CITY OF BRIDGEPORT, CONNECTICUT

FINANCIAL REPORT
JUNE 30, 2002

CITY OF BRIDGEPORT, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year
July 1, 2001 to June 30, 2002

Prepared By:
DEPARTMENT OF FINANCE

JEROME I. BARON, C.P.A.
Director of Finance

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Introductory Section

October 14, 2002

Honorable Joseph P. Ganim, Mayor
Members of the City Council
Citizens of Bridgeport

Connecticut State Statutes require that all general purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Bridgeport, Connecticut for the fiscal year ended June 30, 2002.

This report consists of management's representations concerning the finances of the City of Bridgeport, Connecticut. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Bridgeport has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Bridgeport's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Bridgeport, Connecticut's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Bridgeport, Connecticut's financial statements have been audited by McGladrey & Pullen, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Bridgeport, Connecticut for the fiscal year ended June 30, 2002, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Bridgeport, Connecticut's financial statements for the fiscal year ended June 30, 2002 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Bridgeport, Connecticut was part of broader state and federally mandated “Single Audits” designed to meet the special needs of federal and state grantor agencies. The standards governing the Federal and State Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the City of Bridgeport, Connecticut’s separately issued Single Audit Reports.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Bridgeport, Connecticut’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Bridgeport was incorporated in 1836 and annexed portions of the neighboring towns of Stratford and Fairfield in the late 1800's. The City is located approximately 60 miles east of New York City on the northern shore of Long Island Sound. With a 2000 U.S. Census population of 139,529 residents, Bridgeport is the largest city in Fairfield County and the State of Connecticut, averaging almost 7,200 people per square mile. Encompassing an area of 19.38 square miles (16.0 square miles of land and 3.38 square miles of water), Bridgeport's 57,000 housing units is unequaled in the State of Connecticut.

Bridgeport operates under and is governed by the laws of the State of Connecticut and its own charter, which was adopted by the State Legislature in 1907. A major revision to the City's charter was adopted in 1992 that streamlined governmental processes and provided for greater administrative accountability. The Charter provides for a Mayor-Council form of government. The Mayor is the chief executive officer of the City. The City Council, which acts as the City's legislative body, consists of twenty council members elected to two-year terms. On November 3, 1998, voters approved a Charter change providing for four-year terms for the Mayor, City Clerk and Town Clerk. This term change became effective in the November 1999 municipal election.

The City provides a full range of services to its citizens. These include: police and fire protection; sewer and sanitation; education; library; airport; the highways, streets and infrastructure maintenance; parks and recreation; cultural events and organizations; health and welfare; and general administrative services.

The annual budget serves as the foundation for the City of Bridgeport’s financial planning and control.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 28 as part of the basic financial statements for the General Fund.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy: The effects of the national and subsequent regional and statewide recession continued to impact the City and greater Bridgeport economy in 2001-2002. The City's unemployment rate has seen an increase to a 6.5% annual average for the fiscal year ending June 30, 2002 from a 4.7% annual average for the fiscal year ending June 30, 2001. Similarly, the State unemployment rate has changed, increasing from an annual average of 3.3% in 2001 to 3.5% for the period ending June 2002. The City's taxable base continues to show growth; the October 1, 2000 grand list increased 7.84%, which represents the eighth consecutive year that the grand list has increased and a 36.29% increase from the October 1, 1992 grand list.

Bridgeport has historically been a manufacturing/industrial city that was, for a time, primarily defense oriented. During the 1970's and 1980's, the loss of manufacturing jobs on a national level impacted Bridgeport as well. The City, through an aggressive marketing and economic development plan, has refocused its efforts to retain and attract new businesses tailored to the City's strengths of geographic location and skilled workforce availability. Manufacturing job losses of the 1980's and early 1990's have stopped. The number of manufacturing firms is increasing again, many in the 50-75 employee range. The City's strategy of identifying and retaining firms with the best growth prospects is proving successful, and now there are approximately 300 manufacturers that call Bridgeport their home. In order to enhance the infrastructure that serves the industrial base of the City and assemble the land and facilities necessary to provide for the expansion of existing corporations and accommodate new businesses, development within the City's three industrial corridors continues. Already in place are incentive packages associated with the Urban Enterprise and Foreign Trade Zones, as well as the City's own initiatives. Examples of companies remaining and expanding in Bridgeport are as follows: Bodine Corporation has built a 10,000 square foot expansion with an additional 20 jobs, Lacey Manufacturing has built a 35,000 square foot expansion with an additional 80 jobs, Unger Industries has added 30,000 square feet to their Bridgeport facilities, Chaves Bakery has built a second facility with an increase of 80 to 100 jobs, three (3) companies are in the process of initially building 60,000 square feet of industrial space in the West End Industrial Park and have plans to ultimately expand their facilities to a total of 150,000 square feet, and People's Bank is contemplating the construction of a new 300,000-400,000 square foot office tower to house their expanding credit card operation and is continuing to seek a "signature tenant to occupy a significant portion of the proposed structure.

