on refunding	332,442
To record as an expense the net change in compensated absences and other post employment benefits in the Statement of Activities.	6,098,923

Accrued Interest

Beginning fund balances in the Statement of Activities have been restated to reflect the retroactive recording of accrued interest on outstanding debt payable.	(1,642,195)
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Internal Service Funds

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenues (expenses) of the internal services funds is reported with governmental activities.	13,349,169
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Deferred Revenue

Earned revenue has been deferred in the fund financial statements if it is collected after the availability period.	(5,615,028)
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Change in net assets of governmental activities	<u>\$ (17,460,431)</u>
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See accompanying notes to the basic financial statements.

CITY OF COMPTON
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Rubbish	Sewer	Nonmajor	Total	
<u>ASSETS</u>						
Current assets:						
Cash and investments	\$ 29,180,908	104,605	14,410,783	-	43,696,296	-
Property taxes receivable (note 5)	-	-	45,080	-	45,080	-
Accounts receivable (note 5)	1,864,047	840,575	189,884	-	2,894,506	-
Due from other funds (note 7)	9,435,814	-	7,184,218	119,550	16,739,582	8,764,580
Inventories	208,604	-	-	-	208,604	7,887
Total current assets	40,689,373	945,180	21,829,965	119,550	63,584,068	8,772,467
Noncurrent assets:						
Capital assets (note 6):						
Nondepreciable	2,360,325	-	2,545,049	-	4,905,374	44,109
Depreciable, net	8,402,505	147,624	687,122	-	9,237,251	242,326
Deferred bond issuance costs	621,718	-	675,182	-	1,296,900	-
Total noncurrent assets	11,384,548	147,624	3,907,353	-	15,439,525	286,435
Total assets	52,073,921	1,092,804	25,737,318	119,550	79,023,593	9,058,902
<u>LIABILITIES</u>						
Current liabilities:						
Accounts payable	474,571	-	7,502	-	482,073	-
Due to other funds (note 7)	-	562,804	-	7,351	570,155	180,969
Accrued liabilities	918,089	2,579	828	479	921,975	65,191
Accrued interest payable	1,035,499	21,300	449,897	-	1,506,696	-
Deposits	958,747	-	-	59,987	1,018,734	-
Self-insurance claims	-	-	-	-	-	9,767,843
Notes payable	78,018	-	-	-	78,018	-
Bonds payable	-	80,000	310,000	-	390,000	-
Capital lease	-	-	40,194	-	40,194	99,103
Compensated absences	212,358	-	-	-	212,358	-
Total current liabilities	3,677,282	666,683	808,421	67,817	5,220,203	10,113,106
Noncurrent liabilities						
Postemployment benefit obligation	1,212,179	109,408	77,041	2,808	1,401,436	-
Bonds payable	43,068,199	945,000	23,611,169	-	67,624,368	-
Capital lease	-	-	-	-	-	190,224
Compensated absences	533,427	-	-	-	533,427	-
Total noncurrent liabilities	44,813,805	1,054,408	23,688,210	2,808	69,559,231	190,224
Total liabilities	48,491,087	1,721,091	24,496,631	70,625	74,779,434	10,303,330
<u>NET ASSETS</u>						
Invested in capital assets, net of related debt	(2,580,761)	(772,771)	(5,643,227)	-	(8,996,759)	187,332
Unrestricted	6,163,595	144,484	6,883,914	48,925	13,240,918	(1,431,760)
Total net assets	\$ 3,582,834	(628,287)	1,240,687	48,925	4,244,159	(1,244,428)

See accompanying notes to the basic financial statements.

CITY OF COMPTON
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Rubbish	Sewer	Nonmajor	Total	
Operating revenues:						
Charges for services	\$ 14,531,399	9,148,917	-	107,348	23,787,664	-
Charges to other funds	-	-	-	-	-	28,351,958
Other	49,662	-	1,929,114	1,154	1,979,930	-
Total operating revenues	<u>14,581,061</u>	<u>9,148,917</u>	<u>1,929,114</u>	<u>108,502</u>	<u>25,767,594</u>	<u>28,351,958</u>
Operating expenses:						
General government	-	-	-	1,349	1,349	-
Public works	-	-	362,534	42,000	404,534	-
Administration and personnel services	353,801	340,915	-	-	694,716	3,013,606
Environmental and human services	11,088,127	9,095,308	-	18,802	20,202,237	-
Basin maintenance and services	-	-	-	-	-	-
Self-insurance services	-	-	-	-	-	5,644,448
Equipment Rental	-	-	-	-	-	2,517
Depreciation	446,921	37,000	841,482	-	1,325,403	90,926
Total operating expenses	<u>11,888,849</u>	<u>9,473,223</u>	<u>1,204,016</u>	<u>62,151</u>	<u>22,628,239</u>	<u>8,751,497</u>
Operating income (loss)	<u>2,692,212</u>	<u>(324,306)</u>	<u>725,098</u>	<u>46,351</u>	<u>3,139,355</u>	<u>19,600,461</u>
Nonoperating revenues (expenses):						
Investment income	4,652	7	2,413	-	7,072	5
Interest expense	(2,512,310)	-	(1,370,860)	-	(3,883,170)	-
Bond issuance cost (amortization)	(21,439)	-	(39,837)	-	(61,276)	-
Taxes and special assessments	-	-	959,813	-	959,813	-
Total nonoperating revenues (expenses)	<u>(2,529,097)</u>	<u>7</u>	<u>(448,471)</u>	<u>-</u>	<u>(2,977,561)</u>	<u>5</u>
Income (loss) before transfers	163,115	(324,299)	276,627	46,351	161,794	19,600,466
Transfers in (note 7)	-	-	-	-	-	1,570,533
Transfers out (note 7)	-	-	-	-	-	(2,363)
Change in net assets	163,115	(324,299)	276,627	46,351	161,794	21,168,636
Net assets (deficit) at beginning of year	<u>3,419,719</u>	<u>(303,988)</u>	<u>964,060</u>	<u>2,574</u>	<u>4,082,365</u>	<u>(22,413,064)</u>
Net assets (deficit), end of year	<u>\$ 3,582,834</u>	<u>(628,287)</u>	<u>1,240,687</u>	<u>48,925</u>	<u>4,244,159</u>	<u>(1,244,428)</u>

See accompanying notes to the basic financial statements.

CITY OF COMPTON
Statement of Cash Flows
Proprietary Funds
For the year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Rubbish	Sewer	Nonmajor	Total	
Cash flows from operating activities:						
Cash received from customers	\$ 14,469,603	9,309,047	1,937,971	107,582	25,824,203	28,368,164
Cash payments to suppliers for goods and services	(7,721,640)	(9,158,741)	(201,185)	(60,747)	(17,142,313)	(5,440,465)
Cash payments to employees for services	(3,047,259)	(262,145)	(185,767)	(2,934)	(3,498,105)	(1,553,288)
Net cash provided (used by) operating activities	<u>3,700,704</u>	<u>(111,839)</u>	<u>1,551,019</u>	<u>43,901</u>	<u>5,183,785</u>	<u>21,374,411</u>
Cash flows from non-capital financing activities:						
Loan repayment to other funds	-	-	-	(43,901)	(43,901)	(14,295,096)
Loan to other funds	(2,846,130)	-	(3,573,020)	-	(6,419,150)	(8,554,053)
Payments to other funds	-	211,876	-	-	211,876	-
Transfers from other funds (net)	-	-	-	-	-	1,568,170
Taxes and special assessments	-	-	959,813	-	959,813	-
Net cash provided (used by) noncapital financing activities	<u>(2,846,130)</u>	<u>211,876</u>	<u>(2,613,207)</u>	<u>(43,901)</u>	<u>(5,291,362)</u>	<u>(21,280,979)</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(6,720,998)	(2)	(1,194,840)	-	(7,915,840)	-
Net capital lease financing (payment)	-	-	(38,062)	-	(38,062)	(93,437)
Principal paid on bonds and notes payable	(76,946)	(80,000)	(295,000)	-	(451,946)	-
Interest paid on long-term debt	(2,480,647)	(800)	(1,361,629)	-	(3,843,076)	-
Net cash provided (used by) capital and related financing activities	<u>(9,278,591)</u>	<u>(80,802)</u>	<u>(2,889,531)</u>	<u>-</u>	<u>(12,248,924)</u>	<u>(93,437)</u>
Cash flows from investing activities:						
Interest received on investments	<u>4,652</u>	<u>7</u>	<u>2,413</u>	<u>-</u>	<u>7,072</u>	<u>5</u>
Net cash provided (used by) investing activities	<u>4,652</u>	<u>7</u>	<u>2,413</u>	<u>-</u>	<u>7,072</u>	<u>5</u>
Net increase (decrease) in cash and cash equivalen	(8,419,365)	19,242	(3,949,306)	-	(12,349,429)	-
Cash and investments, beginning of year	<u>37,600,273</u>	<u>85,363</u>	<u>18,360,089</u>	<u>-</u>	<u>56,045,725</u>	<u>-</u>
Cash and investments, end of year	<u>\$ 29,180,908</u>	<u>104,605</u>	<u>14,410,783</u>	<u>-</u>	<u>43,696,296</u>	<u>-</u>

See accompanying notes to the basic financial statements.

CITY OF COMPTON
Statement of Cash Flows
Proprietary Funds
For the year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Rubbish	Sewer	Nonmajor	Total	
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	\$ 2,692,212	(324,306)	725,098	46,351	3,139,355	19,600,466
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Other nonoperating revenues (expenses)	-	-	-	-	-	-
Depreciation expense	446,921	37,000	841,482	-	1,325,403	90,926
Changes in operating assets and liabilities:						
Decrease (increase) in taxes receivable	-	-	59,345	-	59,345	-
Decrease (increase) in accounts receivable	6,809	160,130	(50,488)	-	116,451	12,948
Decrease (increase) in inventories	95,179	-	-	-	95,179	3,258
Increase (decrease) in accounts payable	420,246	-	5,114	-	425,360	-
Increase (decrease) in accrued liabilities	(213,472)	(12,733)	(29,094)	(2,934)	(258,233)	(48,821)
Increase (decrease) in accrued interest payable	-	-	-	-	-	-
Increase (decrease) in compensated absences	(37,337)	-	-	-	(37,337)	-
Increase (decrease) in postemployment benefit	408,413	28,070	(438)	1,404	437,449	-
Increase (decrease) in deposit payable	(118,267)	-	-	(920)	(119,187)	-
Increase (decrease) in self-insurance claims	-	-	-	-	-	1,715,634
Net cash provided (used) by operating activities	<u>\$ 3,700,704</u>	<u>(111,839)</u>	<u>1,551,019</u>	<u>43,901</u>	<u>5,183,785</u>	<u>21,374,411</u>

See accompanying notes to the basic financial statements.

CITY OF COMPTON
Agency Funds

Statement of Fiduciary Assets and Liabilities

June 30, 2011

	<u>Total</u>
 <u>Assets</u>	
Cash and cash equivalents	\$ 925,092
Accounts receivables	<u>93,199</u>
 Total assets	 <u><u>\$ 1,018,291</u></u>
 <u>Liabilities</u>	
Accrued liabilities	\$ 1,994
Deposits	729,910
Agency obligations	<u>286,387</u>
 Total liabilities	 <u><u>\$ 1,018,291</u></u>

See accompanying notes to the basic financial statements.

CITY OF COMPTON
Notes to Financial Statements
Year Ended June 30, 2011

(1) Summary of Significant Accounting Policies

(a) Description of the Reporting Entity

The City of Compton (City) was incorporated on May 11, 1888, under the laws of the State of California and enjoys all the rights and privileges applicable to a charter city. It is governed by an elected board. As required by accounting principles generally in the United States of America, these financial statements present the City of Compton (the primary government) and its component units.

Blended Component Units:

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and so data from these units is combined with data of the primary government. Component units should be included in the reporting entity financial statements using the blended method if either of the following criteria is met:

- i. The component unit's governing body is substantially the same as the governing body of the primary government (the City).
- ii. The component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

The component units discussed below are included in the reporting unit because of their operational or financial relationships with the City of Compton.

The Community Redevelopment Agency (Agency) was created by the City Council of the City in 1967. The Agency was established pursuant to the California Community Redevelopment Law, as codified in Part 1 of Division 24 of the State of California Health and Safety code. Through the creation of designated project areas, the Agency is broadly empowered to engage in the general acquisition and development of property in those areas of the City determined to be in a declining state.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

The Public Finance Authority (PFA) was organized in 1987 under a joint exercise of power agreement to provide financing for public capital improvements for the City and the Compton Redevelopment Agency. The Authority's financial activity is reported in a separate capital projects fund.

The Housing Authority of the City of Compton (Housing Authority) was established in 1969 pursuant to State legislation. On December 1, 1976, the Housing Authority entered into an Annual Contributions Contract with HUD and received allocation of Section 8 Certificate units. The Housing Authority operates two programs: the Housing Choice Voucher Program, which provides monthly rental assistance to participants who want to rent from private landlords, but cannot afford the full monthly rental payment; and the Family Self-Sufficiency (FSS) Program, which assists families in creating plans that will lead to economic independence.

Copies of reports of financial statements for the Agency can be obtained at the City Controller, 205 South Willowbrook Avenue, Compton, CA 90220. Separate financial statements are not prepared for the PFA or Housing Authority.

(b) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the government. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicant function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Separate financial statements are provided for government funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred, except for debt service expenditures as well as expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due.

Property taxes, franchise taxes, Licenses, other taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent measurable and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- *General Fund* - This fund is used to account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

- *Federal Grants Fund* - This fund is used to account for various grants received from the agencies of the Federal government.
- *Retirement Fund* - This fund accounts for the contributions made by the City to its public employees' retirement system. The activity is financed from a special tax levy.
- *Redevelopment Debt Service Fund* - This fund was established to finance and account for the payment of interest and principal on the Agency's outstanding long-term indebtedness. The principal sources of revenue of this fund are tax increments and investment income.
- *The Public Finance Authority Debt Service Fund* - This fund was set up to finance and account for the payment of interest and principal on the outstanding long-term indebtedness issued by the Public Finance Authority. The principal source of revenue of this fund is the Base Rental Payments made by the City to the Authority.
- *Redevelopment Capital Projects Fund* - This fund is used to account for all revenues and costs of implementing various projects in accordance with the California Community Redevelopment Law and Public Financing, including acquisition of properties, cost of site improvements, and other costs of benefits to the project areas as well as administrative expenses incurred in sustaining project activities.
- *Low/Moderate Income Housing Capital Projects Fund* - This fund was established to provide, improve, and preserve low and moderate-income housing. Funding for this activity is from tax increment funds designated for such purpose by State Law (Health and Safety Code, Section 33334.2).

The City reports the following major proprietary funds:

- *Water Utility Fund* - This fund is used to account for the provision of water to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, billing, and collection.
- *Rubbish Fund* - This fund is used to account for the provision of rubbish collection services to residents and businesses within the City.

CITY OF COMPTON
Notes to Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

- *Sewer Fund* - This fund is used to account for the costs of replacing and upgrading portions of the City's sewer system and its operations.

Additionally, the City reports the following fund types:

Governmental Funds:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities and equipment (other than those financed by proprietary funds).

Proprietary Funds:

Enterprise Funds - Enterprise Funds are used to account for activities financed by user fees.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. These services include equipment rental fund, central duplicating fund, self-insurance fund, and central purchasing fund.

Fiduciary Funds:

Agency Funds - Agency Funds are used to account for funds in which the City is acting as an agent for another agency.

Private-sector standards of accounting and financial reporting issued prior to December 1989 generally are followed in both the government-wide and business-type activities financial statements to the extent that business-type activities standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are internal service fund charges to business-type activities and other charges to business-type activities and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connecting with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges for sale and services. Operating expenses for enterprise and internal service funds included cost of sales and service, operations and maintenance of systems and facilities, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

(d) Assets, Liabilities, and Net Assets

Investments

Investments are stated at market value. The City's investment in the Local Agency Investment Fund (LAIF) is part of the State Treasurer's Investment Pool operated in accordance with the California Government Code Section 16429. The reported value of the pool is the same as the fair value of the pool shares. Investments in money market mutual funds are stated at fair value which as of the year end equals to the cost of the investments in the money market mutual funds.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Inventories

Enterprise Fund inventories include various accessories used for water service repair and maintenance. Inventories in the Internal Service Funds consist principally of office supplies, recreational activity supplies, and other miscellaneous materials and supplies. Inventories are valued at the lower of average cost or market.

Land Held for Resale

Land acquired by the Community Redevelopment Agency and held for resale is accounted for as investment and recorded at the lower of cost or estimated realizable value upon entering into a disposition and development agreement.

Capital Assets

Capital Assets, which include land, land improvements, buildings, structures, equipment (including furniture), and infrastructure assets are reported in the applicable activity columns in the accompanying government-wide statement of net assets and the proprietary fund statement of net assets. Capital assets are defined using guidelines established by the City. Such guidelines assert that assets with an initial individual cost of more than \$5,000 (\$50,000 for infrastructure) and an estimated useful life in excess of one year are to be considered capital assets. Such capital assets are recorded at historical cost or the cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation on capital assets within the City is computed on a straight-line method using these estimated useful lives.

Buildings and Structures	40 years
Land Improvements	20 years
Equipment	5 - 10 years
Infrastructure	25 - 60 years

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Compensated Absences

All compensated balances are accrued when earned in the government-wide financial statements. Compensated absences are recorded as a liability and expenditures when due and payable, as it is the City's policy to liquidate any unpaid vacation or sick leave at June 30 from future resources rather than currently available expendable resources.

Claims and Judgments

Material claims and judgments are recorded as a liability when it is probable that a claim has been incurred and the amount of the loss can be reasonably estimated. The City records the estimated loss including those incurred but not reported, net of any insurance coverage, in an internal service fund under its self- insurance program. In the opinion of the City Attorney, at June 30, 2010 the City had no material outstanding claims, in addition to amount disclosed in the Statement of Net Assets.

Property Tax Revenues

The County of Los Angeles is responsible for assessing, collecting, and distributing property taxes to the City. The following property tax calendar is used:

Lien date	January 1
Levy date	4 th Monday of September
Due dates	November 1 and February 1
Delinquency date	December 11 and April 11

The City considers property taxes as available and records revenues if they are collected within 60 days after year end. Property tax receivables are adjusted to their net realizable values by deducting any estimated uncollectible amounts reported to the City.

Net Assets

In the government-wide financial statements and proprietary fund financial statements net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets and unrestricted net assets.

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

- *Invested in Capital Assets, Net of Related Debt* - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* - This category presents external restrictions imposed by creditors, grantors, contributors or law or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Assets* - This category represents net assets of the City, not restricted for any project or other purpose.

Fund Balance

The accompanying financial statements reflect certain changes that have been made with respect to the reporting of the components of fund balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance.

Due to the implementation of GASB No. 54, the components of the fund balances of governmental funds now reflect the component classifications described below.

Fund balances are reported in the fund statements in the following classifications:

Nonspendable Fund Balance

Nonspendable Fund Balance – this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

Spendable Fund Balance

Restricted Fund Balance – this includes amounts that can be spent only for specific purposes stipulated by legal requirements imposed by other governments, external resource providers, or creditors. City Council imposed restrictions do not create restricted fund balance unless the legal document that initially authorized the revenue (associated with that portion of fund balance) also included language that specified the limited use for which the authorized revenues were to be expended.

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Committed Fund Balance – this includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (for example, resolution, ordinance, minutes action, etc.) that it employed to previously commit those amounts. If the Council action that limits the use of the funds was separate from the action that initially created the revenues that form the basis for the fund balance, then the resultant fund balance is considered to be committed, not restricted. The City considers a resolution, an ordinance, or a minute's action to constitute a formal action of City Council for the purposes of establishing committed fund balance.

Assigned Fund Balance – this includes amounts that are intended to be used for specific purposes as indicated either by City Council or by persons to whom City Council has delegated the authority to assign amounts for specific purposes. City Council has delegated such authority to the City Controller.

Unassigned Fund Balance – this includes the remaining spendable amounts which are not included in one of the other classifications.

It is the city's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the Council.