Major Initiatives: At the direction of the Mayor and the City Council, the City was able to undertake some major initiatives during fiscal year 2001-02:

- **West Side School Land Assembly** - The initial site assembly phase of a school replacement project slated to replace the 1890's Elias Howe Elementary School which featured virtually no outdoor recreation facilities and had no off-street teacher parking. The new 1,150-student school will be located in the proximity of State Street; will have separate recreation facilities for both younger and older children, internal site bus pick-up and drop-off capability and off-street teacher parking. The new school campus will have all of the modern educational facilities needed to educate the children of the West Side community.

- **Seaside Park Improvements** - Implementation of Phase III of the Seaside Park Master Plan has started. Prior phases either nearing completion or completed included a new Bathhouse & Concession Stand at the beach area of the park; the installation of new Street Patterns & centralized Parking Lots in the vicinity of the playing fields. The playing fields have been refurbished and new soccer fields were added. The restoration of the main Seaside Park Bathhouse has also begun.

- **Demolition of the Pequonnock Apartments Housing Complex** - The former public housing high-rise apartment complex is being razed to initially provide additional surface parking capacity for the Harbor Yards Ballpark and Arena Complex. The site, directly across the street from the Ballpark is envisioned to ultimately be the site of a mixed-use commercial development (i.e. retail/restaurant/office complex; convention center; hotel; etc.)

- **In-fill Housing Redevelopment Projects in the South End and East Ends** - New affordable housing initiatives are being developed in the South End and Lower East End Neighborhoods. Housing developers were solicited and the successful companies will work the City to assemble vacant lots for new housing construction and renovate multi-family abandoned properties to help fill a growing need for affordable housing units in Bridgeport.

- **Derecktor Shipyards Relocation to the City of Bridgeport** - The City was able to attract a major New York ship-builder to develop a custom luxury yacht and ferryboat building operation to the former CarTech Site on Bridgeport Harbor. The company initially occupied an existing building on the site and has recently constructed an additional new multi-million dollar shipbuilding facility on the site. It is expected that 300 employees will be at the Derecktor Shipyard location.

- **The Arena at Harbor Yards** - In the Fall 2001, the 10,000-seat arena next to the HarborYard Ballpark opened. The arena is the home of the New York Islanders Professional Hockey Team's minor league affiliate - the Bridgeport Sound Tigers and the Fairfield University's NCAA Division I Men's and Women's Basketball teams. The arena has hosted a number of other events during the past year such as the Ringling Bros. Barnum & Bailey Circus; ice skating shows; concerts, the Boston Pops orchestra; World Wrestling Entertainment televised events; motor cross racing; the Republican State Convention; and various trade shows.

- **Aurora Products** - A new company relocated to the City West End Industrial Area into 10,000 sq. ft. of industrial space next to the Bodine Complex. Aurora is a food processing operation employing approximately 40 people.

- **New State Juvenile Courthouse & Detention Center** - The State of Connecticut has completed the design of a new juvenile courthouse and detention center complex and will begin construction in early 2003. Located in the northern portion of downtown Bridgeport, the new complex on the site of the former Bridgeport Public Works Garage, upon completion this facility will replace the old judicial complex on Fairfield Ave.

- **The Crescent Avenue Industrial Park** - Three companies: MagnaTek, Syntec & Rotair Industries in the City's East End are expanding their operations and the City is assisting them by acquiring additional vacant industrial space, rehabbing it and allowing the middle

company to relocate to the new space while the remaining companies take over this company's former square footage.

- **Expansion of Went Field Park** - The City recently acquired several Brownfield sites adjacent to the park, remediated the property, cleared the site, and expanded the park's recreational facilities in the resulting Greenfield's. The U.S. EPA gave National Recognition Honors for the City's $4.1 million Redevelopment of these Brownfields Properties as a neighborhood enhancement effort.

Cash Management Policies and Practices: It is the policy of the City of Bridgeport to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all statutes governing the investment of funds. Idle cash was invested during the year in temporary, legally permitted investments on a short-term basis. Money market investments managed by Cadre Institutional Investors Trust (CIIT), Financial Investors Trust, American Express Financial Advisors and AIM comprised the major share of the City's short-term investments as well as money invested in the Short-Term Investment Fund (STIF) operated by the Office of the State Treasurer.

Risk Management: The City is insured for building and contents for approximately $303,000,000 with a $200,000 deductible. The airport is insured for a $100,000,000 general liability policy with a hangers- keeper liability deductible on any one occurrence of $1,000. The City has theft and dishonesty bonds for $250,000 each for the police department and City Hall employees. It also has a tax collector's bond in the amount of $2,205,000.

The City is self-insured for general liability, professional liability, worker's compensation and heart and hypertension claims. The City has contracted with an outside agency to administrate its workers' compensation and heart and hypertension claims. The City accrues amounts that it expects to pay with current available resources in the General Fund.

The City provides comprehensive life, hospital, and major health benefits for its employees pursuant to various union contracts. The City is self insured for its employees' health and medical benefits and has contracted with HealthNet to be a third party administrator of the plan.

The benefits officer and safety officer are pro-active in implementing programs to improve employee's health and prevent injuries. Blood pressure screening, flu shots and safety committees for all major departments of the City are examples of some of these programs.

Pension and Other Post-Employment Benefits: All full-time employees of the City, except for the Board of Education personnel, police, firefighters, janitors and engineers, participate in the Connecticut Municipal Employees' Retirement Fund B (CMERF). This is a cost sharing multiple employer public employee retirement system. The City's payroll for employees covered under this plan for the year ended June 30, 2002 was $60.7 million, which represents 28.3 percent of the total City payroll of $214.4 million.

In addition to CMERF, the Board of Education teachers and certified administrators participate in a contributory defined benefit plan that is a State-financed teachers' retirement system. For the year ended June 30, 2002, the City's payroll for employees covered under this plan was $90.4 million, which represents 42.2 percent of the total City payroll.

All other full-time employees belong to one of the following single employer defined benefit plans:

i) Public Safety Plan A Investment and Pension Trust
ii) Police Retirement Plan B
iii) Firefighters' Retirement Plan B
iv) Janitors' and Engineers' Retirement Fund

The pension plans (ii) and (iii) above are funded on an actuarial basis. The pension plan (iv) is funded on a "pay as you go" basis, that is, the City's contribution to the plan is the amount necessary to pay annual benefits. Plan i) is a closed plan and as such no new enrollments have been allowed since January 1, 1984. During the year ended June 30, 2001, the City issued $350,000,000 of taxable pension obligation bonds, these assets are invested and, along with the revenues produced, will be used to fund future benefit payments to members of Plan i).

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bridgeport, Connecticut for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2001. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of a state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Bridgeport has received a Certificate of Achievement in each of the last five years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The preparation of the Comprehensive Annual Financial Report was made possible by the efficient and dedicated services of the entire staff of the Finance Department, particularly the Comptroller's Office, Internal Audit Department and in-plant print shop. We want to express our appreciation for the cooperation, assistance and support of other City departments.

We would like to acknowledge the thorough, expeditious and professional manner in which our independent auditors, McGladrey & Pullen, LLP, conducted the audit.

The cover photograph is a shot of the newly constructed Bathhouses at Seaside Park. The obelisk located in the area between the two bathhouses was built in honor of George Manson Eames (1859-1937). George Eames was a member of the Park Commission (1902-1937) and served as President of the Commission from 1905-1937. The cover photograph of the Bathhouse at Seaside Park was taken by Joseph S. Sopko, a programmer in the City's Information Technology Systems Department.