Use of Estimates

The preparation of the accompanying basic financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, and expenditures, as well as disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Notes Receivable

The accompanying financial statements reflect the recording of certain notes receivable that represent loans to private developers and other parties. In certain cases, the amount of collection is dependent upon future residual receipts to be generated by the property of contingent upon the ability of the owner to sell the property at an amount sufficient to pay all liens against the property, including the obligation to the City. An estimate of the loss (if any) associated with non-repayment cannot be reasonably estimated at this time.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(2) Reconciliation of Government-Wide and Fund Financial Statements

(a) Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation states that, "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds." The capital assets reported in the *Statement of Net Assets* for governmental funds (excludes internal service funds) are as follows:

Land	\$ 28,809,536
Construction in progress	20,918,672
Depreciable building and structures, net	18,791,050
Depreciable land improvement, net	495,951
Depreciable equipment, net	3,135,741
Depreciable infrastructure, net	<u>77,809,094</u>
	<u>\$149,960,044</u>

One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds." The details of this adjustment (excludes internal service funds) are as follows:

Bond payable	\$(205,573,490)
Mortgage loan payable	(3,067,194)
Notes payable	(4,205,063)
Tax sharing obligation	(1,676,476)
Capital lease obligation	(377,858)
Compensated absences	(6,756,779)
Deferred charge on refunding (amortized as interest expense)	1,063,277
Deferred bond issuance costs (amortized over life of debt)	3,116,089
Unamortized bonds discount	878,877
Unamortized bonds premium	(556,465)
Postemployment benefit obligation	<u>(23,845,783)</u>
	<u>\$(241,000,865)</u>

CITY OF COMPTON
Notes to Financial Statements
(Continued)

(2) Reconciliation of Government-Wide and Fund Financial Statements, (Continued)

- (b) Explanation of certain differences between the governmental funds statements of revenues, expenditures and changes in fund balances and the government-wide statements of activities

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances — total governmental funds and changes in net assets of governmental activities as reported in the governmental-wide statements of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$19,336,484
Depreciation expenses	<u>(7,901,662)</u>
	<u>\$11,434,822</u>

One element of that reconciliation states that “The issuance of long-term liabilities provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds”. Neither transaction, however, has any effect on net assets. The details of this adjustment are as follows:

Debt principal repayment:	
Bond payable	\$7,305,000
Mortgage loan payable	131,736
Capital lease obligation	193,638
Notes payable	<u>298,964</u>
	<u>\$7,929,338</u>

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(2) Reconciliation of Government-Wide and Fund Financial Statements, (Continued)

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not accrued as expenses in governmental funds”. The details of this adjustment are as follows:

Accrued interest	\$ 1,642,195
Current year interest accretion	2,608,271
Amortization of bond premium	278,231
Amortization of bond discount	(30,300)
Amortization of deferred loss on refunding	(344,997)
Amortization of bond issuance cost	(235,376)
Change in compensated absences	1,346,847
Change in post employment benefit obligation	<u>(7,445,770)</u>
	<u><u>\$(2,180,899)</u></u>

Another element of that reconciliation states that “Certain loans are recorded as expenditures in the governmental funds when issued. Repayments of these long-term loans are recorded as revenues in the governmental funds when collected. However, neither of these transactions have an effect on net assets”. The details of this adjustment are as follows:

Loans granted	\$6,742,796
Loan repayments received	(128,888)
Loans written-off	<u>(998,880)</u>
Change in loans receivable	<u><u>\$5,615,028</u></u>

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(3) Stewardship, Compliance and Accountability

Individual Department and Fund Disclosures

For the year ended June 30, 2011, the following departments of the City had expenditures exceeded the budget appropriations by the indicated amounts:

General Fund	
General Government	\$ 15,387,695
Public Safety	2,255,733
Public Works	63,220
Environmental and Human Services	422,715
Retirement Fund	
Public Safety	167,171
Redevelopment Debt Service	5,132,263

At June 30, 2011, the following funds had accumulated deficits:

General Fund	\$ 41,222,801
Nonmajor Governmental Funds:	
Gasoline Tax	23,370
Department of Health Service	97,413
Special Assessments	2,127,782
Enterprise Funds:	
Rubbish	628,287
Nonmajor Enterprise Funds:	
Golf Course	10,159
Internal Service Funds:	
Equipment Rental	124,910
Self-Insurance	1,301,174

These deficits are anticipated to be funded from future management spending control policies, grant revenues, operating transfers from the various City departments, and future user charges.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(4) Cash and Investments

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Statement of Net Assets:

Cash and investments	\$ 158,459,117
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Fiduciary Funds:

Cash and investments	<u>925,092</u>
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Total Cash and Investments	<u><u>\$159,384,209</u></u>
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Cash and investments at June 30, 2011 are classified as follows:

Cash on hand	\$ 16,150
Deposits with financial institutions	3,394,198
Investments	<u>155,973,861</u>

Total Cash and Investments	<u><u>\$159,384,209</u></u>
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Investments Authorized by the City's Investment Policy

The City of Compton's Statement of Investment Policy is reviewed and adopted by the City Council each year. The investment policy is more conservative and restrictive than the investment vehicles authorized by Section 53601 of the California Government Code. Investment vehicles not specifically mentioned in the City's investment policy are not authorized unless the policy is amended by the City Council or are approved as part of the provisions of the bond indentures.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(4) Cash and Investments, (Continued)

Investments are limited to:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills	5 years	None	None
U.S. Treasury Notes	5 years	None	None
Federal Agency Securities	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	15%
Bankers' Acceptances	180 days	40%	15%
Commercial Paper	270 days	15%	15%
Repurchase Agreements	90 days	None	15%
Reverse Repurchase Agreements	90 days	20%	15%
Time Deposits	5 years	25%	15%
Medium Term Corporate Notes	5 years	30%	15%
Money Market Funds	None	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Mutual Funds	5 years	20%	None

* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these agreements that address interest rate risk and concentration of credit risk.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(4) Cash and Investments, (Continued)

Investments are limited to:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Portfolio</u>	<u>Maximum of Investment in One Issuer</u>
U.S. Treasury Notes	5 years	30%	None
Federal Agency Securities	5 years	30%	None
Negotiable Certificate of Deposit	5 years	None	30%
Bankers Acceptances	180 days	40%	15%
Commercial Paper	270 days	40%	None
Repurchase Agreements	90 days	None	None
Time Deposits	5 years	25%	None
Money Market Funds	None	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Guaranteed Investment Contrasts	30 years	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows maturities so that a portion of the portfolio is maturing or close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(4) Cash and Investments, (Continued)

<u>Investment Type</u>	<u>Amounts</u>	<u>Remaining Maturity (in Months) 12 Months or Less</u>
Money Market Funds	\$ 735,232	735,232
State Investment Pool (LAIF)	11,055,357	11,055,357
Held by Fiscal Agent:		
Money Market Mutual Funds	<u>144,183,272</u>	<u>144,183,272</u>
	<u>\$155,973,861</u>	<u>155,973,861</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City investment policy, or debt agreements and the actual rating as of yearend for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>AAA</u>	<u>Not Rated</u>
Money Market Funds	\$ 735,232	AAA	735,232	-
State Investment Pool (LAIF)	11,055,357	N/A		11,055,357
Held by Fiscal Agent:				
Money Market Mutual Funds	<u>144,183,272</u>	N/A	<u>144,183,272</u>	<u>-</u>
	<u>\$ 155,973,861</u>		<u>144,918,504</u>	<u>11,055,357</u>

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(4) Cash and Investments, (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal 100% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The total amount invested by all public agencies in LAIF as of June 30, 2011 was \$24 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2011 had a balance of \$66.4 billion, of that amount, 5.02% was invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments was 237 days as of June 30, 2011.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(5) Receivables

Receivables as of June, 30, 2011 are as follows:

<u>Investment Type</u>	<u>Property Taxes</u>	<u>Accounts</u>	<u>Grants</u>	<u>Notes, net</u>	<u>Loans</u>	<u>Total</u>
Government Activities:						
General fund	\$ 660,152	2,303,188	-	-	-	2,963,340
Federal grants	-	-	1,188,222	-	4,910,048	6,098,270
Retirement	1,235,071	-	-	-	-	1,235,071
Redevelopment debt service	4,126,092	-	-	-	-	4,126,092
Redevelopment capital projects	-	508,789	-	327,972	9,850,000	10,686,761
Low/moderate income housing	-	-	-	-	20,145,977	20,145,977
Nonmajor governmental funds	<u>286,183</u>	<u>373,877</u>	<u>735,502</u>	<u>-</u>	<u>-</u>	<u>1,395,562</u>
	<u>\$6,307,498</u>	<u>3,185,854</u>	<u>1,923,724</u>	<u>327,972</u>	<u>34,906,025</u>	<u>46,651,073</u>

	<u>Property Taxes</u>	<u>Accounts</u>	<u>Allowances</u>	<u>Total</u>
Business-type Activities:				
Water	\$ -	2,045,526	(181,479)	1,864,047
Rubbish	-	1,246,869	(406,294)	840,575
Sewer	<u>45,080</u>	<u>189,884</u>	<u>-</u>	<u>234,964</u>
	<u>\$ 45,080</u>	<u>3,482,279</u>	<u>(587,773)</u>	<u>2,939,586</u>
Net Total Receivables				<u>\$49,590,659</u>

CITY OF COMPTON
Notes to Financial Statements
(Continued)

(5) Receivables

Notes Receivable

The City's notes receivable in the Redevelopment Capital Projects Fund as of June 30, 2011 are composed of the following:

<u>Borrower</u>	<u>Balance</u>	<u>Allowance</u>	<u>Net Balance</u>
Bakewell and Bankley Investment Company	<u>\$3,500,000</u>	<u>(3,172,028)</u>	<u>327,972</u>
Total notes receivable	<u>\$3,500,000</u>	<u>(3,172,028)</u>	<u>327,972</u>

In May 2006, outstanding notes receivable from Bakewell and Bunkley Investment Compton, Compton Commercial Development Company, and Compton Commercial Plaza Company were relieved by a Mutual Release of Claims and Settlement Agreement. The Agreement relieved all parties from all existing debt obligations; however, it created the new debt obligation of \$3,500,000. The Agency expected to receive only the difference between the new and old loans. Therefore, the difference was transferred into allowance.

Loans Receivable

Loans receivable at June 30, 2011 are as follows:

	<u>Balance</u>
Loans receivable, July 1, 2010	\$29,290,997
First time home buyers loans	932,691
Residential Rehabilitation Loans	660,105
Developer loan	5,150,000
Repayment during the year	(128,888)
Reduction of FTHB Loans	<u>(998,880)</u>
Loans receivable, June 30, 2011	<u>\$34,906,025</u>

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(5) Receivables, (Continued)

Community Redevelopment Agency's First Time Home Buyers Assistance, Residential Rehabilitation Assistance Programs and Loans to qualified Community Housing Development Organization (CHDO).

The City's Community Redevelopment Agency (CRA) provides assistance to residents and home owners of the community. This assistance is in the form of first time home buyers assistance and residential rehabilitation assistance programs. In addition, CRA also provides assistance to qualified community Housing Development Organization (CHDO) for low and moderate housing developments.

First Time Home Buyers Assistance Program - The First Time Home Buyers program consists of a second mortgage or mortgage subsidy, which reduces the price of a home to an affordable level, thus enabling a first time home buyer to qualify for the purchase of a home. The second mortgage is in the form of a silent second trust deed loan. The maximum loan amount is \$100,000 for moderate income borrowers and \$150,000 for low income borrowers. The loan is interest-free and does not require monthly repayment. After five years, the loan is reduced 10% annually. Ultimately, if the borrower lives in the property for 15 years consecutively, the loan is forgiven and treated as a grant to the borrower at that time. Both the property and the applicant must meet certain criteria in order to be eligible to participate in the program. In accordance with GASB 33, a contribution to the borrowing is not recorded until the borrower has met all required criteria to be eligible for the forgiveness. The total amount of the first time home buyers' assistance granted by the City during the year was \$1,283,344, the amount collected as loans repayment was \$21,606 and the amount treated as grant (reduction) was \$998,880. The loans receivable balance as of the year end was \$23,466,622.

Loans to Community Housing Development Organization (CHDO) - Also, the City provided funds to the Community Housing Development Organization (CHDO) to boost construction of new homes in the City. At June 30, 2011, the loans receivable balance was \$1,589,403 for Federal Grants.

Loan to a Developer - In line with its objective of promoting economic and physical development within the City, the City provided a loan of \$6,000,000 to a property developer - Gateway Opportunity Fund, LLC (with Prism Realty Corporation acting as the borrower's Manager in California). The developer acquired an undeveloped land for the development of phase II shopping Center in the City. The Phase I section of the shopping center has been completed while Prism Realty Corporation was in the preparation stage to commence development work on the phase II project. Repayment of loan principal to the City is spread over a 5-year period commencing on February 1, 2012

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(5) Receivables, (Continued)

to end on April 15, 2017. The loan has an interest rate of 6.5% from the date of commence of the loan to January 24, 2012. Thereafter the interest rate will increase to 7% until the principal of the loan is fully repaid to the City.

Loan to Compton Commercial Development Renaissance Plaza, LLC – in connection with the major renovation of the Compton Renaissance Plaza Shopping Center (The Shopping Center), the City (Agency) provided a loan of \$2,850,000 to a property developer – Compton Commercial Development Renaissance Plaza, LLC. The developer will renovate or cause the renovation of the existing 86,489 square foot vacant building at the northeast corner of Compton Boulevard between Alameda Street and Willowbrook Avenue. The loan has an interest rate of 3% per annum and shall be for a period of ten (10) years. The principal and all interest accruing on the Agency Loan shall be payable on the dates and in the amounts as provided in the Agency Note, and the Agency Note shall mature on January 15, 2021.

Loan to Alameda Court, LLC – To facilitate the sale of the Alameda Court Town Homes to low and moderate income homebuyers, the City (Agency) provided a loan of \$2,300,000 to a property Redeveloper – Alameda Court, LLC. The loan shall be secured by a subordinate Deed of Trust (the Agency Deed of Trust) encumbering 19 units recorded against the Subject Property. Repayment of the loan shall be made to the Agency by the Redeveloper on a pro-rata basis following the sale if each unit to a qualified low/moderate income buyer.

Residential Rehabilitation Assistance Program - This program comprises the Fit-it Repair Grant, Emergency Assistance Grant and Deferred Equity Loan. The Fix-it grant provides up to \$7,000 to assist low to moderate income, owner occupied households with minor repairs in their homes. No repayment or lien is required for this program as it is strictly a grant. The Emergency Assistance Grant is designed to assist low income, owner occupied households of single family homes within the city limits with extreme emergency repairs subject to a maximum of \$10,000. The beneficiary is required to repay the grant to the City only upon the sale, refinance, transfer, and foreclosure of the property or the death or relocation of the home owner from the property. The Deferred Equity Loan is provided to low / moderate-income home owners who meet the eligibility criteria subject to a maximum of \$25,000. The beneficiary is required to repay the loan only upon the sale, refinance, transfer or foreclosure of the property within 10 years of the loan. After 10 years, the loan is forgiven and treated as a grant. The total amount of the residential rehabilitation assistance granted during the year was \$309,452. This amount has been reported as expenditure in these financial statements as it is improbable that any of the grants or the deferred equity loan will become receivable.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(6) Capital Assets

A summary of changes in capital assets for the year ended June 30, 2011 is as follows:

Governmental Activities:

	Balance July 1, 2010 <u>as restated*</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 28,853,644	-	-	28,853,644
Construction in progress	<u>12,878,113</u>	<u>15,130,316</u>	<u>(7,089,757)</u>	<u>20,918,672</u>
Total capital assets, not being depreciated	<u>41,731,757</u>	<u>15,130,316</u>	<u>(7,089,757)</u>	<u>49,772,316</u>
Capital assets, being depreciated:				
Building and structures	36,391,429	86,955	-	36,478,384
Land improvements	7,167,988	-	-	7,167,988
Equipment	45,786,753	1,302,415	-	47,089,168
Infrastructure	<u>166,128,403</u>	<u>7,002,802</u>	<u>-</u>	<u>173,131,205</u>
Total capital assets, being depreciated	<u>255,474,573</u>	<u>8,392,172</u>	<u>-</u>	<u>263,866,745</u>
Less accumulated depreciation for:				
Building and structure	(16,795,454)	(891,880)	-	(17,687,334)
Land improvements	(6,451,541)	(220,496)	-	(6,672,037)
Equipment	(42,230,237)	(1,480,863)	-	(43,711,100)
Infrastructure	<u>(89,922,763)</u>	<u>(5,399,348)</u>	<u>-</u>	<u>(95,322,111)</u>
Total accumulated depreciation	<u>(155,399,995)</u>	<u>(7,992,587)</u>	<u>-</u>	<u>(163,392,582)</u>
Total capital assets, being depreciated, net	<u>100,074,578</u>	<u>399,585</u>	<u>-</u>	<u>100,474,163</u>
Governmental activities capital assets, net	<u>\$141,806,335</u>	<u>15,529,901</u>	<u>(7,089,757)</u>	<u>150,246,479</u>

* see footnote 17 for details of restatement.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(6) Capital Assets, (Continued)

*Land beginning balance has been restated. See footnote 17

Depreciation expenses were charged to functions/programs of the primary government as follows:

General government	\$2,350,822
Public safety	730,210
Public works	<u>4,911,555</u>
Total Depreciation	<u>\$7,992,587</u>

Business-Type Activities:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 162,097	-	-	162,097
Construction in progress	<u>4,633,608</u>	<u>7,934,979</u>	<u>(7,825,310)</u>	<u>4,743,277</u>
	<u>4,795,705</u>	<u>7,934,979</u>	<u>(7,825,310)</u>	<u>4,905,374</u>
Capital assets, being depreciated:				
Building and structures	1,254,963	-	-	1,254,963
Land improvements	157,044	-	-	157,044
Equipment	20,765,951	80,092	-	20,846,043
Infrastructure	<u>605,302</u>	<u>7,726,082</u>	<u>-</u>	<u>8,331,384</u>
Total capital assets, being depreciated	<u>22,783,260</u>	<u>7,806,174</u>	<u>-</u>	<u>30,589,434</u>
Less accumulated depreciation for:				
Building and structure	(951,168)	(31,374)	-	(982,542)
Land improvements	(147,445)	(800)	-	(148,245)
Equipment	(18,866,837)	(849,496)	-	(19,716,333)
Infrastructure	<u>(61,332)</u>	<u>(443,731)</u>	<u>-</u>	<u>(505,063)</u>
Total accumulated depreciation	<u>(20,026,782)</u>	<u>(1,325,401)</u>	<u>-</u>	<u>(21,352,183)</u>
Total capital assets, being depreciated, net	<u>2,756,478</u>	<u>6,480,773</u>	<u>-</u>	<u>9,237,251</u>
Governmental activities capital assets, net	<u>\$ 7,552,183</u>	<u>14,415,752</u>	<u>(7,825,310)</u>	<u>14,142,625</u>

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(6) Capital Assets, (Continued)

Depreciation expenses were charged to Business-type Activities as follows:

Water	\$ 446,921
Rubbish	37,000
Sewer	<u>841,480</u>
Total depreciation	<u>\$1,325,401</u>

(7) Interfund Transactions

The following table summarizes interfund receivables and payables at June 30, 2011.

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental Funds:		
General Fund	\$ -	28,253,324
Retirement Fund	5,281,025	-
Public Finance Authority Debt Service Fund	655,423	-
Redevelopment Capital Projects Fund	-	5,027,002
Redevelopment Low Income Housing Fund	5,027,002	-
Nonmajor Governmental Funds	<u>-</u>	<u>2,436,162</u>
	10,963,450	35,716,488
Internal Service Funds	<u>8,764,580</u>	<u>180,969</u>
	19,728,030	35,897,457
Enterprise Funds:		
Water	9,435,814	-
Rubbish	-	562,804
Sewer	7,184,218	-
Nonmajor Enterprise Funds	<u>119,550</u>	<u>7,351</u>
	<u>\$36,467,612</u>	<u>36,467,612</u>

These interfund balances result from the time lag between the dates that 1) interfund reimbursable expenditures occurs, and 2) payments between funds are made.

CITY OF COMPTON
Notes to Financial Statements
(Continued)

(7) Interfund Transactions, (Continued)

Transfers

<u>Transfers out</u>	<u>Transfers In</u>						<u>Total</u>
	<u>General</u>	<u>Federal Grants</u>	<u>Redevelopment Capital Projects</u>	<u>Low/Moderate Income Housing</u>	<u>Nonmajor Funds</u>	<u>Internal Service</u>	
Government activities:							
General fund	\$ -	38,235	-	-	105,808	1,570,533	1,714,576
Federal grants	55,871	-	887,252	-	-	-	943,123
Redevelopment debt service	-	-	17,463,393	213,445	-	-	17,676,838
Redevelopment low and moderate income	30,675	-	816,721	-	-	-	847,396
Nonmajor funds	-	-	173,000	-	-	-	173,000
Internal Service	<u>2,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,363</u>
	<u>\$88,909</u>	<u>38,235</u>	<u>19,340,366</u>	<u>213,445</u>	<u>105,808</u>	<u>1,570,533</u>	<u>21,357,876</u>

Interfund transfers were primarily used to fund capital improvements and debt service payments.

CITY OF COMPTON
Notes to Financial Statements
(Continued)

(8) Long -Term Debt

Indebtedness

As of June 30, 2011, the City's long-term indebtedness consisted of the following:

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount of Issue</u>	<u>Outstanding June 30, 2011</u>
Long-term debt liabilities:					
Bonds payable:					
1995 series "C" refunding tax allocation bonds – taxable (the balances of \$34,818,490 includes \$24,680,960 of accreted value)	7-1-1995	8-1-2024	7.94%	\$10,137,530	34,818,490
2006, series "A" refunding tax allocation capital appreciation bonds – tax exempt	7-6-2006	8-1-2013	5.00%	51,215,000	24,300,000
2008 series Compton Public Finance Authority refunding and various capital projects bonds	5-1-2008	9-1-2032	4.00%- 5.25%	46,800,000	45,730,000
2010 series "A", "B" and "C" Community Redevelopment second lien tax allocation bonds	6-9-2010	8-2-2024& 8-2-2042	3.99%- 7.74%	100,725,000	<u>100,725,000</u> 205,573,490
Less: Deferral on refunding					
2006 series A refunding tax allocation bond					(652,666)
1997 "A" series certificate of participation					(410,611)
Less: Discount on issue of 2008 series Compton PFA refunding and various capital projects bond					(147,660)
Add: Bond premium on issue of 2006 series "A" refunding tax allocation capital appreciation bonds – tax exempt					556,465
Less: Discount on issue of 2010 series "A", "B" and "C" Community Redevelopment second lien tax allocation bonds					<u>(731,217)</u>
Total bond payable					<u>204,187,801</u>
Mortgage loan payable:					
Energy retrofit/revenue enhancement	7-31-2006	7-31-2022	4.52%	3,314,052	3,067,194
Notes payable:					
Housing section 108 notes	8-9-2001	8-1-2020	6.00%	5,000,000	4,100,000
Energy conservation assistance loan	10-21-2004	6-22-2012	3.95%	635,087	<u>105,063</u>
Total notes payable					<u>4,205,063</u>
Tax sharing obligations					1,676,476
Capital lease obligation					
Printing and tree trimming equipment					667,185
Compensated absences					<u>6,756,779</u>
Total governmental activities – long-term liabilities					<u>\$220,560,498</u>

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(8) Long -Term Debt, (Continued)

<u>Business-Type Activities</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount of Issue</u>	<u>Outstanding June 30, 2011</u>
Long-term debt liabilities:					
Bonds payable:					
1998 Sewer revenue refunding bonds	6-1-1998	9-1-2023	4.200- 5.375%	\$8,310,000	5,625,000
Sewer revenue bonds, series 2009	5-20-2009	9-1-2039	5.625- 6.000%	18,710,000	18,710,000
2006 Solid waste revenue bonds	6-29-2000	8-1-2020	Variable	6,000,000	1,025,000
Water revenue bonds, series 2009	5-20-2009	8-1-2039	5.625- 6.000%	44,040,000	<u>44,040,000</u>
					69,400,000
Less: Discount on issue of water revenue bonds, series 2009					(971,801)
Less: Discount on issue of sewer revenue bonds, series 2009					<u>(413,831)</u>
Total bonds payable					68,014,368
Notes payable:					
Water utility note	12-15-1994	6-13-2013	8.10%	818,071	78,018
Capital lease obligation					40,194
Compensated absences					<u>745,785</u>
Total business-type activities – long- term liabilities					<u>\$68,878,365</u>

Community Redevelopment Project Second Lien Tax Allocation Bonds, Series 2010A (Housing), 2010B & 2010C (Taxable)

On June 9, 2010, the City issued \$100,725,000 of Second Lien Tax Allocation Bonds made up of Series “A” (\$31,130,000 for Housing projects), Series B (\$69,595,000 for general redevelopment projects) and Series C (\$18,260,000 Taxable - for other redevelopment projects). The bonds interest rates are between 3.00% and 5.00% for Series A, 5.00% and 5.75% for Series B and 7.29% and 7.74% for Series C. The proceeds of the bonds of \$98,113,767 after deducting bond issue costs of \$1,832,840 (for underwriter’s fees, legal fees, rating agency fees, financial advisor’s fee and consultants’ fees) and bond discount of \$778,393 was deposited with the Bond trustee (Fiscal Agent). The City draws down from the bond money as and when bond expenditures are made on the bond projects.

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(8) Long -Term Debt, (Continued)

The 2010 Second Lien Tax Allocation Bonds are special obligations of the Community Redevelopment Agency, which are secured by an irrevocable pledge of the tax revenues payable to the Agency. Total principal and interest remaining on the bonds is \$201,798,346. The bonds are payable as follows - Series A (August 2011 through 2042), Series B (August 2011 through 2042) and Series C (August 2011 through 2044). There were no principal and interest payments during the current year while total incremental property tax revenue for the year was \$30,056,299. The amount of principal outstanding at June 30, 2011 for all of the 2010 Series was \$100,725,000.

Compton Public Finance Authority Lease Revenue Bonds, Series 2008

In May, 2008, the City issued \$46,860,000 of Lease Revenue Bonds with an interest rate of 4.0% and 5.25% to advance refund \$14,700,000 outstanding 1997 "A" Certificate of Participation with an interest rate of 7.5% and to finance various capital projects amounting to \$29,201,947. The City defeased the old bonds by placing a portion of the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements.

The 2008 Lease Revenue Bonds are secured by the Public Finance Authority's (Authority) pledge of certain base rental payments made by the City to the Authority pursuant to a facility lease, dated May 1, 2008 between the Authority and the City. Total principal and interest remaining on the bonds is \$80,007,726 million payable through September 2032. The amount of the principal and interest paid for the current year which also represents the rental payments made by the City to the Authority was \$2,319,888. The amount of principal outstanding on the bonds at June 30, 2011 was \$45,730,000.

Community Redevelopment Project Refunding Tax Allocation Bonds, Series 2006A

On July 6, 2006, the City issued \$51.2 million in Tax Allocation Bonds with an average interest rate of 5.0 percent to advance refund \$32 million of outstanding 1995A Series Bonds, \$14.7 million of 1995B Series Bonds and \$19.3 million of outstanding 1995-1 Series bonds.

The Series 2006 A Tax Allocation Bonds are special obligations of the Community Redevelopment Agency, which are secured by an irrevocable pledge of the tax revenues payable to the Agency. Total principal and interest remaining on the bonds is \$26,164,000, payable through August 2013. For the current year, principal and interest

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(8) Long -Term Debt, (Continued)

paid and total incremental property tax revenues, were \$8,702,625 and \$30,056,299 respectively. The amount of principal outstanding on the bonds at June 30, 2011 was \$24,300,000.

Community Redevelopment Project Tax Allocation Capital Appreciation Bonds, Series 1995C

The 1995 Series “C” Refunding Tax Allocation Capital Appreciation bonds were issued in 1995 but repayment of the liability will commence in 2014 to end in 2024. During the grace period before the loan payment commences, the interest on the bond is added as an accretion to the bond balance. The amount of the bond is \$10,137,530 while total accretion as of June 30, 2011 is \$24,680,960.

The 1995 Series “C” Refunding Tax Allocation Capital Appreciation bonds are special obligations of the Agency, which are secured by an irrevocable pledge of the tax revenues payable to the Agency. Total principal and interest remaining on the bond is \$35,623,410, payable through August 2024. There were no principal and interest payments made during the year. For the current year, the total incremental property tax revenues were \$30,056,299. The amount of principal outstanding at June 30, 2011 was \$34,818,490.

Energy Retrofit/Revenue Enhancement Mortgage Loan

On July 31, 2006, the City entered into a mortgage loan agreement of \$4,012,184 with Citi Mortgage Inc. to finance the development and installation of Citywide Energy Retrofit / Revenue Enhancement program. The mortgage has an interest rate of 4.52%. The proceeds of the mortgage arrangement was invested in a money market and deposited in an irrevocable trust with an escrow agent to provide for the payment of the vendor of the energy retrofit/revenue enhancement program. As of yearend, full payment has been made to the vendor.

The total principal and interest remaining on the mortgage loan is \$4,006,762, payable through July 2022. Principal and interest paid during the year was \$274,131. The amount of principal outstanding on the mortgage loan at June 30, 2011 was \$3,067,194.

Energy Conservation Assistance Loan

In October 2004, the City obtained \$635,078 of Energy Conservation Assistance Loan from the California Energy Commission to finance energy efficient improvements for the

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(8) Long -Term Debt, (Continued)

City's streetlights and traffic signals. The City utilized the loan to change the traffic signal lighting to the light-emitting diode (LED) type which, consume less electricity than the incandescent bulbs. The interest rate on the loan is 3.95%.

The total principal and interest remaining on the loan is \$106,971, payable through December 2012. Principal and interest paid during the year was \$106,971. The amount of principal outstanding at June 30, 2011 was \$105,063.

Housing Section 108 Notes

Housing Section 108 note in the amount of \$5,000,000 is a note payable to HUD, which was issued in August 2001. Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides the City with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. This note payable is guaranteed by the City's current and future CDBG allocations.

The total principal and interest remaining on the Note is \$5,580,845, payable through August 2021. Principal and interest paid during the year was \$465,400. The amount of principal outstanding on the notes at June 30, 2011 was \$4,100,000.

The annual requirements to amortize all bonds outstanding, including mortgage loan payable, other notes payable and interest payments are as follows:

Year Ending <u>June 30</u>	<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 8,495,000	9,207,567
2013	8,920,000	8,788,917
2014	10,694,906	8,453,567
2015	3,486,016	8,207,065
2016	5,144,550	8,077,511
2017-2021	28,113,306	36,748,026
2022-2026	37,223,752	28,883,569
2027-2031	39,730,000	17,421,820
2032-2036	22,305,000	7,971,050
2037-2041	11,270,000	3,760,200
2042-2043	<u>5,510,000</u>	<u>500,700</u>
Total Debt Service Payment	180,892,530	<u>138,019,992</u>
Cumulative Accretion	<u>24,680,960 *</u>	
Total Principal, June 30, 2011	<u>\$205,573,490</u>	

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(8) Long -Term Debt, (Continued)

* Accretion is included as interest for debt service payment schedule.

Year Ending June 30	<u>Mortgage Loan Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 149,586	136,143
2013	168,749	129,064
2014	189,303	121,095
2015	211,334	112,173
2016	234,933	102,229
2017-2021	1,590,347	320,906
2022-2023	<u>522,942</u>	<u>17,957</u>
	<u>\$3,067,194</u>	<u>939,567</u>

<u>Notes Payable</u>				
Year Ending June 30	<u>Housing Section 108 Notes</u>		<u>Energy Conservation Asst. Loan</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 300,000	250,950	\$105,063	1,908
2013	300,000	233,250	-	-
2014	300,000	215,130	-	-
2015	300,000	196,755	-	-
2016	400,000	175,000	-	-
2017-2021	<u>2,500,000</u>	<u>409,400</u>	<u>-</u>	<u>-</u>
	<u>\$4,100,000</u>	<u>1,480,485</u>	<u>\$105,063</u>	<u>1,908</u>

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(8) Long -Term Debt, (Continued)

The City has lease agreements for tree trimming truck, film processor / speedsetter equipment, and printing press machine. The future minimum lease obligations are:

Year Ending <u>June 30</u>	<u>Capital Lease Obligation</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$284,641	57,595
2013	227,829	50,480
2014	<u>154,715</u>	<u>32,023</u>
	<u>\$667,185</u>	<u>140,098</u>

The net book value of the leased equipment as of the year-end was \$242,328.

Property Tax Sharing Obligation

The City's Redevelopment Agency received revenues from property taxes collected on its behalf by the Los Angeles County. A portion of the property tax revenue is required to be deposited in a trust fund to be established by and administered for the Compton Unified School District unless the amount is spent on a mutually beneficial and agreed project between the Agency and the Compton Unified School District. As at the year end the amount of the property tax share which has not been spent on a mutually agreed project and which may be payable to the trust fund was \$1,676,476.

The City's Community Redevelopment Agency has an agreement with Los Angeles County regarding the County's share of property taxes relating to a portion of the Agency's redevelopment areas. The agreement indicated that this tax share (amounting to \$20.6 million as of the year-end) shall be utilized and will not be payable to the County if the Agency executes mutually agreed projects. The amount has not been included as indebtedness of the City in these financial statements.

Long-Term Debt - Enterprise Funds Bonded Indebtedness:

Water Revenue Bonds, Series 2009

In May, 2009, the City issued \$44,040,000 of Water Revenue Bonds with an interest rate of 5.625.0% - 6.00% to finance part of the cost of overhauling the City's Water System.

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(8) Long -Term Debt, (Continued)

The 2009 Water Revenue Bonds are secured by the net revenues of the City's Water operations, which consist of charges for the services and facilities furnished by the water system minus certain operation and maintenance expenses incurred by the City in connection with the operation of the water system. The ratio of net revenues to annual debt service during the bond year must equal to at least 150%. As of June 30, 2011 the pledged revenues equaled 107% of debt service payments due and payable. Total principal and interest remaining on the bond is \$92,519,524. Repayment of the bond principal will commence in 2014. Interest paid and total revenues of the Water operations for the current year were \$2,472,738 and \$14,531,399, respectively.

Year Ending June 30	<u>Principal</u>	<u>Interest</u>
2012	\$ -	2,472,737
2013	-	2,472,737
2014	765,000	2,461,263
2015	820,000	2,435,437
2016	845,000	2,405,244
2017-2021	4,685,000	11,465,709
2022-2026	6,155,000	10,079,859
2027-2031	8,185,000	8,049,188
2021-2036	11,035,000	5,199,750
2037-2040	<u>11,550,000</u>	<u>1,437,600</u>
Total	<u>\$44,040,000</u>	<u>48,479,524</u>

Sewer Revenue Bonds, Series 2009

In May, 2009, the City issued \$18,710,000 of Sewer Revenue Bonds with an interest rate of 5.625% - 6.00% to finance part of the cost of overhauling the antiquated Sewer System of the City.

The 2009 Sewer Revenue Bonds are secured by all of the Sewer Service Charges excluding operation and maintenance expenses payable from the Sewer Service Charges. Total principal outstanding on the bond is \$39,267,510. Repayment of the principal loan will commence in 2014. Interest paid for the current year and Sewer Charges exclusive of the operating and maintenance expenses were \$1,049,806 and \$1,929,114, respectively.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(8) Long -Term Debt, (Continued)

Year Ending June 30	<u>Principal</u>	<u>Interest</u>
2012	\$ -	1,049,806
2013	-	1,049,806
2014	335,000	1,044,781
2015	345,000	1,033,719
2016	360,000	1,020,931
2017-2021	2,020,000	4,861,888
2022-2026	2,610,000	4,272,188
2027-2031	3,470,000	3,411,591
2032-2036	4,675,000	2,203,350
2037-2040	<u>4,895,000</u>	<u>609,450</u>
Total	<u>\$18,710,000</u>	<u>20,557,510</u>

Sewer Refunding Bonds, Series 1998

In June 1998, the City issued \$8.3 million in Sewer Revenue Refunding Bonds with an average interest rate of 5.2% to advance refund \$7.285 million of outstanding Series 1993 Sewer Revenue Bonds. The old bonds were defeased by placing proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts assets and liability for the defeased bonds are not included in the City's financial statements. On June 30, 2011 \$1.4 million of the bonds outstanding are considered defeased.

The Sewer Refunding bonds are secured by the City's pledge of certain revenues, which consist of sewer service charge imposed by the City upon its property owners for the use of the sewer system for each year minus certain operation and maintenance expenses incurred by the City in connection with the operation of the sewer system. In addition such rates shall be charged to produce net revenues equal to at least 110% of debt service payments due and payable in such fiscal year. As of June 30, 2011 the pledged revenues equaled 153% of debt service payments due and payable. The total principal and interest remaining to be paid on the bonds is \$7,804,142. Principal and interest paid for the current year and total taxes and special assessments revenues were \$602,441 and \$959,813, respectively.

Interest on the bonds is payable semiannually on March 1 and September 1. Principal maturity occurs on September 1 of each year starting in 1999 through 2023. As of June 30, 2011, the outstanding principal balance is \$5,625,000. The annual requirements to amortize all bonds outstanding, including interest payments, are listed below.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(8) Long -Term Debt, (Continued)

Year Ending June 30	<u>Principal</u>	<u>Interest</u>
2012	\$ 310,000	291,938
2013	330,000	275,537
2014	345,000	258,241
2015	365,000	239,591
2016	380,000	219,569
2017-2021	2,240,000	757,875
2022-2024	<u>1,655,000</u>	<u>136,391</u>
Total	<u>\$5,625,000</u>	<u>2,179,142</u>

Solid Waste Management Facilities Bonds

In March 2006, the City converted \$3,775,000 in Solid Waste Management Facilities Variable Rate Revenue Bonds, Series 2000, from a variable rate (the Bonds) to a fixed rate (the Convertible Bonds) maturing in August 2020. The Bonds were issued in June 2000 to finance the acquisition of land, vehicles, and other equipment for the City's Solid Waste Management Program. The Convertible Bonds bear a fixed rate of 4.8%.

The Bonds are secured by a pledge of the net revenues received by the City for the Solid Waste Management Program, which consist of fees charged for solid waste collection services minus certain operation and maintenance expenses incurred by the City in connection with the operation of the Solid Waste Management Program. In addition such rates shall be charged to produce net revenues equal to at least 125% of debt service payments due and payable in such fiscal year. As of June 30, 2011 the pledged revenues was less than 0% of debt service payments due and payable. Total principal and interest remaining to be paid on the bonds is \$1,290,800. Principal and interest paid for the current year and total customer net revenues were \$131,120 and \$9,148,917, respectively.

Interest on the bonds is payable on February 1st and August 1st of each year until maturity, redemption, or purchase thereof. As of June 30, 2011 the outstanding bond balance is \$1,025,000. The annual requirements to amortize all bonds outstanding, including interest payments, are as follows:

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(8) Long -Term Debt, (Continued)

Year Ending June 30	<u>Principal</u>	<u>Interest</u>
2012	\$ 80,000	47,280
2013	85,000	43,320
2014	90,000	39,120
2015	95,000	34,680
2016	100,000	30,000
2017-2021	<u>575,000</u>	<u>71,400</u>
Total	<u>\$1,025,000</u>	<u>265,800</u>

Notes Payable - Water Utility:

The City's Water Utility Enterprise Fund borrowed \$933,393 for utility improvements under provisions of the State of California Safe Drinking Water contract. As of June 30, 2011, the outstanding note payable balance is \$78,018. Payments on the note are due semiannually. The term of the note is for 35 years at an interest rate of 7.40%.

The total annual payments required to amortize the note as of June 30, 2011, including interest payments, are as follows:

Year Ending June 30	<u>Principal</u>	<u>Interest</u>
2012	\$ 78,018	4,801

The City had lease agreements for financing heavy equipment. The future minimum lease obligations are as follows:

Year Ending June 30	<u>Principal</u>	<u>Interest</u>
2012	\$ 40,194	2,251

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(8) Long -Term Debt, (Continued)

Changes in Long-Term Debt:

The following is a summary of long-term debt transactions for the year ended June 30, 2011.