In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,

Jerome I. Baron, C.P.A.
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

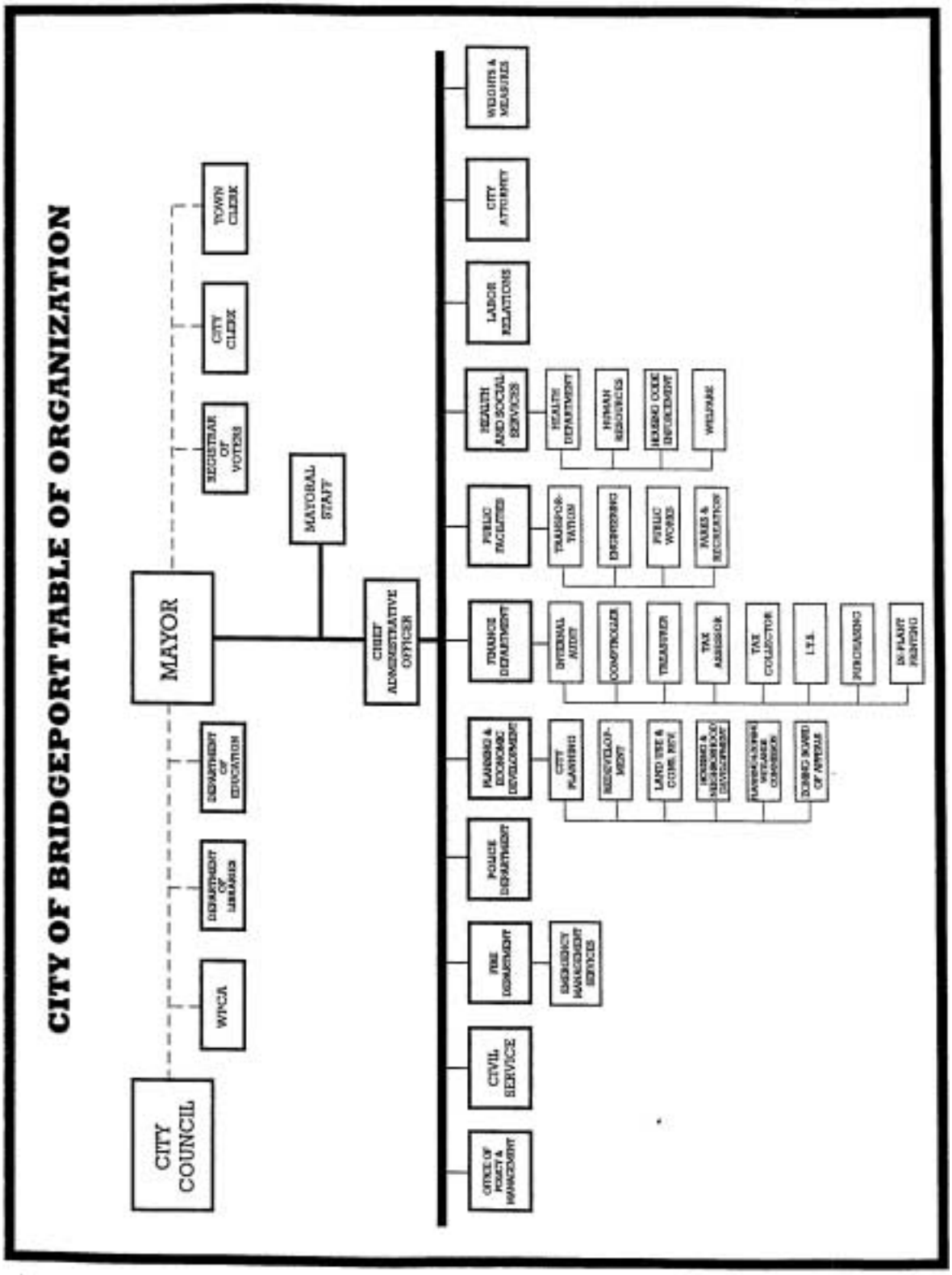
City of Bridgeport, Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director


CITY OF BRIDGEPORT TABLE OF ORGANIZATION
CITY COUNCIL
MAYOR
WICA
DEPARTMENT OF LIBRARIES
DEPARTMENT OF EDUCATION
REGISTRAR OF VOTERS
CITY CLERK
TOWN CLERK
MAYORAL STAFF
CHIEF ADMINISTRATIVE OFFICER
OFFICE OF POLICY & MANAGEMENT
CIVIL SERVICE
FIRE DEPARTMENT
EMERGENCY MANAGEMENT SERVICES
POLICE DEPARTMENT
PLANNING & ECONOMIC DEVELOPMENT
CITY PLANNING
REDEVELOPMENT
LAND USE & COMM. DEV.
HOUSING & NEIGHBORHOOD DEVELOPMENT
PLANNING & ZONING VILLAGE COMMISSION
ZONING BOARD OF APPEALS
FINANCE DEPARTMENT
INTERNAL AUDIT
COMPTROLLER
TREASURER
TAX ASSESSOR
TAX COLLECTOR
I.T.S.
PURCHASING
IN-PLANT PRINTING
PUBLIC FACILITIES
TRANSPORTATION
ENGINEERING
PUBLIC WORKS
PARKS & RECREATION
HEALTH AND SOCIAL SERVICES
HEALTH DEPARTMENT
HUMAN RESOURCES
HUMAN CODE DEPARTMENT
WELFARE
LABOR RELATIONS
CITY ATTORNEY
WEIGHTS & MEASURES

CITY OF BRIDGEPORT, CONNECTICUT

LIST OF PRINCIPAL OFFICERS

Office	Name	Manner of Selection and Term
Mayor	Joseph P. Ganim	Elected – 4 Year Term
City Clerk	Fleeta C. Hudson	Elected – 4 Year Term
Town Clerk	Hector Diaz	Elected – 4 Year Term
Director of Finance	Jerome I. Baron	Appointed by Mayor
Deputy Director of Finance/Comptroller	Michael Lupkas	Appointed by Director of Finance
Treasurer	Sharon D. Lemdon	Appointed by Mayor
City Attorney	Mark Anastasi	Appointed by Mayor
Acting Director of Office of Policy and Management	Thomas Sherwood	Appointed by Mayor
School Superintendent	Sonia Diaz Salcedo	3 year contract

Financial Section

McGladrey & Pullen
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

To the Honorable Mayor and
Members of the City Council
City of Bridgeport, Connecticut

We have audited 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 Bridgeport, Connecticut, as of and for the year ended June 30, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Bridgeport Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 19 to the basic financial statements, the City adopted a number of new governmental accounting and reporting pronouncements as of July 1, 2001.

As discussed in Note 20 to the financial statements, the City's Mayor, an employee, and certain third parties were identified in charges as a result of an ongoing federal investigation.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bridgeport, Connecticut, as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis on pages 13 through 24 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted

McGladrey & Pullen, LLP is an independent member firm of
RSM International, an affiliation of independent accounting
and consulting firms.