<u>Governmental Activities</u>	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>	<u>Amount Due Within One Year</u>
Debt long-term liabilities:					
Bonds payable:					
1995 series "C" refunding tax allocation bonds – taxable (the balances of \$34,818,490 includes \$24,680,960 of accreted value)	\$10,137,530	-	-	10,137,530	-
Add: Interest accretion	22,072,689	2,608,271	-	24,680,960	-
2006, series "A" refunding tax allocation capital appreciation bonds – tax exempt	31,605,000	-	(7,305,000)	24,300,000	7,690,000
Less: Deferred on refunding	(978,999)	-	326,333	(652,666)	-
Add: Bond Premium	834,696		(278,231)	556,465	-
2008 series Compton Public Finance Authority refunding and various capital projects	45,730,000	-	-	45,730,000	-
Less: Discount on issue	(154,372)	-	6,712	(147,660)	-
Less: Deferred on refunding of 1997 "A" certificate of participation	(429,275)	-	18,664	(410,611)	-
2010 series "A", "B" and "C" Community Redevelopment second lien tax allocation bonds	100,725,000	-	-	100,725,000	805,000
Less: Discount on issue	(754,805)	-	23,588	(731,217)	-
	<u>208,787,464</u>	<u>2,608,271</u>	<u>(7,207,934)</u>	<u>204,187,801</u>	<u>8,495,000</u>
Mortgage loan payable:					
Energy retrofit/revenue enhancement	3,198,930	-	(131,736)	3,067,194	149,589
Capital lease obligations:					
Tree trimming and other equipment	954,260	-	(287,075)	667,185	284,641
Notes payable:					
Housing section 108 notes	4,300,000	-	(200,000)	4,100,000	300,000
Energy conservation assistance loan	204,027	-	(98,964)	105,063	103,875
Total notes payable	<u>4,504,027</u>	<u>-</u>	<u>(298,964)</u>	<u>4,205,063</u>	<u>403,875</u>
Tax sharing obligation					
Tax sharing indebtedness	<u>1,676,476</u>	<u>-</u>	<u>-</u>	<u>1,676,476</u>	<u>-</u>
Other long-term liabilities:					
Compensated absences	<u>8,103,626</u>	<u>1,344,558</u>	<u>(2,691,405)</u>	<u>6,756,779</u>	<u>2,691,405</u>
Total governmental activities – long-term liabilities	<u>\$227,224,783</u>	<u>3,952,829</u>	<u>(10,617,114)</u>	<u>220,560,498</u>	<u>12,024,510</u>

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(8) Long -Term Debt, (Continued)

<u>Business-Type Activities</u>	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>	<u>Amount Due Within One Year</u>
Long-term debt liabilities:					
Bonds payable:					
1998 Sewer revenue refunding bonds	\$ 5,920,000	-	(295,000)	5,625,000	310,000
2006 Solid waste revenue bonds	1,105,000	-	(80,000)	1,025,000	80,000
Water revenue bonds, series 2009	44,040,000	-	-	44,040,000	-
Less: Discount on issue of water revenue bonds, series 2009	(1,005,311)	-	33,510	(971,801)	-
Sewer revenue bonds, series 2009	18,710,000	-	-	18,710,000	-
Less: Discount on issue of sewer revenue bonds, series 2009	(428,101)	-	14,270	(413,831)	-
	<u>68,341,588</u>	<u>-</u>	<u>(327,220)</u>	<u>68,014,368</u>	<u>390,000</u>
Loan payable:					
Water utility note	154,964	-	(76,946)	78,018	78,018
Capital lease obligation	78,256	-	(38,062)	40,194	40,194
Other long-term liabilities:					
Compensated absences	<u>783,122</u>	<u>175,021</u>	<u>(212,358)</u>	<u>745,785</u>	<u>212,358</u>
Total business-type activities – long-term liabilities	<u>\$69,357,930</u>	<u>175,021</u>	<u>(654,586)</u>	<u>68,878,365</u>	<u>720,570</u>

As of June 27, 2012 the City has not filed continuing disclosure requirements relating to the bonds that require such.

(9) Risk Management - Claims and Judgments

The City is self-insured for workers' compensation and general liability claims, which includes all other risk of loss. Excess insurance coverage is maintained for workers' compensation losses in excess of \$500,000 for fire/police Department employees, and \$375,000 for other department employees; and general liability claims in excess of \$1,000,000.

The City records an estimated liability at the time of an incident based on the internal estimates performed by the City Attorney's Office of probable loss. A summary of the City's estimated liability calculation at June 30, 2011 is as follows:

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(9) Risk Management - Claims and Judgments, (Continued)

	<u>Workers Compensation</u>	<u>General Liability</u>	<u>Total</u>
Claims liabilities, July 1, 2009	\$3,755,011	1,390,917	5,145,928
Incurring claims representing the total of a provision for events of the current fiscal year and any change in the provision for events of prior fiscal years	4,674,317	900,915	5,575,232
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>(1,625,166)</u>	<u>(1,043,786)</u>	<u>(2,668,952)</u>
Claims liabilities, June 30, 2010	6,804,162	1,248,046	8,052,208
Incurring claims representing the total of a provision for events of the current fiscal year and any changes in the provision for events of prior fiscal year	1,680,644	1,747,076	3,427,720
Payments on claims attributable to events of both the current fiscal year and prior fiscal year	<u>(1,599,695)</u>	<u>(112,390)</u>	<u>(1,712,085)</u>
Claims liabilities, June 30, 2011	<u>\$ 6,885,111</u>	<u>2,882,732</u>	<u>9,767,843</u>

(10) Other Information

Pension Plan Description

The City of Compton contributes to the California Public Employees Retirement System (PERS). The miscellaneous employees of the City are part of a single-employer defined benefit pension plan and the safety employees are part of a cost-sharing multiple-employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustment, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(10) Other Information, (Continued)

Miscellaneous and safety participants are required to contribute 8% and 9%, respectively, of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and City contract with employee bargaining groups.

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2010 to June 30, 2011 has been determined by an actuarial valuation of the plan as of June 30, 2008. The contribution rate indicated for the period is 46.182% of payroll for the safety plan and 17.993% of payroll for the miscellaneous plan. In order to calculate the dollar value of the ARC for inclusion in the financial statements prepared as of June 30, 2011, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2010 to June 30, 2011.

A summary of principle assumptions and methods used to determine the ARC for the miscellaneous plan is shown below.

	<u>City Miscellaneous Employees Group</u>
Valuation Date	June 30, 2008
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	26Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	3.25% to 14.45% depending on Age, Service, and type of employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% and an annual production growth of 0.25%

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(10) Other Information, (Continued)

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling 30 year period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization period.

The Schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded accrued liability to payroll. The schedule of funding progress, presented below presents multiyear information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Required Supplementary Information –City Miscellaneous Employees Group

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability/ (Excess Assets)	Funded Status	Annual Covered Payroll	UAAL As a % of Payroll
6/30/08	\$136,746,394	115,068,267	21,678,127	84.1%	15,453,499	140.3%

Three-Year Trend Information

Fiscal Year	Annual Pension Cost (Employer Contribution)			Net Pension Obligation
	<u>Safety</u>	<u>Miscellaneous</u>	<u>Percentage of APC Contributed</u>	
6/30/09	5,364,951	3,370,048	100%	-0-
6/30/10	5,788,886	3,311,771	100%	-0-
6/30/11	5,490,360	3,185,379	100%	-0-

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(10) Other Information, (Continued)

Post Employment Benefits

The City implemented GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions by State and Local Government Employers.

Plan description - The City provides retiree medical benefits under the CalPERS health plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Eligibility - Employees are eligible for retiree health benefits if they retire from the City on or after age 50 and have put in 5 years of CalPERS services (unless disabled). The benefits are available only to employees who retire from the City. Membership of the plan consisted of the following at June 30, 2010:

	<u>Safety</u>	<u>Fire</u>	<u>Miscellaneous</u>	<u>Total</u>
Eligible active employees	-	79	368	447
Enrolled eligible retirees	148	76	214	438

The above table does not reflect current retirees not enrolled in the CalPERS health plan who are eligible to enroll in the plan at a later date.

Funding Policy - The contribution requirements of plan members and the City are established and may be amended by the CalPERS Board. The City must agree to make a defined monthly payment towards the cost of each retiree's coverage. The required contribution is based on projected pay-as-you-go financing requirement. Effective July 1, 2009, the City's contribution rate was \$679.18 per month for each retiree. For the year ended June 30, 2011, the City contributed \$3,569,781 to the plan.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years. The City's estimated OPEB obligation as of June 30, 2011, based on the 2009 actuarial valuation (the most recent actuarial valuation), was \$25,247,219. Summary of the OPEB obligation is provided below.

CITY OF COMPTON
Notes to Financial Statements

(Continued)

(10) Other Information, (Continued)

OPEB Cost and Obligation

Annual Service Cost	\$12,046,000
Interest on net OPEB obligation	738,000
Adjustment to service cost	<u>(1,331,000)</u>
Required Contribution during the year (if plan is prefunded)	11,453,000
Contribution paid (based on Pay-As-You-Go basis)	<u>(3,569,781)</u>
Increase in net OPEB obligation	7,883,219
Net OPEB obligation beginning	<u>17,364,000</u>
Net OPEB obligation - ending	<u>\$25,247,219</u>

The City's OPEB obligation as of June 30, 2009, the most recent valuation, was \$9,819,737. The City's annual OPEB cost, the percentage of annual OPEB cost paid and the net OPEB obligation for 2011 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2011	\$11,453,000	31%	25,247,219
6/30/2010	\$10,795,364	30%	17,364,000
6/30/2009	10,625,321	31%	9,819,737

The City's annual OPEB contribution paid is significantly lower than the actuarially determined required contribution because the City operates the Pay-As-You-Go plan. The City does not prefund the OPEB plan but makes payment on actual invoice basis representing the actual health expenses incurred by the covered retired employees during the year. Further, because the plan is not prefunded, there is no Plan Asset. The City does not intend to prefund the OPEB plan.

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(10) Other Information, (Continued)

Funding Status and Progress - The funded status based on the July 1, 2010 actuarial valuation is as follows:

<u>Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
\$125,693,000	\$0	125,693,000	N/A	24,697,000	508.94%

Actuarial valuations of an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of the benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations. The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Cost Method. The actuarial assumptions include a 7.75 percent investment rate of return, which is based on assumed long-term investment returns on plan assets and on the City's assets, as appropriate, and an annual healthcare cost trend rate of 4.5 percent. Both rates included a 3 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over 30 years. It is assumed the City's payroll will increase 3.25% per year.

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(10) Other Information, (Continued)

OPEB

<u>Valuation Date</u>	<u>Accrued Liability</u> (A)	<u>Actuarial Value of Assets</u> (B)	<u>Unfunded Liability (UAAL)</u> (A-B)	<u>Funded Ratio</u> (B/A)	<u>Annual Covered Payroll</u> (C)	<u>UAAL as a % of Covered Payroll</u> [(A-B)/C]
6/30/2009	\$125,693,000	-	125,693,000	-	24,697,000	508.94%

(11) Contingent Liability

The City participates in a number of federally assisted grant programs, which are subject to program compliance audits by the grantors or their representative. The City's grant programs have also been audited in accordance with the provisions of the Single Audit Act Amendments of 1996, which have disclosed instances of noncompliance with certain federal program compliance requirements, and depending on the resolution of the identified findings and questioned costs, the City may be required to repay a portion of grants to the federal granting agency.

On August 28, 2011, the Regional Inspector General for Audit, Region IX, 9DGA issued a report where subject was "the City of Compton did not administer its HOME program in compliance with HOME requirements". Appendix B to the report "Auditee Comments and OIG's Evaluation" includes the City's response dated June 27, 2011.

The U.S. Department of Housing and Urban Development issued a report resulting from their on-site monitoring visit. In this report, the eligibility of certain expenses was question for fiscal periods 2009 and 2010.

At this time, the amount of expenditures, if any, which may be disallowed by the granting agencies has not been determined.

(12) SERAF

On July 24, 2009, the State Legislature passed Assembly Bill (AB) 26 4x, which requires redevelopment agencies statewide to deposit a total of \$2.05 billion of property tax increment in county "Supplemental" Educational Revenue Augmentation Funds (SERAF) to be distributed to meet the State's Proposition 98 obligations to schools. The SERAF revenue shift of \$2.05 billion will be made over two years, \$1.7 billion in fiscal year 2009-2010 and \$350 million in fiscal year 2010-2011. The SERAF would then be paid to school districts and the county offices of education which have students residing in redevelopment project areas, or residing in affordable housing projects financially assisted by a redevelopment agency, thereby relieving the State of payments to those schools. The Agency's share of this revenue shift is approximately \$8.3 million in fiscal

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(12) SERAF, (Continued)

year 2009-2010 and \$1.7 million in fiscal year 2010-2011. Payment for the 2009-2010 was made on the due date. The Agency funded the 2010-2011 SERAF payment from its property tax revenues.

The Governor of the State of California is exploring various plans by which to balance the budget of the State of California for the fiscal year ending June 30, 2012. One of the plans being considered would involve re-directing redevelopment funding to other units of state and local government. At this stage, the Governor's consideration of these various budget solutions is too preliminary to ascertain what actions, if any, will be taking by the State with respect to this issue.

(13) Budget Compliance

Funds where expenditures exceeded appropriations are as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General fund	\$51,212,398	69,181,603	17,969,205
Redevelopment Debt Service	10,365,874	15,498,137	5,132,263
Non-major funds			
Department of Health Services Grant	65,521	110,905	43,384

(14) Pledged Revenues

The City and its component units have a number of debt issuance outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (or net of certain expenses were so required by the debt agreement) are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment:

<u>Description of Pledged Revenue</u>	<u>Annual Amount of Pledged Revenue (Net of Expenses, where Required)</u>	<u>Annual Debt Service Payments (of all Debt Secured by this Revenue)</u>	<u>Debt Service as a Percentage of Pledged Revenue</u>
Tax increment revenues	\$25,639,181	12,636,548	49%
Lease revenues	2,319,888	2,319,888	100%
Water operation revenues, net	14,581,061	2,472,738	17%
Sewer revenues, net	2,888,927	1,651,744	57%

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(15) City's Financial Condition and Management Plans

General Fund of the City of Compton

The General Fund is typically the focal point in analyzing the financial health of the City because the General Fund is expected to be able to cover both its costs and to act as a financial backstop for other funds in the event of an insufficiency with respect to the other funds. During the fiscal year ended June 30, 2011, the City had a decrease in general fund balance of \$26,615,009 with an ending general fund deficit of \$41,222,801. Additionally, the General Fund has a net interfund liability of \$28,253,324 and \$0 cash balance. Furthermore, the General Fund has accounts payable of \$12,560,317 and accrued liabilities of \$3,282,798 indicating significant liquidity problems at June 30, 2011. The City had the following other governmental funds with significant fund deficits as of June 30, 2011:

Gasoline Tax Fund	\$ (23,370)
Department of Health Service Grant	(97,413)
Special Assessment Special Revenue Fund	(2,127,782)

These deficits will need to be eliminated through acquiring additional revenues or through subsidy of the General Fund.

Management's Plans to Improve Operations and Limit City Obligations

The following are management's plans to reduce expenditures and increase revenue in future periods relating to the City's General Fund:

- Reduce employee costs through lay-off and / or furlough.
- Implement competitive bidding process for all contracts to cut down on contract costs.
- Review existing contracts and renegotiate the contract prices where possible.
- Review the City's operations and expenditure drivers to cut out activities that are not critical and that are at variance with the strategic plan of the City.
- Perform audit of business license and other fees collected from businesses operating within the City to ensure that the appropriate revenues due to the City are collected. The City has not performed such audit for several years.
- Review the City's Codes / Ordinances and update the various fees therein. Some of the fees and charges are low and would be increased to generate more revenues for the City.

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(15) City's Financial Condition and Management Plans, (Continued)

In addition, City Council took action on December 20, 2011 and adopted Resolution 23,446 approving a repayment schedule of the General Fund internal borrowings. The Resolution calls for the internal borrowings to be repaid over a 20 year period with accrued interest at a rate of 3.5% annually. The following is the amortization schedule for repayment by the General Fund approved by City Council on December 20, 2011:

**City of Compton
Amortization Schedule – Repayment by General Fund**

Serial No.	Fiscal Year	Beginning Loan Balance	Interest 3.5%	Fiscal Year Repayment	Ending Loan Balance
1	2011/2012	\$41,921,071	\$1,467,237	\$ -	\$43,388,308
2	2012/2013	43,388,308	1,518,591	100,000	44,806,899
3	2013/2014	44,806,899	1,568,241	200,000	46,175,140
4	2014/2015	46,175,140	1,616,130	1,300,000	46,191,270
5	2015/2016	46,491,270	1,627,194	3,000,000	45,118,464
6	2016/2017	45,118,464	1,579,146	3,500,000	43,197,610
7	2017/2018	43,197,610	1,511,916	3,500,000	41,209,526
8	2018/2019	41,209,526	1,442,333	3,500,000	39,151,859
9	2019/2020	39,151,859	1,370,315	4,000,000	36,522,174
10	2020/2021	36,522,174	1,278,276	4,000,000	33,800,450
11	2021/2022	33,800,450	1,183,016	4,000,000	30,983,466
12	2022/2023	30,983,466	1,084,421	4,000,000	28,067,887
13	2023/2024	28,067,887	982,376	4,000,000	25,050,263
14	2024/2025	25,050,263	876,759	4,000,000	21,927,023
15	2025/2026	21,927,023	767,446	4,000,000	18,694,469
16	2026/2027	18,694,469	654,306	4,000,000	15,348,775
17	2027/2028	15,348,775	537,207	4,000,000	11,885,982
18	2028/2029	11,885,982	416,009	4,000,000	8,301,991
19	2029/2030	8,301,991	290,570	4,000,000	4,592,561
20	2030/2031	4,592,561	160,740	4,753,301	-

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(16) Recent Changes in Legislation Affecting California Redevelopment Agencies

On December 29, 2011, the Supreme Court of the State of California upheld the enforceability of Assembly Bill X1 26. Assembly Bill X1 26 requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets, prepare for the impending dissolution of the agency and transfer all of its assets to a successor agency that is governed by an oversight board representing the various taxing jurisdictions in the community.

Assembly Bill X1 26 also requires each agency to adopt an Enforceable Obligation Payment Schedule and draft a Recognized Obligation Payment Schedule. Only the amount of tax revenues necessary to fund the payments reflected on the Enforceable Obligation Payment Schedule will be allocated to the successor agencies until all Enforceable Obligations have been paid in full.

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by Assembly Bill X1 26.

Assembly Bill X1 26 also directs the Auditor-Controller of each County to conduct, or cause to be conducted, an agreed-upon procedures engagement of each redevelopment agency in that county by July 1, 2012. The purpose of this engagement is to establish each redevelopment agency's pass-through payment obligation to other taxing agencies, and to document and determine both the amount and terms of any indebtedness incurred by the redevelopment agency and certify the initial Recognized Payment Schedule.

Other funds of the City of Compton could be impacted as a result of shifting of the administrative burden of the City to those other funds and the possible write-off of certain inter-fund loans to the Redevelopment Agency that may not qualify for repayment under the new rules. The outcome of the above described regulatory actions and the full impacts of this most recent development and its impact on other funds of the City of Compton are not known at this time. The financial statements do not reflect any adjustments that might result from the outcome of this uncertainty.

In the past, the Agency's practice has been to pay for infrastructure improvements done in accordance with the Redevelopment Agency Project Area plans, and upon completion of the projects, to transfer those assets to the City of Compton to manage and maintain. As a result of Assembly Bill X1 26, the Agency, as of June 30, 2011, has refrained from transferring any infrastructure assets, either completed or in progress, to the City of Compton pending determination of the Agency's Oversight Board.

CITY OF COMPTON

Notes to Financial Statements

(Continued)

(16) Recent Changes in Legislation Affecting California Redevelopment Agencies,
(Continued)

In addition, on May 24, 2011, the Agency approved \$7,753,405 of expenditures to the Capital Project fund for reimbursement to the City of Compton Self Insurance Internal Service fund for the Agency's share of prior year's self-insurance expenses. Legal uncertainty exists as it relates to the Agency's reimbursement of these costs, however, management believes these expenditures are in compliance with these regulations but they could be subject to challenge in the future by the State Controller of the State of California.

(17) Prior Period Adjustments

Beginning fund balance of the Redevelopment Capital Project fund was restated to reflect a prior year transaction where the acquisition of land was improperly recorded as a capital asset rather than as land held for resale. The following summarizes the effect of the prior period adjustments to beginning fund balance as of July 1, 2010:

	Capital Projects Redevelopment <u>Fund</u>	Total Governmental <u>Funds</u>
Fund balance-beginning of year, as previously reported	\$97,615,923	170,513,715
To correct prior years recording of a parcel of land incorrectly recorded as a capital asset rather than held for resale.	<u>1,451,877</u>	<u>1,451,877</u>
Fund balance-beginning of year, as restated	<u>\$99,067,800</u>	<u>171,965,592</u>

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF COMPTON

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amount	
Revenues:				
Taxes and special assessments	\$ 27,190,717	27,190,717	24,241,363	(2,949,354)
Licenses and permits	3,904,859	3,904,859	2,744,778	(1,160,081)
Intergovernmental revenues	8,804,326	8,804,326	8,308,736	(495,590)
Fines, forfeitures, and penalties	2,167,143	2,167,143	1,969,371	(197,772)
Use of money and property	933,729	933,729	5,732,298	4,798,569
Charges for services	10,308,582	1,555,250	1,137,827	(417,423)
Other	4,528,700	4,528,700	57,798	(4,470,902)
Total revenues	57,838,056	49,084,724	44,192,171	(4,892,553)
Expenditures:				
Current:				
General government	20,427,629	11,682,171	27,069,866	(15,387,695)
Public safety	32,426,124	32,426,124	34,681,857	(2,255,733)
Public works	927,049	927,049	990,269	(63,220)
Environmental and human services	5,689,142	5,689,142	6,111,857	(422,715)
Debt service:				
Principal	487,912	487,912	325,374	162,538
Interest and fiscal charges	-	-	2,380	(2,380)
Total expenditures	59,957,856	51,212,398	69,181,603	(17,969,205)
Excess (deficiency) of revenues over (under) expenditures	(2,119,800)	(2,127,674)	(24,989,432)	(22,861,758)
Other financing sources (uses):				
Transfers in	-	-	88,909	88,909
Transfers out	-	-	(1,714,576)	(1,714,576)
Total other financing sources (uses)	-	-	(1,625,667)	(1,625,667)
Net change in fund balance	(2,119,800)	(2,127,674)	(26,615,099)	(24,487,425)
Fund balance (deficit) at beginning of year	(14,607,702)	(14,607,702)	(14,607,702)	-
Fund balance (deficit) at end of year	\$ (16,727,502)	(16,735,376)	(41,222,801)	(24,487,425)

CITY OF COMPTON
Federal Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amount	
Revenues:				
Intergovernmental revenues	\$ 19,775,175	19,775,175	17,946,422	(1,828,753)
Use of money and property	2,502,000	2,502,000	2,320,091	(181,909)
Charges for services	1,095,956	1,095,956	941,941	(154,015)
Other	10,000	10,000	11,311	1,311
Total revenues	23,383,131	23,383,131	21,219,765	(2,163,366)
Expenditures:				
Current:				
General government	483,333	483,333	51,156	432,177
Public safety	1,191,776	1,191,776	112,567	1,079,209
Public works	3,865,590	3,865,590	2,864,984	1,000,606
Environmental and human services	24,237,059	24,037,059	16,279,989	7,757,070
Debt service:				
Principal	200,000	200,000	200,000	-
Interest and fiscal charges	526,000	526,000	265,400	260,600
Total expenditures	30,503,758	30,303,758	19,774,096	10,529,662
Excess (deficiency) of revenues over (under) expenditures	(7,120,627)	(6,920,627)	1,445,669	8,366,296
Other financing sources (uses):				
Transfers in	-	-	38,235	38,235
Transfers out	-	-	(943,123)	(943,123)
Total other financing sources (uses)	-	-	(904,888)	(904,888)
Net change in fund balance	(7,120,627)	(6,920,627)	540,781	7,461,408
Fund balance at beginning of year	4,071,721	4,071,721	4,071,721	-
Fund balance at end of year	\$ (3,048,906)	(2,848,906)	4,612,502	7,461,408

CITY OF COMPTON
Retirement Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amount	
Revenues:				
Taxes and special assessments	\$ 14,972,811	14,972,811	12,764,261	(2,208,550)
Intergovernmental revenues	269,000	269,000	274,877	5,877
Use of money and property	-	-	187	187
Other	-	-	135,632	135,632
Total revenues	<u>15,241,811</u>	<u>15,241,811</u>	<u>13,174,957</u>	<u>(2,066,854)</u>
Expenditures:				
Current:				
General government	8,883,365	8,883,365	8,783,890	99,475
Public safety	5,124,691	5,124,691	5,291,862	(167,171)
Public works	39,822	39,822	27,178	12,644
Environmental and human services	<u>1,634,247</u>	<u>1,634,247</u>	<u>1,442,965</u>	<u>191,282</u>
Total expenditures	<u>15,682,125</u>	<u>15,682,125</u>	<u>15,545,895</u>	<u>136,230</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(440,314)</u>	<u>(440,314)</u>	<u>(2,370,938)</u>	<u>(1,930,624)</u>
Net change in fund balance	(440,314)	(440,314)	(2,370,938)	(1,930,624)
Fund balance at beginning of year	<u>9,642,263</u>	<u>9,642,263</u>	<u>9,642,263</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,201,949</u>	<u>9,201,949</u>	<u>7,271,325</u>	<u>(1,930,624)</u>

CITY OF COMPTON

Note to Required Supplementary Information

Year Ended June 30, 2011

Budgetary Information

The Annual Budget adopted by the City Council provides for the City's general operations. The budget includes proposed expenditures and estimated revenues for all Governmental Funds.

The City Manager is authorized to make the necessary changes to the budget to assure adequate and proper standards of service. Actual expenditures may not exceed budgeted appropriations at the department level for the General Fund and at the fund level for all other budgeted funds.

A budget Supplement (Supplement) is published which reconciles revenues and expenditures at the legal level of control to the summarized amounts presented in the annual financial statements. This supplement can be obtained from the City Controller. The budget is formally integrated into the accounting system and employed as a management control device during the year for all funds. Budgets for the Governmental Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The modified- accrual basis of accounting is employed in the preparation of the budget.

At fiscal year-end, operating budget appropriations lapse; however incomplete capital improvement appropriations may be carried over to the following fiscal year.

Budgetary Controls

Each Department Director is responsible for monitoring actual versus budget appropriation for every line expenditure item. The City's financial accounting system generates actual expenditures alongside the budgeted amounts for review by the City Manager and Department Directors. Also, on a monthly basis, the City Controller prepares and submits financial reports to the City Manager, the Honorable Mayor and the City Council Members. The City Management utilizes the monthly financial report for decision making, expenditure control and cash flow management.

SUPPLEMENTARY INFORMATION

CITY OF COMPTON

Description of Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

County Transportation Funds

The County Transportation Funds accounts for the operations of transit-related projects. Financing is provided by an additional voter-approved one-half cent tax levied within Los Angeles County.

Gasoline Tax Funds

The City's share of the State and County gas tax allocation is recorded in these funds. State law requires these gasoline taxes to be used to maintain street.

California Department of Transportation Grant Funds

The California Department of Transportation Grants' receipts and expenditures are recorded in these funds primarily for the development and maintenance of a City-wide computerized traffic light system as well as providing rides for elderly and handicapped residents.

Department of Health Service Grant Fund

The Department of Health Service Grants' receipts and expenditures are recorded in these funds for special services relating to narcotics and drugs programs.

California Department of Parks and Recreation Grant Funds

The California Department of Parks and Recreation Grants' receipts and expenditures are recorded in these funds. The City applies annually to the State programs and identifies specific park grounds and / or facility improvements for which these funds will be expended.

Special Assessments Fund

The Special Assessments Fund is used to account for costs of improving and maintaining street lighting in certain areas of the City.

Other Special Revenue Fund

This Fund accounts for receipts and expenditures from various grants. Comprised in this fund category are the funds for Law Enforcement programs, Used Oil grant, Department of Water Resources (DWR) Groundwater Storage grant, Air Quality Management grant and other smaller grants for various special programs.

CITY OF COMPTON

Description of Nonmajor Governmental Funds

CAPITAL PROJECT FUNDS

Public Finance Authority Fund

The Public Financing Authority Fund (Authority) is used to lease from and leaseback to the City, certain property under the lease agreement dated September 1, 1997.

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CITY OF COMPTON
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

	Special Revenue Funds		
	County Transportation	Gasoline Tax	California Department of Transportation Grant
<u>Assets</u>			
Cash and investments	\$ 1,642,391	-	457,495
Property taxes receivable	-	-	-
Accounts receivable, net	1,734	218,995	150,434
Grants receivable	-	-	670,970
Prepaid expenses	-	-	209
Total assets	<u>\$ 1,644,125</u>	<u>218,995</u>	<u>1,279,108</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 93,058	-	230,703
Accrued liabilities	28,217	8,811	3,753
Due to other funds	-	233,554	-
Due to other governmental agencies	-	-	126,625
Total liabilities	<u>121,275</u>	<u>242,365</u>	<u>361,081</u>
Fund balances:			
Nonspendable:			
Inventories and prepaid items	-	-	209
Spendable:			
Restricted for:			
Highway and street projects	1,522,850	-	1,573,241
Parks and recreation	-	-	-
Unassigned	-	(23,370)	(655,423)
Total fund balances (deficit)	<u>1,522,850</u>	<u>(23,370)</u>	<u>918,027</u>
Total liabilities and fund balances	<u>\$ 1,644,125</u>	<u>218,995</u>	<u>1,279,108</u>

Special Revenue Funds				Capital Project Fund	
Department of Health Service Grant	California Department of Parks and Recreation	Special Assessments	Other	Public Financing Authority	Total
-	56,092	-	339,795	12,097	2,507,870
-	-	286,183	-	-	286,183
-	-	-	943	1,771	373,877
781	-	-	63,751	-	735,502
-	-	-	-	-	209
<u>781</u>	<u>56,092</u>	<u>286,183</u>	<u>404,489</u>	<u>13,868</u>	<u>3,903,641</u>
-	31,203	2,800	-	-	357,764
-	-	306,751	50,735	-	398,267
98,194	-	2,104,414	-	-	2,436,162
-	-	-	-	-	126,625
<u>98,194</u>	<u>31,203</u>	<u>2,413,965</u>	<u>50,735</u>	<u>-</u>	<u>3,318,818</u>
-	-	-	-	-	209
-	-	-	353,754	13,868	3,463,713
-	24,889	-	-	-	24,889
(97,413)	-	(2,127,782)	-	-	(2,903,988)
<u>(97,413)</u>	<u>24,889</u>	<u>(2,127,782)</u>	<u>353,754</u>	<u>13,868</u>	<u>584,823</u>
<u>781</u>	<u>56,092</u>	<u>286,183</u>	<u>404,489</u>	<u>13,868</u>	<u>3,903,641</u>

CITY OF COMPTON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2011

	Special Revenue Funds		
	County Transportation	Gasoline Tax	California Department of Transportation Grant
Revenues:			
Taxes and special assessments	\$ -	-	-
Intergovernmental revenues	2,529,489	1,582,840	3,683,185
Use of money and property	135,739	-	93
Charges for services	-	-	-
Others	-	-	-
Total revenues	<u>2,665,228</u>	<u>1,582,840</u>	<u>3,683,278</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	1,398,202	1,279,891	3,815,209
Environmental and human services	893,371	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>2,291,573</u>	<u>1,279,891</u>	<u>3,815,209</u>
Excess (deficiency) of revenues over (under) expenditures	<u>373,655</u>	<u>302,949</u>	<u>(131,931)</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(173,000)	-	-
Total other financing sources (uses)	<u>(173,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	200,655	302,949	(131,931)
Fund balances (deficit) at beginning of year	<u>1,322,195</u>	<u>(326,319)</u>	<u>1,049,958</u>
Fund balances (deficit) at end of year	<u>\$ 1,522,850</u>	<u>(23,370)</u>	<u>918,027</u>

Department of Health Service Grant	Special Revenue Funds			Capital Project Fund	Total
	California Department of Parks and Recreation	Special Assessments	Other	Public Financing Authority	
-	-	4,351,246	-	-	4,351,246
8,921	335,030	-	1,002,470	-	9,141,935
-	29	-	30	-	135,891
4,639	-	-	-	-	4,639
-	-	-	369,280	-	369,280
13,560	335,059	4,351,246	1,371,780	-	14,002,991
-	-	-	31,587	-	31,587
-	-	-	155,669	-	155,669
-	-	3,818,901	12,319	86,066	10,410,588
110,905	-	-	817,684	-	1,821,960
-	-	98,964	-	-	98,964
-	-	8,006	-	-	8,006
110,905	-	3,925,871	1,017,259	86,066	12,526,774
(97,345)	335,059	425,375	354,521	(86,066)	1,476,217
-	-	-	-	105,808	105,808
-	-	-	-	-	(173,000)
-	-	-	-	105,808	(67,192)
(97,345)	335,059	425,375	354,521	19,742	1,409,025
(68)	(310,170)	(2,553,157)	(767)	(5,874)	(824,202)
(97,413)	24,889	(2,127,782)	353,754	13,868	584,823

CITY OF COMPTON
County Transportation Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 2,585,901	2,529,489	(56,412)
Use of money and property	<u>300,000</u>	<u>135,739</u>	<u>(164,261)</u>
Total revenues	<u>2,885,901</u>	<u>2,665,228</u>	<u>(220,673)</u>
Expenditures:			
Current:			
Public works	2,427,849	1,398,202	1,029,647
Environmental and human services	<u>816,952</u>	<u>893,371</u>	<u>(76,419)</u>
Total expenditures	<u>3,244,801</u>	<u>2,291,573</u>	<u>953,228</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(358,900)</u>	<u>373,655</u>	<u>732,555</u>
Other financing sources (uses):			
Transfers out	<u>-</u>	<u>(173,000)</u>	<u>(173,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>(173,000)</u>	<u>(173,000)</u>
Net change in fund balance	(358,900)	200,655	559,555
Fund balance at beginning of year	<u>1,322,195</u>	<u>1,322,195</u>	<u>-</u>
Fund balance at end of year	<u>\$ 963,295</u>	<u>1,522,850</u>	<u>559,555</u>

CITY OF COMPTON
Gasoline Tax Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental revenues	<u>\$ 1,938,530</u>	<u>1,582,840</u>	<u>(355,690)</u>
Expenditures:			
Current:			
Public works	<u>1,961,906</u>	<u>1,279,891</u>	<u>682,015</u>
Total expenditures	<u>1,961,906</u>	<u>1,279,891</u>	<u>682,015</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,376)</u>	<u>302,949</u>	<u>326,325</u>
Net change in fund balance	<u>(23,376)</u>	<u>302,949</u>	<u>326,325</u>
Fund balance (deficit) at beginning of year	<u>(326,319)</u>	<u>(326,319)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u><u>\$ (349,695)</u></u>	<u><u>(23,370)</u></u>	<u><u>326,325</u></u>

CITY OF COMPTON
California Department of Transportation Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 10,863,651	3,683,185	(7,180,466)
Use of money and property	<u>-</u>	<u>93</u>	<u>93</u>
Total revenues	<u>10,863,651</u>	<u>3,683,278</u>	<u>(7,180,373)</u>
Expenditures:			
Current:			
Public works	<u>11,563,096</u>	<u>3,815,209</u>	<u>7,747,887</u>
Total expenditures	<u>11,563,096</u>	<u>3,815,209</u>	<u>7,747,887</u>
Net change in fund balance	(699,445)	(131,931)	567,514
Fund balance at beginning of year	<u>1,049,958</u>	<u>1,049,958</u>	<u>-</u>
Fund balance at end of year	<u>\$ 350,513</u>	<u>918,027</u>	<u>567,514</u>

CITY OF COMPTON
Department of Health Services Grant Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 65,521	8,921	(56,600)
Charges for services	<u>-</u>	<u>4,639</u>	<u>4,639</u>
Total revenues	<u>65,521</u>	<u>13,560</u>	<u>(51,961)</u>
Expenditures:			
Current:			
Environmental and human services	<u>65,521</u>	<u>110,905</u>	<u>(45,384)</u>
Total expenditures	<u>65,521</u>	<u>110,905</u>	<u>(45,384)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(97,345)</u>	<u>(97,345)</u>
Net change in fund balance	-	(97,345)	(97,345)
Fund balance (deficit) at beginning of year	<u>(68)</u>	<u>(68)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u><u>\$ (68)</u></u>	<u><u>(97,413)</u></u>	<u><u>(97,345)</u></u>

CITY OF COMPTON
California Department of Parks and Recreation Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ -	335,030	335,030
Use of money and property	<u>-</u>	<u>29</u>	<u>29</u>
Total revenues	<u>-</u>	<u>335,059</u>	<u>335,059</u>
Expenditures:			
Current:			
Public works	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>335,059</u>	<u>335,059</u>
Net change in fund balance	-	335,059	335,059
Fund balance (deficit) at beginning of year	<u>(310,170)</u>	<u>(310,170)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u><u>\$ (310,170)</u></u>	<u><u>24,889</u></u>	<u><u>335,059</u></u>

CITY OF COMPTON
Special Assessments Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes and special assessments	\$ 4,199,925	4,351,246	151,321
Expenditures:			
Current:			
Public works	5,184,049	3,818,901	1,365,148
Debt service:			
Principal	108,000	98,964	9,036
Interest and fiscal charges	<u>-</u>	<u>8,006</u>	<u>(8,006)</u>
Total expenditures	<u>5,292,049</u>	<u>3,925,871</u>	<u>1,366,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,092,124)</u>	<u>425,375</u>	<u>1,517,499</u>
Net change in fund balance	(1,092,124)	425,375	1,517,499
Fund balance (deficit) at beginning of year	<u>(2,553,157)</u>	<u>(2,553,157)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u><u>\$ (3,645,281)</u></u>	<u><u>(2,127,782)</u></u>	<u><u>1,517,499</u></u>

CITY OF COMPTON
Other Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 3,444,435	1,002,470	(2,441,965)
Use of money and property	-	30	30
Others	<u>525,000</u>	<u>369,280</u>	<u>(155,720)</u>
Total revenues	<u>3,969,435</u>	<u>1,371,780</u>	<u>(2,597,655)</u>
Expenditures:			
Current:			
General government	286,889	31,587	255,302
Public safety	401,361	155,669	245,692
Public works	615,388	12,319	603,069
Environmental and human services	<u>2,790,695</u>	<u>817,684</u>	<u>1,973,011</u>
Total expenditures	<u>4,094,333</u>	<u>1,017,259</u>	<u>3,077,074</u>
Net change in fund balance	(124,898)	354,521	479,419
Fund balance (deficit) at beginning of year	<u>(767)</u>	<u>(767)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (125,665)</u>	<u>353,754</u>	<u>479,419</u>

CITY OF COMPTON
Public Financing Authority Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ -	-	-
Expenditures:			
Current:			
Public works	105,080	86,066	19,014
Total expenditures	105,080	86,066	19,014
Excess (deficiency) of revenues over (under) expenditures	(105,080)	(86,066)	19,014
Other financing sources (uses):			
Transfers in	-	105,808	105,808
Total other financing sources (uses)	-	105,808	105,808
Net change in fund balance	(105,080)	19,742	124,822
Fund balance (deficit) at beginning of year	(5,874)	(5,874)	-
Fund balance (deficit) at end of year	\$ (110,954)	13,868	124,822

CITY OF COMPTON
Redevelopment Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amount	
Revenues:				
Taxes and special assessments	\$ 9,500,000	9,500,000	25,639,181	16,139,181
Use of money and property	2,000	2,000	1,444	(556)
Total revenues	<u>9,502,000</u>	<u>9,502,000</u>	<u>25,640,625</u>	<u>16,138,625</u>
Expenditures:				
Debt service:				
Principal	-	-	7,305,000	(7,305,000)
Interest and fiscal charges	10,365,874	10,365,874	5,415,711	4,950,163
Pass-through payments	<u>-</u>	<u>-</u>	<u>2,777,426</u>	<u>(2,777,426)</u>
Total expenditures	<u>10,365,874</u>	<u>10,365,874</u>	<u>15,498,137</u>	<u>(5,132,263)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(863,874)</u>	<u>(863,874)</u>	<u>10,142,488</u>	<u>11,006,362</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(17,676,838)</u>	<u>(17,676,838)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(17,676,838)</u>	<u>(17,676,838)</u>
Net change in fund balance	(863,874)	(863,874)	(7,534,350)	(6,670,476)
Fund balance at beginning of year	<u>29,637,442</u>	<u>29,637,442</u>	<u>29,637,442</u>	<u>-</u>
Fund balance at end of year	<u>\$ 28,773,568</u>	<u>28,773,568</u>	<u>22,103,092</u>	<u>(6,670,476)</u>

CITY OF COMPTON
Public Finance Authority Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amount	
Revenues:				
Use of money and property	\$ -	-	3,982	3,982
Charges for services	-	-	2,319,389	2,319,389
Total revenues	-	-	2,323,371	2,323,371
Expenditures:				
Current:				
General government	20,207,750	20,207,750	2,174,637	18,033,113
Public works	280,310	280,310	-	280,310
Debt service:				
Interest and fiscal charges	2,319,889	2,319,889	2,319,888	1
Total expenditures	22,807,949	22,807,949	4,494,525	18,313,424
Excess (deficiency) of revenues over (under) expenditures	(22,807,949)	(22,807,949)	(2,171,154)	20,636,795
Net change in fund balance	(22,807,949)	(22,807,949)	(2,171,154)	20,636,795
Fund balance at beginning of year	32,498,623	32,498,623	32,498,623	-
Fund balance at end of year	\$ 9,690,674	9,690,674	30,327,469	20,636,795

CITY OF COMPTON
Redevelopment Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amount	
Revenues:				
Taxes and special assessments	\$ 21,859,780	21,859,780	-	(21,859,780)
Use of money and property	44,150	44,150	558,354	514,204
Total revenues	<u>21,903,930</u>	<u>21,903,930</u>	<u>558,354</u>	<u>(21,345,576)</u>
Expenditures:				
Current:				
Environmental and human services	90,771,190	91,944,745	30,545,854	61,398,891
Debt service:				
Principal	9,430,716	9,430,716	-	9,430,716
Interest and fiscal charges	147,872	147,872	-	147,872
Total expenditures	<u>100,349,778</u>	<u>101,523,333</u>	<u>30,545,854</u>	<u>70,977,479</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(78,445,848)</u>	<u>(79,619,403)</u>	<u>(29,987,500)</u>	<u>49,631,903</u>
Other financing sources (uses):				
Transfers in	1,206,516	1,206,516	19,340,366	18,133,850
Transfers out	<u>(5,985,160)</u>	<u>(5,985,160)</u>	<u>-</u>	<u>5,985,160</u>
Total other financing sources (uses)	<u>(4,778,644)</u>	<u>(4,778,644)</u>	<u>19,340,366</u>	<u>24,119,010</u>
Net change in fund balance	(83,224,492)	(84,398,047)	(10,647,134)	73,750,913
Fund balance at beginning of year	<u>99,067,800</u>	<u>99,067,800</u>	<u>99,067,800</u>	<u>-</u>
Fund balance at end of year	<u>\$ 15,843,308</u>	<u>14,669,753</u>	<u>88,420,666</u>	<u>73,750,913</u>

CITY OF COMPTON
Low/Moderate Income Housing Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amount	
Revenues:				
Taxes and special assessments	\$ -	-	4,417,118	4,417,118
Use of money and property	3,000	3,000	9,257	6,257
Other	-	-	91,325	91,325
Total revenues	3,000	3,000	4,517,700	4,514,700
Expenditures:				
Current:				
General government	5,650,718	5,650,718	3,234,511	2,416,207
Total expenditures	5,650,718	5,650,718	3,234,511	2,416,207
Excess (deficiency) of revenues over (under) expenditures	(5,647,718)	(5,647,718)	1,283,189	6,930,907
Other financing sources (uses):				
Transfers in	4,371,956	4,371,956	213,445	(4,158,511)
Transfers out	-	-	(847,396)	(847,396)
Total other financing sources (uses)	4,371,956	4,371,956	(633,951)	(5,005,907)
Net change in fund balance	(1,275,762)	(1,275,762)	649,238	1,925,000
Fund balance at beginning of year	12,479,647	12,479,647	12,479,647	-
Fund balance at end of year	\$ 11,203,885	11,203,885	13,128,885	1,925,000

CITY OF COMPTON

**Description of Nonmajor
Enterprise Funds**

ENTERPRISE FUNDS

Golf Course Fund

The Golf Course Fund is used to account for all activities of the City-owned golf course.