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.

In accordance with "Government Auditing Standards," we have also issued our report dated October 14, 2002 on our consideration of the City of Bridgeport, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, budgetary detail, combining and individual nonmajor fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section 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.

McGladrey & Pullen, LLP

New Haven, Connecticut
October 14, 2002

City of Bridgeport, Connecticut
Management's Discussion and Analysis
June 30, 2002

As management of the City of Bridgeport, Connecticut (the "City") we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2002. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

Financial Highlights

- On a government-wide basis, the liabilities of the City exceeded its assets resulting in total net assets at the close of the fiscal year of ($581,795). Total net assets (deficits) for Governmental Activities at fiscal year-end were ($64,381,380) and total net assets for Business-Type Activities were $63,799,585. The unrestricted net asset (deficit) at June 30, 2002 was ($231,787,941).

- On a government-wide basis, during the year, the City's net assets decreased by $997,443, from $415,648 to ($581,795). The net asset (deficit) increased by $1,363,613 for Governmental Activities and net assets increased by $366,170 for Business-Type Activities. Government-wide expenses were $508.2 million, while revenues were $507.2 million.

- At the close of the year, the City's governmental funds reported, on a current financial resource basis, combined ending fund balances of $107.5 million, an increase of $11.55 million from the prior fiscal year. Of the total fund balance as of June 30, 2002, $78.65 million is available for spending at the government's discretion and represents the combined unreserved fund balance in the general fund, special revenue funds, capital projects fund and permanent fund.

- At the end of the current fiscal year, the total fund balance for the general fund alone was $41.2 million, a decrease of $9.93 million from the prior fiscal year. Included in the fiscal year 2002 budget was an appropriation of $22.5 million of unreserved fund balance. As of June 30, 2002, $38.6 million of the total general fund fund balance represents unreserved general fund balance. Unreserved general fund fund balance at year-end represents 9.4% of total general fund expenditures and transfers out ($410.6 million).

- The City's total debt increased by $45.8 million during the current fiscal year. The key factor in this increase was the issuance of $69.2 million in new bonds with interest rates ranging from 4.00% to 5.51%, of which $23.4 million paid off a bond anticipation note and was therefore not considered as new debt in the current year. The taxable portion of the bonds, which will mature incrementally over the next five years, will be used to fund the completion of construction of the Arena at HarborYard and the "City Match" to state grant funds for additions at the Wonderland of Ice skating arena.

- The City also issued $75.4 million in general obligation refunding bonds which resulted in a present value cash flow savings of $1.11 million.

- Bond anticipation notes (BANS) of $15.5 million were outstanding at June 30, 2002, and are scheduled to mature on July 18, 2002. These BANS were rolled over at maturity for a period of one year, and are now due and payable on July 18, 2003. The notes bear interest rates of 3.0% and 4.4%. The tax-exempt bonds, which will mature incrementally over the next twenty years, will be used to finance public improvements, including city and school facilities and infrastructure.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information as well as the basic financial statements.

It is important to note that the City implemented the new reporting requirements outlined in GASB 34 effective July 1, 2001. The financial statements, therefore, contained within this report as of June 30, 2002, are the City's first report using the new reporting model. In addition, the City is among one of the first municipalities in the State of Connecticut required to report under the new model for the fiscal year ended June 30, 2002. As allowed under GASB 34, the City elected not to present all required comparative data for this year of implementation. Therefore, many prior year comparisons of the City and comparisons with other similar municipalities are not available to aid the reader in comparative analysis. The report for fiscal year ending June 30, 2003, will contain more comparative information both with similar governments and with the City itself.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. All of the resources the City has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the City's overall financial status.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference reported as net assets (deficits). Over time, increases or decreases in net assets (deficits) may serve as an indicator of whether the financial position of the City is improving or deteriorating. It speaks to the question of whether or not, the City, as a whole is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

The statement of activities presents information showing how the government's net assets (deficits) changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period, uncollected taxes and earned but unused vacation leave are examples.

Both of the government-wide financial statements distinguish functions of the City of Bridgeport that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities).

- Governmental activities of the City encompass most of the City's basic services and include governmental and community services, administration, public safety, health and welfare, operations and education. Property taxes, charges for services and state and federal grants finance most of these activities.

- Business-type activities of the City consist of the Water Pollution Control Authority. It is reported here, as the City charges a user fee to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net assets (deficits) and statement of activities) can be found on pages 25-26 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City has three kinds of funds:

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Board of Education, and the 2001 Bond Issue Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as Other Governmental Funds. Non-major governmental funds for the City include the Education Fund, the Health and Sanitation Fund, the Community Development Fund, The Rate Stabilization and Reserve Fund, the Social Services Fund, the Community Development Block Grant Fund, the Home Program Fund, the Section 108 Loan Guarantee Fund, the Development Administration State Grant Fund, the Library Fund, the Education Grants, the Parks and Recreation Fund, the Health Insurance

Reserve Fund, and all Special Revenue Funds. In addition, the Education and Library Fund, the Health and Sanitation Fund, the Highway and Parking Fund, the General Government Fund, the Parks and Recreation Fund, the Municipal Airport Fund, the Capital Reduction Fund, the Bond Issue Fund, the School Bond Issue Fund, and the 1997 Bond Issue Fund are all considered Capital Projects Funds. Permanent Funds consist of the Library Fund and the Education Fund. Individual fund data for each of these non-major governmental funds is provided in the combining balance sheets on pages 88-92 and in the combining statement of revenues, expenditures and changes in fund balance on pages 94-98.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures and changes in fund balance on a budgetary basis can be found on page 30.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on pages 27-28 of this report.

Proprietary funds. The City of Bridgeport maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Bridgeport uses an enterprise fund to account for its Water Pollution Control Authority.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 31-33 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City's constituency. The City has four pension trust funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 34-35, and 99-100 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-78 of this report.

The notes to this report also contain certain information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Government-wide Financial Analysis

As noted earlier, net assets (deficits) may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the City's liabilities exceeded its assets by $581,795 at June 30, 2002.

Reported for the first time this year were some of the City's infrastructure assets including roads, sidewalks, bridges, dams, right-of-ways, streetlights, culverts and seawalls. All of which have useful lives that range between 20 and 50 years. The City has, in the past, reported only its storm and sanitary sewers with useful lives of 50 years.

CITY OF BRIDGEPORT, CONNECTICUT
NET ASSETS (DEFICITS) ($000's)
JUNE 30, 2002

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Current and other assets	$ 256,579	$ 7,711	$ 264,290
Non-current	156,967	826	156,927
Capital assets	368,772	132,715	501,487
Total Assets	782,318	141,252	922,744
Long-term liabilities outstanding	729,615	69,456	799,071
Other liabilities	117,084	7,997	124,255
Total Liabilities	846,699	77,453	923,326
Net Assets (Deficits):			
Invested in capital assets, net of related debt	107,062	63,259	170,321
Restricted	59,044	1,841	60,885
Unrestricted	(230,487)	(1,301)	(231,788)
Total Net Assets (Deficits)	**$ (64,381)**	**$ 63,799**	**$ (582)**

At the end of the current fiscal year, the City is able to report a positive balance only in its proprietary activities.

The portion of the City's net assets of $170,321,000 reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), net any outstanding debt related to these assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The portion of the City's net assets that are restricted, $60,885,000, represents resources that are subject to external restrictions on how they may be used. Unrestricted net assets (deficits) of ($231,788,000) may not be used to meet the government's ongoing obligations to citizens and creditors, due to the negative balance. The primary reason for the large negative balance is due to the issuance of the August 2000 General Obligation Taxable Pension Bonds, which were issued to properly fund pension plans which were previously funded on a "pay-as-you-go" basis, which has an outstanding balance of $346,290,000 at June 30, 2002.

CITY OF BRIDGEPORT, CONNECTICUT
CHANGES IN NET ASSETS (DEFICITS) (000's)
JUNE 30, 2002

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total Government**
Revenues:			
Program Revenues:			
Charges for services	$ 22,044	$ 14,445	$ 36,489
Operating Grants and contributions	212,390	-	212,390
Capital Grants and contributions	24,969	1,232	26,201
General Revenues:			
Property Taxes	176,439	-	176,439
Grants not restricted to specific programs	49,285	-	49,285
Unrestricted investment earnings	4,356	144	4,500
Transfers and other	(3,585)	5,517	(1,932)
Total revenues	**485,898**	**21,338**	**507,236**
Expenses:			
General government	27,245	-	27,245
Protection of person and Property	88,265	-	88,265
Conservation of Health, Charities and hospitals	14,012	-	14,012
Public Facilities, Parks and Recreation	34,949	-	34,949
Operations	-	20,972	20,972
Education	254,741	-	254,741
Interest on long-term debt	45,717	-	45,717
Special services, Other	22,333	-	22,333
Total Expenses	**487,262**	**20,972**	**508,234**
Change in net assets	(1,364)	366	(998)
Net assets (deficits)-beginning	**(63,018)**	**63,433**	**415**
Net assets (deficits)-ending	**$ (64,382)**	**$ 63,799**	**$ (583)**

Bridgeport's net assets (deficits) increased by ($998,000) during the fiscal year, with the net deficit of Governmental Activities increasing by $1.36 million, and net assets of Business-Type Activities increasing by $366,000. The increase in net assets within Business-Type Activities is due primarily to a one-time transfer of resources from Governmental Activities of approximately $5.5 million. Many of the remaining decrease in net assets represents the degree to which increases in ongoing expenses have outpaced increases in revenues.