Recreation Fund

The recreation Fund is used to account for recreational activities financed by user fees.

CITY OF COMPTON
Nonmajor Enterprise Funds
Combining Statement of Net Assets

June 30, 2011

	<u>Golf Course</u>	<u>Recreation</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Due from other funds	<u>\$ -</u>	<u>119,550</u>	<u>119,550</u>
Total current assets	<u>-</u>	<u>119,550</u>	<u>119,550</u>
Total assets	<u>-</u>	<u>119,550</u>	<u>119,550</u>
<u>Liabilities</u>			
Current liabilities:			
Accrued liabilities	-	479	479
Due to other funds	7,351	-	7,351
Deposits	-	59,987	59,987
Postemployment benefit liability	<u>2,808</u>	<u>-</u>	<u>2,808</u>
Total current liabilities	<u>10,159</u>	<u>60,466</u>	<u>70,625</u>
Total liabilities	<u>10,159</u>	<u>60,466</u>	<u>70,625</u>
<u>Net Assets</u>			
Net assets:			
Unrestricted	<u>(10,159)</u>	<u>59,084</u>	<u>48,925</u>
Total net assets (deficit)	<u>\$ (10,159)</u>	<u>59,084</u>	<u>48,925</u>

CITY OF COMPTON
Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets

For the Fiscal Year Ended June 30, 2011

	<u>Golf Course</u>	<u>Recreation</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 78,091	29,257	107,348
Other	<u>-</u>	<u>1,154</u>	<u>1,154</u>
Total operating revenues	<u>78,091</u>	<u>30,411</u>	<u>108,502</u>
Operating expenses:			
General government	1,349	-	1,349
Public works	42,000	-	42,000
Environmental and human services	<u>-</u>	<u>18,802</u>	<u>18,802</u>
Total operating expenses	<u>43,349</u>	<u>18,802</u>	<u>62,151</u>
Operating income (loss)	<u>34,742</u>	<u>11,609</u>	<u>46,351</u>
Change in net assets	34,742	11,609	46,351
Net assets at beginning of year	<u>(44,901)</u>	<u>47,475</u>	<u>2,574</u>
Net assets at end of year	<u><u>\$ (10,159)</u></u>	<u><u>59,084</u></u>	<u><u>48,925</u></u>

CITY OF COMPTON
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	<u>Golf Course</u>	<u>Recreation</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 78,091	29,491	107,582
Cash payments to suppliers for goods and services	(41,945)	(18,802)	(60,747)
Cash payments to employees	<u>-</u>	<u>(2,934)</u>	<u>(2,934)</u>
Net cash provided by (used) by operating activities	<u>36,146</u>	<u>7,755</u>	<u>43,901</u>
Cash flows from non-capital financing activities:			
Loan repayment to other funds	<u>(36,146)</u>	<u>(7,755)</u>	<u>(43,901)</u>
Net cash provided (used) by non-capital financing activities	<u>(36,146)</u>	<u>(7,755)</u>	<u>(43,901)</u>
Net increase (decrease) in cash and investments	-	-	-
Cash and investments at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments and end of year	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	<u>34,742</u>	<u>11,609</u>	<u>46,351</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Increase (decrease) in accrued liabilities	-	(2,934)	(2,934)
Increase (decrease) in deposits payable	-	(920)	(920)
Increase (decrease) in postemployment benefit liability	<u>1,404</u>	<u>-</u>	<u>1,404</u>
Net cash provided (used) by operating activities	<u><u>\$ 36,146</u></u>	<u><u>7,755</u></u>	<u><u>43,901</u></u>

CITY OF COMPTON

Description of Nonmajor Internal Service Funds

Equipment Rental Fund

The Equipment Rental Fund was established to account for the rental costs of City equipment. Such costs are billed to the other departments at a rate which will provide for the future acquisition of equipment as well as operating cost.

Central Duplicating Fund

The Central Duplicating Fund was established to account for all duplicating costs. Such costs are billed to other departments to cover operating costs.

Self-Insurance Funds

The Self-Insurance Funds were established to account for the City's self-insurance activities.

Central Purchasing Fund

The Central Purchasing Fund was established to account for all purchasing costs. The fund is currently not being used.

CITY OF COMPTON
Internal Service Funds

Combining Statement of Net Assets

June 30, 2011

	Equipment Rental	Central Duplication	Self Insurance	Total
<u>Assets</u>				
Current assets:				
Due from other funds	\$ -	281,733	8,482,847	8,764,580
Inventories	7,887	-	-	7,887
Total current assets	7,887	281,733	8,482,847	8,772,467
Noncurrent assets:				
Capital assets:				
Nondepreciable	44,109	-	-	44,109
Depreciable, net	84,667	157,659	-	242,326
Total noncurrent assets	128,776	157,659	-	286,435
Total assets	136,663	439,392	8,482,847	9,058,902
<u>Liabilities</u>				
Current liabilities:				
Accrued liabilities	31,067	17,946	16,178	65,191
Due to other funds	180,969	-	-	180,969
Self-insurance claims	-	-	9,767,843	9,767,843
Capital lease	24,238	74,865	-	99,103
Total current liabilities	236,274	92,811	9,784,021	10,113,106
Long-term liabilities:				
Capital lease	25,299	164,925	-	190,224
Total long-term liabilities	25,299	164,925	-	190,224
Total liabilities	261,573	257,736	9,784,021	10,303,330
<u>Net Assets</u>				
Net assets:				
Invested in capital assets, net of related debt	104,538	82,794	-	187,332
Unrestricted	(229,448)	98,862	(1,301,174)	(1,431,760)
Total net assets	\$ (124,910)	181,656	(1,301,174)	(1,244,428)

CITY OF COMPTON
Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

For the Fiscal Year Ended June 30, 2011

	Equipment Rental	Central Duplication	Self Insurance	Total
Operating revenues:				
Charges to other funds	\$ 2,511,292	576,953	25,263,713	28,351,958
Total operating revenues	<u>2,511,292</u>	<u>576,953</u>	<u>25,263,713</u>	<u>28,351,958</u>
Operating expenses:				
Administration and personnel service	2,566,584	447,022	-	3,013,606
Self-insurance service	-	-	5,644,448	5,644,448
Equipment rental	2,517	-	-	2,517
Depreciation	12,096	78,830	-	90,926
Claims and insurance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>2,581,197</u>	<u>525,852</u>	<u>5,644,448</u>	<u>8,751,497</u>
Operating income (loss)	<u>(69,905)</u>	<u>51,101</u>	<u>19,619,265</u>	<u>19,600,461</u>
Non-operating revenues (expenses):				
Investment income	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
Total non-operating revenues and (expenses)	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
Income (loss) before transfers	<u>(69,905)</u>	<u>51,106</u>	<u>19,619,265</u>	<u>19,600,466</u>
Transfers in	-	-	1,570,533	1,570,533
Transfers out	<u>-</u>	<u>-</u>	<u>(2,363)</u>	<u>(2,363)</u>
Total transfers	<u>-</u>	<u>-</u>	<u>1,568,170</u>	<u>1,568,170</u>
Change in net assets	(69,905)	51,106	21,187,435	21,168,636
Net assets (deficit) at beginning of year	<u>(55,005)</u>	<u>130,550</u>	<u>(22,488,609)</u>	<u>(22,413,064)</u>
Net assets (deficit) at end of year	<u><u>\$ (124,910)</u></u>	<u><u>181,656</u></u>	<u><u>(1,301,174)</u></u>	<u><u>(1,244,428)</u></u>

CITY OF COMPTON
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	Equipment Rental	Central Duplication	Self Insurance	Total
Cash flows from operating activities:				
Cash received from customers	\$ 2,523,770	576,953	25,267,441	28,368,164
Cash payments to employees for services	(363,719)	(294,794)	(894,775)	(1,553,288)
Cash payments made to suppliers/vendors	<u>(2,219,876)</u>	<u>(140,742)</u>	<u>(3,079,847)</u>	<u>(5,440,465)</u>
Net cash (used) by operating activities	<u>(59,825)</u>	<u>141,417</u>	<u>21,292,819</u>	<u>21,374,411</u>
Cash flows from non-capital financing activities:				
Loan to other funds	-	(71,206)	(8,482,847)	(8,554,053)
Loan receipts (repayment) from other funds	83,046	-	(14,378,142)	(14,295,096)
Transfers from other funds (net)	<u>-</u>	<u>-</u>	<u>1,568,170</u>	<u>1,568,170</u>
Net cash provided by non-capital financing activities	<u>83,046</u>	<u>(71,206)</u>	<u>(21,292,819)</u>	<u>(21,280,979)</u>
Cash flows from capital and related financing activities:				
Capital lease payments	<u>(23,221)</u>	<u>(70,216)</u>	<u>-</u>	<u>(93,437)</u>
Net cash provided by capital and related financing activities	<u>(23,221)</u>	<u>(70,216)</u>	<u>-</u>	<u>(93,437)</u>
Cash flows from investing activities:				
Interest received on investments	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
Net cash provided (used by) investing activities	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
Net increase (decrease) in cash and investments	-	-	-	-
Cash and investments at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments and end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	(69,905)	51,106	19,619,265	19,600,466
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	12,096	78,830	-	90,926
(Increase) decrease in accounts receivable	9,220	-	3,728	12,948
(Increase) decrease in inventories	3,258	-	-	3,258
Increase (decrease) in accrued liabilities	(14,494)	11,481	(45,808)	(48,821)
Increase (decrease) in self-insurance claims	<u>-</u>	<u>-</u>	<u>1,715,634</u>	<u>1,715,634</u>
Total adjustments	<u>10,080</u>	<u>90,311</u>	<u>1,673,554</u>	<u>1,773,945</u>
Net cash provided (used) by operating activities	<u>\$ (59,825)</u>	<u>141,417</u>	<u>21,292,819</u>	<u>21,374,411</u>

Noncash Financing and Investing Transactions

For the year ended June 30, 2011 there were no significant noncash investing or financing transactions.

Statistical Section

CITY OF COMPTON
Net Assets by Component ⁽²⁾
Last Eight Fiscal Years Ended June 30, 2011 ⁽¹⁾
(accrual basis of accounting)

	FISCAL YEAR							
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04
Governmental Activities								
Investment in capital assets								
net of related debt	55,081,469	55,820,476	105,434,915	103,263,431	71,626,813	57,921,902	59,473,801	45,837,995
Restricted for:								
Debt Service	52,430,561	100,772,350	50,520,946	3,923,370	27,815,354	21,052,832	25,736,997	2,683,317
Federal Grants	4,612,502	4,071,721	5,738,700	6,073,469	-	-	-	-
Retirement	7,271,325	9,642,263	10,096,799	7,004,049	-	-	-	-
Low/Moderate Income Housing	13,128,885	12,479,647	4,805,451	8,707,378	15,649,307	15,751,889	12,812,433	-
Capital projects	-	-	-	-	-	-	-	23,710,484
Total Restricted:	77,443,273	126,965,981	71,161,896	25,708,266	43,464,661	36,804,721	38,549,430	26,393,801
Unrestricted (deficit)	(68,999,579)	(99,896,001)	(73,860,009)	(16,125,315)	(20,998,398)	(8,900,776)	(12,652,051)	10,153,621
Total governmental activities net assets	63,525,163	82,890,456	102,736,802	112,846,382	94,093,076	85,825,847	85,371,180	82,385,417
Business-type Activities								
Investment in capital assets								
net of related debt	(8,996,759)	(652,876)	(3,303,471)	(2,452,431)	(2,754,364)	(2,578,276)	(2,359,618)	(2,047,298)
Restricted:								
Debt Service	-	-	-	-	1,313,475	1,280,791	1,139,033	1,170,893
Unrestricted	13,240,918	4,716,308	10,592,091	10,515,615	10,245,907	10,372,581	10,601,733	8,916,470
Total business-type activities net assets	4,244,159	4,063,432	7,288,620	8,063,184	8,805,018	9,075,096	9,381,148	8,040,065
Primary Government								
Investment in capital assets,								
net of related debt	46,084,710	55,167,600	102,131,444	100,811,000	68,872,449	55,343,626	57,114,183	43,790,697
Restricted	77,443,273	126,965,981	71,161,896	25,708,266	44,778,136	38,085,512	39,688,463	27,564,694
Unrestricted	(55,758,661)	(95,179,693)	(63,267,918)	(5,609,700)	(10,752,491)	1,471,805	(2,050,318)	19,070,091
Total Primary Government Net Assets	67,769,322	86,953,888	110,025,422	120,909,566	102,898,094	94,900,943	94,752,328	90,425,482

Notes: (1) - City of Compton implemented GASB 34 reporting module for the fiscal year ended June 30, 2003. Information prior to implementation of GASB 34 is not available.

(2) - Accounting standards require that net assets be reported in three components in the financial statements invested in capital assets, net of related debt, restricted, and unrestricted. Net assets are considered restricted only when (1) an external party, such as the State of California or the federal government places a restriction on how the revenues may be used, or (2) enabling legislations is enacted by the City.

Source: City of Compton Controller's Office

CITY OF COMPTON
Changes in Net Assets
Last Eight Fiscal Years Ended June 30, 2011 ⁽¹⁾
(accrual basis of accounting)

	FISCAL YEAR							
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04
Expenses								
Governmental Activities								
General Government	35,093,830	26,838,505	38,272,613	23,443,830	21,258,818	17,908,134	17,630,345	10,961,007
Professional services	-	2,999,678	7,022,038	2,949,881	2,553,340	1,383,772	858,816	5,346,830
Pass-through payments	-	321,108	302,709	291,514	545,917	2,225,609	-	-
Public safety	42,134,581	25,197,695	22,303,016	35,581,399	32,003,284	31,059,430	31,610,851	27,220,907
Public works	1,221,586	7,261,591	8,599,347	11,441,949	14,192,804	12,524,711	11,464,775	11,832,845
Management services	-	44,256,026	39,865,098	18,243,546	15,739,993	18,478,034	17,291,518	19,409,698
Environmental and human services	48,696,889	41,697,032	20,382,744	23,928,671	18,943,357	17,075,184	13,615,454	9,644,101
Interest on long-term debt	12,022,699	8,545,602	6,524,030	4,639,493	5,466,006	6,427,757	6,706,308	8,078,054
Total governmental activities expenses:	139,169,585	157,117,237	143,271,595	120,520,283	110,703,519	107,082,631	99,178,067	92,493,442
Business-type Activities								
Water	14,422,598	13,990,096	8,676,522	7,728,075	8,099,664	7,329,123	6,443,559	7,109,337
Rubbish	9,473,223	9,615,331	10,108,895	9,860,413	9,472,482	9,492,470	7,281,675	7,990,263
Sewer	2,614,713	3,126,493	1,634,418	1,635,760	1,004,222	1,023,605	1,044,660	1,980,332
Golf course	43,349	43,459	49,014	25,255	59,579	85,173	91,912	144,613
Recreational	18,802	12,659	10,363	7,625	19,656	20,158	2,524	24,678
Total business-type activities expenses:	26,572,685	26,788,038	20,479,212	19,257,128	18,655,603	17,950,529	14,864,330	17,249,223
Total primary government expenses	165,742,270	183,905,275	163,750,807	139,777,411	129,359,122	125,033,160	114,042,397	109,742,665

CITY OF COMPTON
Changes in Net Assets
Last Eight Fiscal Years Ended June 30, 2011 ⁽¹⁾
(accrual basis of accounting)

	FISCAL YEAR							
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04
Program Revenues								
Governmental Activities								
Charges for services								
General government	19,852,561	23,179,585	19,934,692	14,606,335	12,366,980	14,367,164	12,197,681	11,862,176
Public works	4,351,246	4,320,927	4,315,571	4,221,867	157,604	5,219,948	4,263,331	-
Management services	-	3,635,824	1,828,782	1,309,141	-	155,998	147,483	5,769,659
Environmental and human services	2,326,669	2,759,035	2,570,725	2,618,262	4,372,691	142,643	220,391	7,650
Operating grants and contributions	-	17,357,886	16,842,297	21,258,234	17,167,255	15,722,409	19,569,316	20,200,376
Capital grants and contribution	-	5,987,487	3,448,042	6,181,629	67,595	5,636,679	7,755,703	2,740,692
Total governmental activities program revenues	26,530,476	57,240,744	48,940,109	50,195,468	34,132,125	41,244,841	44,153,905	40,580,553
Business-type Activities								
Charges for services								
Water	14,581,061	12,298,064	9,085,575	8,636,019	7,884,511	7,182,483	6,685,082	7,475,443
Rubbish	9,148,917	9,288,034	9,988,931	9,820,752	9,386,424	9,534,623	8,946,338	8,588,602
Sewer	2,888,927	1,885,393	949,914	904,138	913,448	1,055,009	965,557	978,013
Golf course	78,091	73,130	47,488	44,160	60,130	66,038	68,469	90,491
Recreational	30,411	6,643	15,139	16,374	17,002	18,608	11,085	48,429
Total business-type activities program revenues	26,727,407	23,551,264	20,087,047	19,421,443	18,261,515	17,856,761	16,676,531	17,180,978
Total primary government revenues	53,257,883	80,792,008	69,027,156	69,616,911	52,393,640	59,101,602	60,830,436	57,761,531

CITY OF COMPTON
Changes in Net Assets
Last Eight Fiscal Years Ended June 30, 2011 ⁽¹⁾
(accrual basis of accounting)

Net (expense/revenue): (2)

Governmental activities	(88,429,965)	(102,886,482)	(94,331,486)	(70,324,815)	(76,571,394)	(65,837,790)	(55,024,162)	(51,912,889)
Business-type activities	154,722	(3,217,841)	(392,165)	164,315	(394,088)	(93,768)	1,812,201	(68,245)
Total net revenue (expenses):	(88,275,243)	(106,104,324)	(94,723,651)	(70,160,500)	(76,965,482)	(65,931,558)	(53,211,961)	(51,981,134)

General Revenue and Other Changes in Net Assets

Governmental activities

Taxes:

Property taxes	30,990,271	37,500,000	38,725,002	26,763,000	39,853,831	22,249,690	22,800,645	32,881,538
Sales and use taxes	10,221,689	6,727,145	6,727,145	6,243,608	5,470,861	5,645,469	5,752,515	4,840,903
Utility user taxes	12,522,154	14,934,144	14,934,144	14,244,579	14,145,842	12,499,366	11,465,263	11,170,344
Franchise taxes	1,228,340	1,011,967	1,011,967	1,106,504	1,139,939	1,179,642	1,102,012	613,578
Transient occupancy taxes	149,817	194,220	194,220	256,218	235,970	226,103	198,822	202,596
Motor vehicle in-lieu of taxes	8,046,635	8,680,210	8,680,210	8,352,461	7,592,743	8,748,874	6,254,453	4,325,538
Other taxes	-	10,567,558	-	-	-	-	-	-
Investment earnings	44,641	234,906	332,863	2,584,664	3,166,628	1,825,529	1,332,859	1,680,459
Gain on sale of land	-	-	119,651	3,764,243	8,893,428	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-
Other	7,765,987	-	13,243,388	13,668,511	3,925,740	8,247,109	8,278,788	2,898
Transfers	-	-	433,316	(170,353)	-	-	-	-
Total governmental activities	70,969,534	79,850,151	84,401,906	76,813,435	84,424,982	60,621,782	57,185,357	55,717,854

Business-type activities

Investment earnings	-	11,587	48,382	172,204	123,009	112,764	57,285	35,437
Franchise tax	-	-	-	-	-	-	-	-
Other	-	-	2,535	1,150	1,000	214,279	60,132	21,984
Transfers	-	-	(433,316)	170,353	-	-	-	-
Total business-type activities	-	11,587	(382,399)	343,707	124,009	327,043	117,417	57,421

Total primary government

	70,969,534	79,861,738	84,019,507	77,157,142	84,548,991	60,948,825	57,302,774	55,775,275
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Change in Net Assets

Governmental activities	(17,460,431)	(23,036,331)	(9,929,580)	6,488,620	7,853,588	(5,216,008)	2,161,195	3,804,965
Business-type activities	161,794	(3,206,254)	(774,564)	508,022	(270,079)	233,275	1,929,618	(10,824)
Total primary government	(17,298,637)	(26,242,585)	(10,704,144)	6,996,642	7,583,509	(4,982,733)	4,090,813	3,794,141

Notes:

- (1)- City of Compton implemented GASB 34 reporting module for the fiscal year ended June 30, 2003. Information prior to implementation of GASB 34 is not available.
- (2)- Net(expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program specific grants versus its reliance upon funding from taxes and other general revenues.
- A number in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.
- Numbers without parentheses are net revenues, meaning that program revenues were more than sufficient to cover expenses.