Governmental Activities

More than 53.4% of the revenues were derived from program revenues, followed by 36.3% from property taxes, then 10.1% from other unrestricted grants and finally, about 0.2% of the City's revenue in this fiscal year was derived from a combination of investment earnings, gains of sales of capital assets and operating transfers.

Major revenue factors included:

- Property tax revenues recorded for fiscal year 2002 reflect an increase in the City's tax billings, implementation of the city-wide revaluation and growth in the total assessed value of all taxable property of .69%.

- Investment earnings fell in the general fund from $5.2 million in the prior fiscal year to $2.5 million for the fiscal year ended June 30, 2002. The reduction in interest and dividend earnings was the result of a slowing economy and the subsequent reduction in interest rates.

For Governmental Activities, more than 52.3% of the City's expenditures relate to education, 18.1% relate to public safety, 9.4% to interest payments on long term debt, 7.2% relate to public facilities and the parks and recreation departments, 5.6% to general government, 4.5% to special services and other and 2.9% relates to health and welfare.

Major expenditure factors include:

- Employee benefit costs rose more than 10% due to rising health insurance costs.

- Debt Service increases, caused by the issuance of the August 2000 General Obligation Taxable Pension Bonds, were offset by the reduction in benefit payments to Plan A participants. These expenditures were previously included under the classification of the general government function.

Business-Type Activities

Business-Type activities increased the City's net assets by $366,170.

- Water Pollution Control Authority (WPCA) user rates remained constant. Transfers from other funds and the continued efforts of collecting delinquent user fees accounted for this increase in net assets.

Financial Analysis of the Fund Financial Statements

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $107.5 million, an increase from $95.6 million as reported on June 30, 2001. Approximately 73.2% of this total amount constitutes unreserved fund balance that is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) $26.4 million to liquidate contracts and purchase orders of the prior period; and 2) $2.5 million to self-insured claims reserve.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was $38.6 million while the total fund balance reached $41.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and education operating transfers. Unreserved fund balance represents 9.4% of total general fund expenditures, while total fund balance represents 10.0% of that same amount.

As stated earlier, the fund balance of the City's general fund decreased by $9.9 million during the current fiscal year. Key factors in this decline are as follows:

- The approved budget for fiscal 2002 included a planned draw down of fund balance in the amount of $22.5 million, consisting of a $12.25 million mitigation fund and $10.25 million set-aside for possible legal appeals, both arising from the implementation of the revaluation of city properties.

- Investment income declined dramatically during the fiscal year due to the decline in short-term interest rates. Actual investment income in the general fund fell short of the budget projection by $2.9 million.

The Board of Education Fund has increased to a total fund balance of $2,221,813, up from $630,917 in the prior year. This amount is totally reserved for outstanding encumbrances.

The 2001 Bond Issue Fund has a total fund balance of $42.3 million up from $16.2 million in the prior year. The increase is explained by new issuance of bonds for Capital Projects during the year.

The Other Governmental Funds have a total fund balance of $21.9 million, down from $28.1 million in the prior year. The $6.2 million decrease was primarily due to transfers to other funds.

Proprietary funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the proprietary fund consisting of the Water Pollution Control Authority were $63.8 million, as compared to $63.4 million in the prior year.

The Unrestricted net asset (deficit) of the Water Pollution Control Authority was ($1.3 million). The Water Pollution Control Authority experienced operating revenues of $13.6 million from user fees. There was a total net loss for the WPCA of $559,485 before transfers in from the City of $5.5 million and capital contributions of $1.2 million. The change in nets assets for the fiscal year ended June 30, 2002 was $366,170.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was $633,218. The additional appropriation approved during the year are summarized below:

- The net budget amendment of $633,218 occurred in the operation of Fairchild Wheeler Golf Course. The original operating budget represented a six-month budget for the operation of the course. The City has been evaluating responses from a request for proposal for operation of the golf course by an outside vendor. This amount represents the operating budget for the second six-month period for the golf course while further analysis is completed. Adopted budget changes included reclassified amounts totaling $977,818 for the Parks and Recreation Department and the Tree Warden.

These additional appropriations were offset by reductions in original budgeted appropriations as summarized below:

- A reduction from original General Government appropriations of $144,600 in the Contingency Account. There was also a reduction of $30,000 in the original Tax Assessor's budget and an increase of $30,000 in the Information Technology Services budget that were offsetting.

- There was a $50,000 reduction from original appropriations in the Public Facilities Snow and Ice Removal budget due to the milder than anticipated winter.

- There was a $150,000 reduction from original appropriations for Debt Service.

In addition, revenues generated by the Golf Course of $633,218 were correspondingly adopted into the revenue side of the budget.