Source: City of Compton Controller's Office

CITY OF COMPTON
Fund Balances of Governmental Funds
Last Ten Fiscal Years Ended June 30, 2011
(modified accrual basis of accounting)

	FISCAL YEAR										
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02	00-01
General Fund											
Nonspendable:											-
Prepays	41,213	-	-	-	-	-	-	-	-	-	-
Unassigned	(41,264,014)	-	-	-	-	-	-	-	-	-	-
Reserved	-	3,206,779	8,608,577	5,601,360	2,511,091	2,500,000	2,535,215	2,541,249	2,596,029	6,282,362	7,898,933
Unreserved	-	(17,814,481)	(11,195,087)	6,178,682	19,907,495	19,455,370	15,505,624	9,996,492	11,305,108	6,772,846	5,897,465
Total general fund:	(41,222,801)	(14,607,702)	(2,586,510)	11,780,042	22,418,586	21,955,370	18,040,839	12,537,741	13,901,137	13,055,208	13,796,398
All Other Governmental Funds											
Nonspendable:											
Prepays	1,154,897	-	-	-	-	-	-	-	-	-	-
Spendables	168,698,800	-	-	-	-	-	-	-	-	-	-
Unassigned	(3,404,935)	-	-	-	-	-	-	-	-	-	-
Reserved	-	109,814,512	96,315,162	100,811,541	50,358,495	48,293,510	48,181,225	47,322,807	40,131,997	46,655,666	56,470,849
Unreserved, reported in:											
Special revenue funds	-	9,075,683	2,767,032	12,213,269	11,817,140	13,933,813	12,758,134	13,634,150	10,608,556	12,505,547	7,983,852
Debt service funds	-	-	-	(2,317,258)	429,514	428,911	-	-	468,554	-	-
Capital project funds	-	66,287,928	14,545,764	714,484	15,996,675	3,378,386	2,100,289	2,111,656	10,614,766	2,963,787	2,889,889
Total all other governmental funds:	166,448,762	185,178,123	113,627,958	111,422,036	78,601,824	66,034,620	63,039,648	63,068,613	61,823,873	62,125,000	67,344,590

CITY OF COMPTON
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years Ended June 30, 2011
(modified accrual basis of accounting)

	FISCAL YEAR									
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02
Revenues:										
Taxes and special assessments	71,413,169	70,232,498	74,439,900	67,124,846	65,371,374	55,807,864	52,602,002	49,506,362	49,162,534	44,094,687
Licenses and permits	2,744,778	3,150,629	3,817,856	3,548,748	3,482,928	3,150,367	3,138,631	2,758,078	2,521,777	1,958,388
Intergovernmental revenues	35,671,970	32,014,829	28,264,383	31,948,463	25,806,606	27,465,192	27,342,176	23,623,557	24,524,784	27,373,390
Fines, forfeitures, and penalties	1,969,371	1,605,833	1,983,459	1,798,654	1,976,981	1,878,404	2,431,216	2,186,091	1,591,161	1,165,044
Contribution from other funds	-	-	-	-	-	-	-	3,058,652	-	-
Use of money and property	8,761,504	7,528,353	7,615,832	6,683,778	7,569,133	6,561,871	7,009,774	7,008,726	5,717,939	9,606,157
Charges for services	4,403,796	10,927,971	6,346,840	4,884,573	3,785,729	5,891,979	6,892,785	8,137,103	6,509,276	5,858,855
Land sale proceeds	-	-	-	-	-	-	-	-	-	247,476
Gain on sale of land held for resale	-	-	-	-	8,893,428	-	-	-	-	-
Sale of real and personal property	-	-	119,651	-	-	-	-	-	48,457	3,491
Other	665,346	173,775	822,725	262,283	1,392,695	1,110,946	1,922,729	17,769	3,855,863	7,058,548
Total Revenues:	125,629,934	125,633,888	123,410,646	116,251,345	118,278,874	101,866,623	101,339,313	96,296,338	93,931,791	97,366,036
Expenditures:										
Current:										
General government	41,345,647	23,264,394	21,887,570	20,447,449	14,113,243	11,219,427	9,823,805	5,767,788	6,044,924	3,339,619
Professional services	-	1,344,687	3,751,879	4,050,867	2,509,660	1,316,869	868,138	5,231,347	6,071,423	-
Pass-through payments	-	321,108	302,709	291,514	545,917	2,225,609	-	-	-	-
Public safety	40,241,955	25,197,697	22,582,351	35,246,925	30,655,374	28,798,469	31,153,908	25,878,652	23,210,880	22,888,004
Public works	14,293,019	16,991,975	13,560,409	14,097,104	11,794,549	10,421,054	9,075,805	8,957,845	13,381,195	13,524,487
Management services	-	39,322,963	37,245,660	16,446,085	15,470,728	17,584,655	17,481,826	18,990,478	15,825,298	16,668,370
Environmental and human services	56,202,625	41,697,031	22,084,439	24,018,373	18,619,292	16,249,630	17,052,612	15,713,145	16,150,490	16,810,949
Capital Outlay	-	-	-	53,833	67,766	772,271	1,258,777	558,250	1,432,026	11,036,977
	152,083,246	148,139,855	121,415,017	114,652,150	93,776,529	88,587,984	86,714,871	81,097,505	82,116,236	84,268,406
Debt service:										
Principal	7,929,338	16,610,504	8,210,741	7,957,693	1,861,909	6,478,648	6,010,000	5,635,000	5,290,000	11,525,263
Interest	8,011,385	5,206,219	4,429,060	3,699,389	2,387,271	4,867,316	5,264,877	5,639,090	5,993,044	-
Bond issuance cost ⁽¹⁾	-	1,832,840	23,461	1,077,732	1,012,230	-	-	-	-	-
Other	2,777,426	-	-	2,769,730	8,961,611	-	-	-	-	-
	18,718,149	23,649,563	12,663,262	15,504,544	14,223,021	11,345,964	11,274,877	11,274,090	11,283,044	11,525,263
Total Expenditures	170,801,395	171,789,418	134,078,279	130,156,694	107,999,550	99,933,948	97,989,748	92,371,595	93,399,280	95,793,669

CITY OF COMPTON
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years Ended June 30, 2011
(modified accrual basis of accounting)

	FISCAL YEAR									
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02
Excess of Revenues over (under) Expenditures	(45,171,461)	(46,155,530)	(10,667,633)	(13,905,349)	10,279,324	1,932,675	3,349,565	3,924,743	532,511	1,572,367
Other Financing Sources (Uses):										
Loan Proceeds	-	9,150,000	-	-	-	-	-	-	-	-
Gain on sale of land held for resale	-	-	-	3,764,243	-	-	-	-	-	-
Bond proceeds	-	100,725,000	-	46,860,000	51,215,000	-	-	-	-	-
Premium on bonds	-	-	-	-	1,947,628	-	-	-	-	-
Discount on bonds	-	(1,052,893)	-	(174,508)	-	-	-	-	-	-
Paid to escrow agent	-	-	-	(12,426,721)	(49,357,720)	-	-	-	-	-
Capital leases	-	-	-	-	-	499,360	1,300,000	-	-	-
Transfer in	19,786,763	32,614,379	30,447,752	16,627,807	16,844,395	11,721,873	11,618,919	9,209,821	10,403,869	9,568,908
Transfer out	(21,354,933)	(35,808,691)	(31,940,749)	(18,563,804)	(18,311,848)	(13,550,108)	(11,618,919)	(9,209,821)	(10,403,869)	(9,568,908)
Recission of state subvention	-	-	-	-	-	-	-	-	-	(887,272)
Writedown of land held for resale	-	-	-	-	-	-	-	-	-	(6,298,894)
Provision for doubtful accounts	-	-	-	-	-	-	-	-	-	(907,070)
Total Other Financing Sources (Uses)	(1,568,170)	105,627,795	(1,492,997)	36,087,017	2,337,455	(1,328,875)	1,300,000	-	-	(8,093,236)
Extraordinary item-Loss on sale of hotel	-	-	-	-	-	-	-	-	-	-
Prior Year Adjustment, FY 2001, Note 19	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	(46,739,631)	59,472,265	(12,160,630)	22,181,668	12,616,779	603,800	4,649,565	3,924,743	532,511	(6,520,869)
Debt service as a percentage of noncapital expenditures:	12.47%	15.96%	10.43%	13.52%	15.17%	12.81%	13.00%	13.90%	13.74%	13.68%

Note: (1) - On July 6, 2006, the City issued \$51.2 million in Tax allocation Bonds to advance refund \$32 million of outstanding 1995A Series bonds, \$14.7 million of 1995B Series Bonds and \$19.3 million of outstanding Series bonds. On May 1, 2008, the City issued \$46,860,000 of Lease Revenue Bonds to advance refund \$14,700,000 outstanding 1997 "A" Certificates of Participation to finance various capital projects amount \$29,201,947.

CITY OF COMPTON
Governmental Revenues by Sources
Last Ten Fiscal Years

	FISCAL YEAR									
Source	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02
Taxes and special assessments	71,413,169	70,232,498	74,439,900	67,124,846	65,371,374	55,807,864	52,602,002	49,506,362	49,162,534	44,094,687
Licenses and permits	2,744,778	3,150,629	3,817,856	3,548,748	3,482,928	3,150,367	3,138,631	2,758,078	2,521,777	1,958,388
Intergovernmental revenues	35,671,970	32,014,829	28,264,383	31,948,463	25,806,606	27,465,192	27,342,176	23,623,557	24,524,784	27,373,390
Fines, forfeitures and penalties	1,969,371	1,605,833	1,983,459	1,798,654	1,976,981	1,878,404	2,431,216	2,186,091	1,591,161	1,165,044
Contribution from other funds	-	-	-	-	-	-	-	3,058,652	-	-
Use of money and property	8,761,504	7,528,353	7,615,832	6,683,778	7,569,133	6,561,871	7,009,774	7,008,726	5,717,939	9,606,157
Land sale proceeds	-	-	-	-	-	-	-	-	-	247,476
Charges for services	4,403,796	10,927,971	6,346,840	4,884,573	3,785,729	5,891,979	6,892,785	8,137,103	6,509,276	5,858,855
Gain on sale of land held for resale	-	-	119,651	-	8,893,428	-	-	-	-	-
Sale of real and personal property	-	-	-	-	-	-	-	-	48,457	3,491
Other	665,346	173,775	822,725	262,283	1,392,695	1,110,946	1,922,729	17,769	3,855,863	7,058,548
	125,629,934	125,633,888	123,410,646	116,251,345	118,278,874	101,866,623	101,339,313	96,296,338	93,931,791	97,366,036

Source: City of Compton, City Controller's Office

CITY OF COMPTON
General Governmental Expenditures by Function
Last Ten Fiscal Years

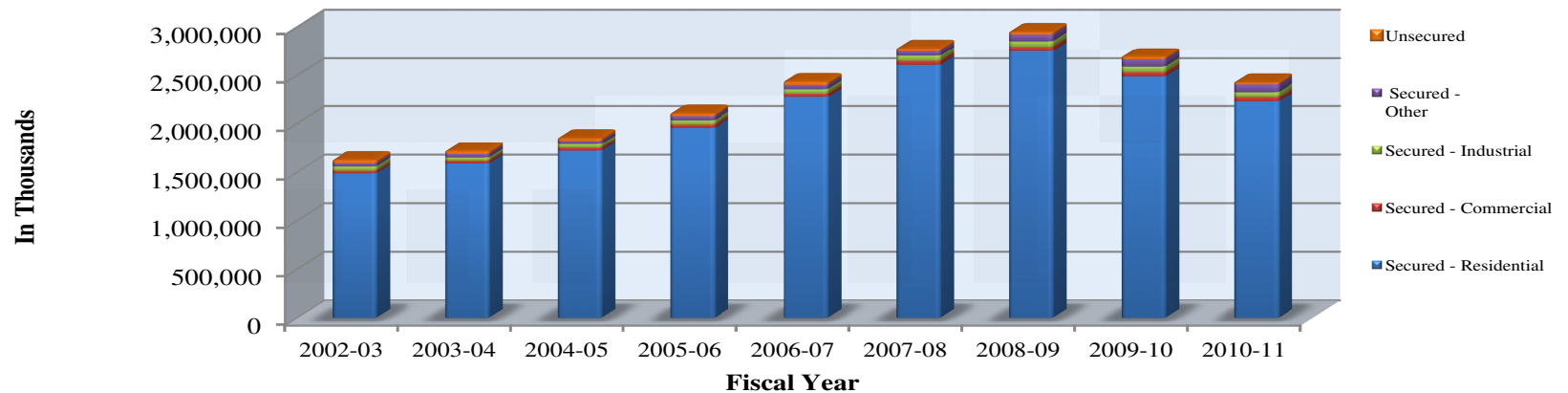
Function	FISCAL YEAR									
	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02
General government	41,345,647	23,264,394	21,887,570	20,447,449	14,113,243	11,219,427	9,823,805	5,767,788	6,044,924	3,339,619
Professional services	-	1,344,687	3,751,879	4,050,867	2,509,660	1,316,869	868,138	5,231,347	6,071,423	-
Pass-through payments	2,777,426	321,108	302,709	291,514	545,917	2,225,609	-	-	-	-
Public safety	40,241,955	25,197,697	22,582,351	35,246,925	30,655,374	28,798,469	31,153,908	25,878,652	23,210,880	22,888,004
Public works	14,293,019	16,991,975	13,560,409	14,097,104	11,794,549	10,421,054	9,075,805	8,957,845	13,381,195	13,524,487
Management services	-	39,322,963	37,245,660	16,446,085	15,470,728	17,584,655	17,481,826	18,990,478	15,825,298	16,668,370
Environment and human services	56,202,625	41,697,031	22,084,439	24,018,373	18,619,292	16,249,630	17,052,612	15,713,145	16,150,490	16,810,949
Debt service cost	15,940,723	23,649,563	12,663,262	15,504,544	14,223,021	11,345,964	11,274,877	11,274,090	11,283,044	11,525,263
Capital outlay	-	-	-	53,833	67,766	772,271	1,258,777	558,250	1,432,026	11,036,977
	170,801,395	171,789,418	134,078,279	130,156,694	107,999,550	99,933,948	97,989,748	92,371,595	93,399,280	95,793,669

Source: City of Compton, City Controller's Office

CITY OF COMPTON

City Only Assessed Value and Estimated Actual Value of Taxable Property

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property	Unsecured Property	Less Tax-Exempt Property (1)	Taxable Assessed Value	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
2002-03	1,487,562,249	25,914,251	42,363,139	34,131,122	33,172,349	74,862,864	1,548,280,246	0	0.000000
2003-04	1,587,118,445	27,212,212	33,203,304	35,036,465	32,262,720	76,705,730	1,638,127,416	0	0.000000
2004-05	1,717,312,459	29,536,516	37,838,444	36,929,634	30,769,653	79,771,512	1,772,615,194	0	0.000000
2005-06	1,955,069,437	32,781,604	42,109,754	44,070,029	27,791,117	80,106,898	2,021,715,043	0	0.000000
2006-07	2,270,868,570	38,961,878	46,197,304	45,054,789	34,767,150	83,271,158	2,352,578,533	2,521,823,033	1.071940
2007-08	2,607,691,757	43,459,744	52,185,046	49,212,595	31,234,734	85,196,819	2,698,587,057	3,027,706,734	1.121960
2008-09	2,754,412,213	45,160,523	55,308,244	70,843,223	26,866,528	81,650,818	2,870,939,913	3,091,818,546	1.076936
2009-10	2,488,496,904	44,065,640	57,079,529	76,984,650	28,198,211	87,649,145	2,607,175,789	2,574,038,585	0.987290
2010-11	2,224,259,488	42,726,920	57,647,186	81,492,534	22,589,478	91,940,384	2,336,775,222	2,270,211,946	0.971515



Source: Los Angeles County Assessor data, MuniServices, LLC

1.) Including homeowner exemptions.

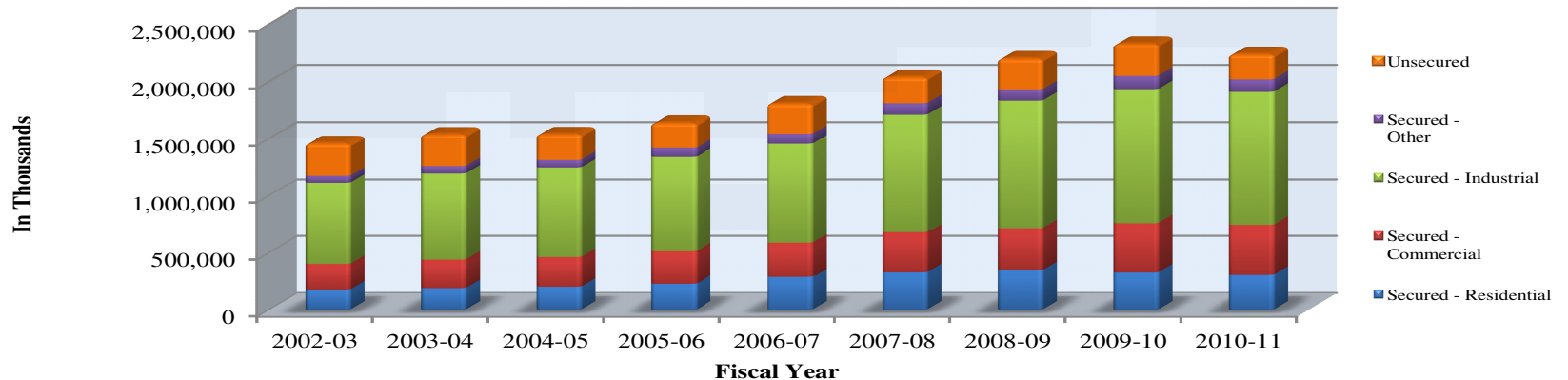
2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

*Public Utility values are excluded from these figures.

CITY OF COMPTON

RDA Only Assessed Value and Estimated Actual Value of Taxable Property

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property	Unsecured Property	Less Tax-Exempt Property (1)	Taxable Assessed Value	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
2002-03	174,191,038	229,217,018	712,398,661	59,713,143	280,739,573	22,455,533	1,433,803,900	0	0.000000
2003-04	186,167,404	253,606,166	755,311,840	65,420,742	275,158,275	26,870,958	1,508,793,469	0	0.000000
2004-05	198,653,512	263,582,644	785,625,886	65,915,972	223,915,191	26,474,886	1,511,218,319	0	0.000000
2005-06	224,035,653	287,407,198	827,228,450	80,683,914	218,541,063	27,921,517	1,609,974,761	0	0.000000
2006-07	284,376,073	301,234,054	868,405,005	86,656,421	263,126,855	31,663,643	1,772,134,765	1,899,622,140	1.071940
2007-08	330,248,972	345,774,321	1,031,731,661	99,576,536	230,898,567	34,303,386	2,003,926,671	2,248,325,568	1.121960
2008-09	348,497,161	368,665,448	1,112,151,081	105,473,012	263,035,520	38,414,540	2,159,407,682	2,325,543,871	1.076936
2009-10	329,054,952	431,235,319	1,175,690,262	114,191,403	280,563,298	37,190,683	2,293,544,551	2,264,393,600	0.987290
2010-11	308,417,164	437,864,719	1,166,353,786	107,851,010	213,965,113	38,584,256	2,195,867,536	2,133,318,030	0.971515



Source: Los Angeles County Assessor data, MuniServices, LLC

1.) Including homeowner exemptions.

2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

*Public

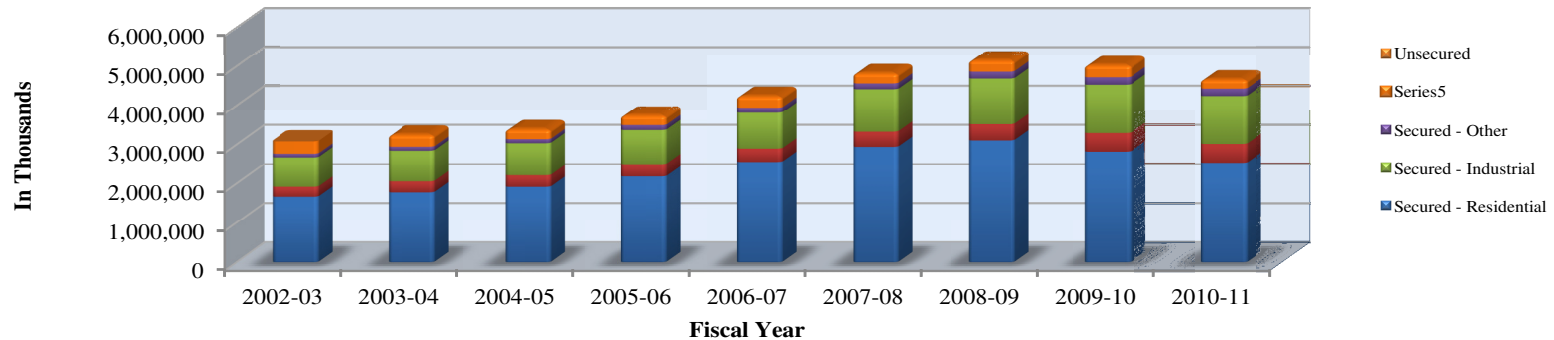
Utility values are excluded from these figures.

CITY OF COMPTON

Citywide Assessed Value and Estimated Actual Value of Taxable Property

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property	Unsecured Property	Less Tax-Exempt Property (1)	Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Factor of Taxable Assessed Value (3)
2002-03	1,661,753,287	255,131,269	754,761,800	93,844,265	313,911,922	97,318,397	2,982,084,146	0.100407	0	0.000000
2003-04	1,773,285,849	280,818,378	788,515,144	100,457,207	307,420,995	103,576,688	3,146,920,885	0.100407	0	0.000000
2004-05	1,915,965,971	293,119,160	823,464,330	102,845,606	254,684,844	106,246,398	3,283,833,513	0.100407	0	0.000000
2005-06	2,179,105,090	320,188,802	869,338,204	124,753,943	246,332,180	108,028,415	3,631,689,804	0.100407	0	0.000000
2006-07	2,555,244,643	340,195,932	914,602,309	131,711,210	297,894,005	114,934,801	4,124,713,298	0.100407	4,421,445,173	1.071940
2007-08	2,937,940,729	389,234,065	1,083,916,707	148,789,131	262,133,301	119,500,205	4,702,513,728	0.100407	5,276,032,302	1.121960
2008-09	3,102,909,374	413,825,971	1,167,459,325	176,316,235	289,902,048	120,065,358	5,030,347,595	0.100407	5,417,362,418	1.076936
2009-10	2,817,551,856	475,300,959	1,232,769,791	191,176,053	308,761,509	124,839,828	4,900,720,340	0.100407	4,838,432,184	0.987290
2010-11	2,532,676,652	480,591,639	1,224,000,972	189,343,544	236,554,591	130,524,640	4,532,642,758	0.100407	4,403,529,976	0.971515

Assessed Value



Source: Los Angeles County Assessor data, MuniServices, LLC

1.) Including homeowner exemptions.

2.) Total direct tax rate is the city share of the 1% Proposition 13 tax only for TRA 02800.

3.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices.

Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

*Public Utility values are excluded from these figures.

CITY OF COMPTON

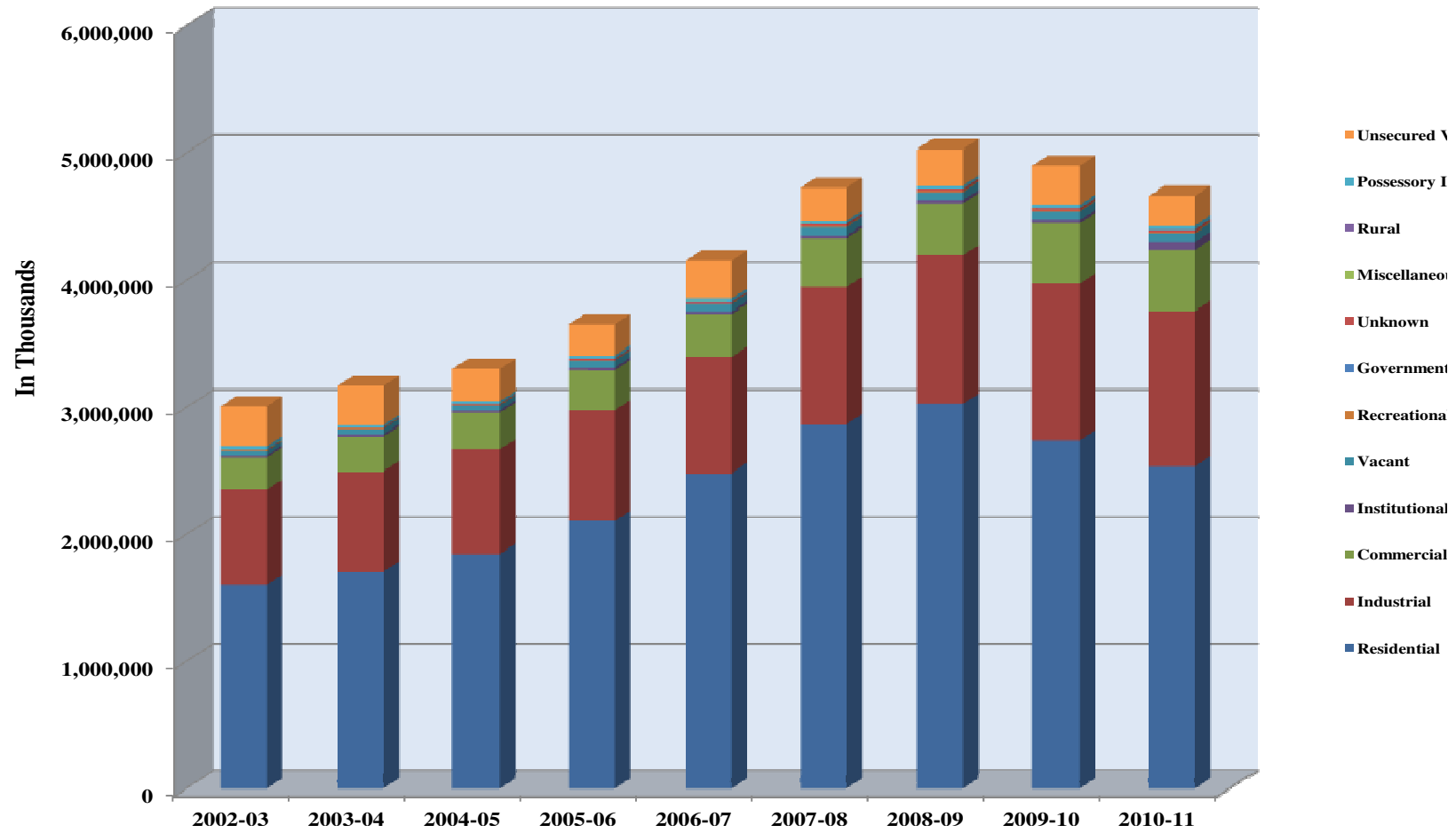
Net Assessed Value of Property by Use Code

Category	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Residential	0	1,598,700,761	1,706,264,217	1,847,830,512	2,110,499,767	2,482,705,990	2,864,881,847	3,029,124,163	2,742,889,224	2,532,676,652
Industrial	0	754,529,726	788,104,749	823,223,745	868,834,383	914,160,400	1,083,459,243	1,166,993,133	1,232,424,308	1,224,000,972
Commercial	0	250,661,939	276,414,335	287,955,272	314,761,914	335,735,179	383,207,137	408,498,994	470,203,297	480,591,639
Institutional	0	16,610,030	17,304,247	18,406,517	21,687,604	20,709,463	20,984,072	25,975,815	25,540,138	65,279,524
Vacant	0	34,236,838	41,278,219	40,597,698	54,205,782	57,586,889	62,393,943	62,156,315	69,361,238	66,712,889
Recreational	0	4,472,794	2,966,861	3,012,876	4,004,512	4,084,594	6,621,726	6,754,152	7,252,309	8,842,246
Government	0	2,746,296	0	0	910,000	928,200	1,775,000	0	0	0
Unknown	0	3,344,225	6,761,625	7,884,728	10,446,301	10,944,017	17,366,732	17,930,429	17,710,070	17,693,327
Miscellaneous	0	2,960,915	539,513	395,653	403,557	411,618	588,142	428,228	436,780	432,364
Rural	0	0	27,024	6,868	7,004	7,143	7,285	7,429	7,576	7,557
Possessory Interest	0	26,843,118	18,318,509	19,942,585	24,109,115	27,615,264	22,132,471	23,558,944	26,722,379	30,375,637
Gross Secured Value	0	2,695,106,642	2,857,979,299	3,049,256,454	3,409,869,939	3,854,888,757	4,463,417,598	4,741,427,602	4,592,547,319	4,426,612,807
Unsecured Value	0	313,820,622	307,260,095	254,519,644	245,928,980	297,439,805	261,228,601	288,919,993	308,173,021	236,554,591
Less Exemptions										130,524,640
Net Taxable Value	0	3,008,927,264	3,165,239,394	3,303,776,098	3,655,798,919	4,152,328,562	4,724,646,199	5,030,347,595	4,900,720,340	4,532,642,758

Source: Los Angeles County Assessor data, MuniServices, LLC

Use code categories are based on Los Angeles County Assessor's data

Gross Assesed Value by Land Use Code



CITY OF COMPTON											
Direct and Overlapping Property Tax Rates											
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Basic City and County Levy											
CITY OF COMPTON	0.000000	0.000000	0.100407	0.100407	0.100407	0.100407	0.100407	0.100407	0.100407	0.100407	0.100407
COUNTY OF LOS ANGELES	0.000000	0.000000	0.899593	0.899593	0.899593	0.899593	0.899593	0.899593	0.899593	0.899593	0.899593
TOTAL	0.000000	0.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments											
CITY - COMPTON	0.000000	0.000000	0.451632	0.451632	0.451632	0.000000	0.451632	0.451632	0.451632	0.451632	0.451632
COUNTY	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000663	0.000000	0.000000	0.000000	0.000000
UNIFIED SCHOOLS	0.000000	0.000000	0.000000	0.055700	0.062613	0.000000	0.033825	0.059759	0.062375	0.062379	0.070543
COMMNTY COLLEGE	0.000000	0.000000	0.000000	0.027143	0.003963	0.000000	0.019747	0.017629	0.023940	0.012963	0.021099
FLOOD CONTROL	0.000000	0.000000	0.000881	0.000462	0.000245	0.000000	0.000052	0.000000	0.000000	0.000000	0.000000
METRO WATER DIST	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.004700	0.004500	0.004300	0.004300	0.003700
DETENTION FAC	0.000000	0.000000	0.001033	0.000992	0.000923	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
COMPTON AREA 1110	0.000000	0.000000	0.006700	0.006100	0.005800	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
TOTAL	0.000000	0.000000	0.460246	0.542029	0.525176	0.000000	0.510619	0.533520	0.542247	0.531274	0.546974
TOTAL TAX RATE	0.000000	0.000000	1.460246	1.542029	1.525176	1.000000	1.510619	1.533520	1.542247	1.531274	1.546974
Source: Los Angeles County Auditor/Controller data, MuniServices, LLC											
TRA 02800 is represented for this report											

CITY OF COMPTON

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age	Public School Enrollment (3)	County Unemployment Rate (%) (4)	City Unemployment Rate (%) (4)	County Population (1)	Median Sales Price - SFR	Median Household Income
2000-01	93,493	971,298,777	10,389	-	33,171	5.7%	10.0%	-	-	-
2001-02	94,481	-	-	-	-	6.8%	11.9%	-	-	-
2002-03	95,263	-	-	-	-	7.0%	12.2%	-	-	-
2003-04	95,882	-	-	-	-	6.5%	11.4%	-	-	-
2004-05	96,033	1,211,648,361	12,617	27.8	34,673	5.3%	9.5%	-	-	-
2005-06	95,659	1,149,247,226	12,014	25.9	34,293	4.7%	8.5%	-	-	-
2006-07	99,451	1,295,249,824	13,024	24.7	-	4.7%	8.4%	10,275,914	372,400	38,682
2007-08	99,242	1,226,234,152	12,356	24.7	27,864	5.0%	8.9%	10,363,850	-	-
2008-09	99,431	1,312,588,631	13,201	25.9	27,369	12.6%	21.2%	10,301,658	387,900	41,993
2009-10	99,064	1,303,087,856	13,154	25.9	28,648	11.6%	19.6%	10,355,053	-	-
2010-11	96,925	1,321,087,750	13,630	26.3	24,224	12.7%	21.2%	9,858,989	-	44,302

Source: MuniServices, LLC

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark. Therefore, the estimates for 2010 and 2011 published in this report might be noticeably different from the previous year estimates.

1.) Population Projections are provided by the California Department of Finance Projections.

2.) Income Data is provided by the United States Census Data, 2010 American Community Survey.

3.) Student Enrollment reflects the total number of students enrolled in the Compton Unified School District.
school districts within the City are not accounted for in this statistic.

Other

4.) Unemployment and Total Employment Data are provided by the EDD's Bureau of Labor Statistics Department.

CITY OF COMPTON

Principal Property Tax Payers Last Fiscal Year

	2010-11		2001-02	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Taxpayer				
PR I Dominguez Hills Industria	152,800,013	3.37%	0	0.00%
AMB	150,855,157	3.33%	0	0.00%
Ralphs Grocery Co	85,990,885	1.90%	0	0.00%
South Bay Industrials Co LLC	75,299,665	1.66%	0	0.00%
Prologis	55,559,554	1.23%	0	0.00%
Los Angeles Industrial Park LLC	42,128,675	0.93%	0	0.00%
Inland Empire Realty Holding C	27,684,811	0.61%	0	0.00%
Gateway Opporrunity Fund	25,724,232	0.57%	0	0.00%
NL Ventures VII Euclid LLC	24,975,663	0.55%	0	0.00%
201 Manville LLC	22,755,650	0.50%	0	0.00%
Walnut Industrial Park LLC	22,237,740	0.49%	0	0.00%
FR Cal Compton LLC	20,682,365	0.46%	0	0.00%
Owens Corning Roofing Asph	19,924,660	0.44%	0	0.00%
Prism IQ Partnership	19,322,482	0.43%	0	0.00%
Target Corp	19,066,307	0.42%	0	0.00%
Gatx Tank Storage Terminals Co	18,230,579	0.40%	0	0.00%
Compton Commercial Dev	18,141,760	0.40%	0	0.00%
Girardi Financial LLC	17,120,974	0.38%	0	0.00%
Pacab LLC	16,098,755	0.36%	0	0.00%
Lake Plaza LLC	12,852,354	0.28%	0	0.00%
Demunno Kerdoon	11,798,474	0.26%	0	0.00%
Rancho Way Properties LLC	11,105,896	0.25%	0	0.00%
Csme Partners LLC	11,040,771	0.24%	0	0.00%
Knickerbocker Properties Inc.	10,616,229	0.23%	0	0.00%
1301 E Rosecrans Plaza	10,564,901	0.23%	0	0.00%
Total Top 25 Taxpayers	902,578,552	19.91%	0	0.00%
Total Taxable Value	4,532,642,758	100.00%	0	100.00%

CITY OF COMPTON

Principal Sales Tax Producers Last Fiscal Year and Nine Years Ago

2010-11		2001-02	
Taxpayer	Business Type	Taxpayer	Business Type
4 Wheel Parts	Auto Parts/Repair	4 Wheel Parts	Auto Parts/Repair
American Dawn	Apparel Stores	Air Compressor Service & Mfg.	Heavy Industry
Arco Am/Pm Mini Marts	Service Stations	American Dawn	Apparel Stores
Auto Zone	Auto Parts/Repair	Arco Am/Pm Mini Marts	Service Stations
Aveda Services Inc	Chemical Products	Autozone	Auto Parts/Repair
Baltic Linen Company Inc.	Heavy Industry	California Dolly & Supply	Heavy Industry
Best Buy Stores	Furniture/Appliance	Circuit City	Furniture/Appliance
Burlington Coat Factory	Apparel Stores	City Concrete Products	Bldg.Matls-Whsle
Concrete Tie Mfg.Co.	Govt/Religious Orgs.	Concrete Tie Mfgco	Heavy Industry
CVS/Pharmacy	Drug Stores	Elite Optical	Specialty Stores
Dd's Discounts Store	Department Stores	Global Computer Supplies	Office Equipment
Home Depot	Bldg. Matls-Retail	John B.Rudy Company Inc	Electronic Equipment
John B.Rudy Company Inc.	Electronic Equipment	K Mart Stores	Department Stores
Mc Donalds Restaurants	Restaurants	Komori West	Light Industry
Mobile Service Station	Service Stations	Leepers Woodturning Company	Bldg.Matls-Whsle
Optical One	Miscellaneous Retail	Medtech	Light Industry
Ralphs Grocery Company	Supermarkets	Owens Corning Fiberglass	Bldg Matls Whsle
Rapid Gas Service Stations	Service Stations	Ralph's Grocery Company	Food Markets
Rite-Aid	Drug Stores	Rite Aid Drug Stores	Drug Stores
Superior Super Warehouse	Food Markets	S.Y. Texma	Furniture/Appliance
Target Store	Department Stores	Sav-On Drug Stores	Drug Stores
United Fabricare Supply Co., Inc.	Chemical Products	Superior Super Warehouse	Food Markets
Wesco Distribution, Inc	Bldg Matls Whsle	United Fabricare Supply Co Inc	Chemical Products
Wilson Supply Co	Heavy Industry	W.W. Grainger	Electronic Equipment
World Wide Technology	Office Equipment	Wesco Distribution Inc	Bldg Matls Whsle

Source: SBOE data, MuniServices, LLC
Top Sales Tax Producers listed in alphabetical order.

CITY OF COMPTON				
Principal Employers Last Fiscal Year				
Business Name	2010-11		2001-02	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Compton Unified School District	2,956	7.97%	0	0.00%
Ralph's Grocery Company	2,049	5.52%	0	0.00%
Compton Community College Dist	443	1.19%	0	0.00%
City of Compton	384	1.04%	0	0.00%
4 Wheel Parts Wholesalers Inc	322	0.87%	0	0.00%
Foster Farms	260	0.70%	0	0.00%
Gourmet Foods Inc	219	0.59%	0	0.00%
Judiciary Counsel Of The St Of Ca	203	0.55%	0	0.00%
Nabors Well Services Co	200	0.54%	0	0.00%
Sodexo	186	0.50%	0	0.00%
Total Top 25 Taxpayers	7,222	19.47%	0	0.00%
Total Labor Force (1)	37,100	100.00%		