During the year, actual revenues and other financing sources on a budgetary basis were $429.4 million, which were short of budgetary estimates by $8.5 million. Actual tax revenues exceeded budget by $249,293, which in part represents revenues recognized in fiscal year 2002 derived from two bulk sales of property tax liens totaling $4.9 million. Actual intergovernmental revenue was $6.7 million under budgetary estimates primarily due to less than anticipated revenues granted to the City through various state programs. Investment income was approximately $2.9 million less than the $5.5 million that had been budgeted. The budgeted amounts, for investment income was predicated upon historical short-term interest rates that prevailed during the budget preparation period. These assumptions did not anticipate the sharp decline in interest rates during fiscal 2002 and following September 11th. Additional shortfalls of $1.5 million in fees, permits and licenses were in part offset by $2.5 million in actual revenues which exceeded budget in the other or miscellaneous category.

Actual expenditures on a budgetary basis and other financing uses totaled $417.1 million, which were less than actual revenues and other financing sources on a budgetary basis by $12,362,887. The fiscal year 2002 budget included a planned appropriation of fund balance of $10,250,000 for possible revaluation tax appeals and $12,250,000 as a revaluation set-aside to reduce the impact of the revaluation for the Grand List of October 1, 2000.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2002, amount to $501.5 million, net of accumulated depreciation. This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges. The total increase in the City's investment in capital assets for the current fiscal year was $13.5 million or 2.8%.

CITY OF BRIDGEPORT, CONNECTICUT
CAPITAL ASSETS (net of depreciation)(000's)
JUNE 30, 2002

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Land	$ 80,406	$ -	$ 80,406
Buildings and improvements	147,125	84,276	231,401
Infrastructure	39,644	-	39,644
Machinery, equipment, distribution and collection systems	4,155	43,665	47,820
Vehicles	4,863	394	5,257
Construction in progress	92,580	4,380	96,960
Total	**$ 368,773**	**$ 132,715**	**$ 501,487**

Major capital asset events during the current fiscal year included the following:

- Improvements and renovations to school buildings and facilities.
- Continued rehabilitation of playgrounds and athletic fields.
- Infrastructure improvements including roads, bridges, and sanitary and sewer projects.
- Replacement of several pieces of emergency and rescue equipment for the fire department and purchase of police vehicles.
- Acquisition of parcels for ongoing city development projects.

Additional information on the City of Bridgeport's capital assets can be found in Note 8 on pages 52-53 of this report.

CITY OF BRIDGEPORT, CONNECTICUT
OUTSTANDING DEBT
GENERAL OBLIGATION AND REVENUE BONDS (000's) in thousands
JUNE 30, 2002

	Governmental Activities	Business-Type Activities	Total
General obligation bonds	$ 635,296	$ 2,364	$ 637,660
Bond anticipation notes	15,540	-	15,540
Notes Payable	6,819	67,092	73,911
Totals	**$ 657,655**	**$ 69,456**	**$ 727,111**

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $637,660,000. 100% of this debt is backed by the full faith and credit of the City government.

The City's total debt increased by $45.8 million during fiscal 2002. During the current fiscal year, the City refinanced some of its outstanding debt to take advantage of favorable interest rates that resulted in present value cash flow savings of $1,111,410. The refunding reduces debt service payments over the next four years, which increases total debt service payments over the next 18 years by approximately $2,974,000.

Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Rating Group ("Standard & Poor's") and Fitch, Inc ("Fitch") have each assigned their municipal bond ratings of "Aaa", "AAA", and "AAA" respectively to the City with the understanding that there is an insurance policy insuring the payment when due of the principal and interest of the bonds. Moody's, Standard & Poor's and Fitch have confirmed the underlying ratings for the City's uninsured general obligation debt as "Baa1", "BBB+" and "A-", respectively.

The overall statutory debt limit for the City is equal to seven times annual receipts from taxation or $1,221,948,000. As of June 30, 2002, the City recorded long-term debt of $657.7 million related to Governmental Activities and $69.5 million related to Business-Type Activities, well below its statutory debt limit.

Additional information on the City of Bridgeport's long-term debt can be found in Note 12 on pages 55-59 of this report.

Economic Factors and Next Year's Budgets and Rates

The City has not been immune from the effects of the terrorist attacks of September 11, 2001 and the national economic downturn. As of June 2002, the unemployment rate for the Bridgeport Labor Market Area was 4.5%, up from 3.7% in the prior year. Connecticut's overall unemployment rate stands at 3.5%, compared with 2.0% for the same time last year. Moreover, Connecticut state government is now reporting serious revenue shortfalls that may translate into reductions in State aid to the City of Bridgeport and other municipalities in the State.

Requests for Information

The financial report is designed to provide a general overview of the City's finances for all those with an interest in government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at 45 Lyon Terrace, Bridgeport, CT 06604.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF NET ASSETS (DEFICITS)
June 30, 2002

	Governmental Activities	Proprietary Activities	Total
Assets			
Cash and cash equivalents	$ 163,162,180	$ 71,948	$163,234,128
Temporarily restricted cash and cash equivalents	2,500,000	1,841,023	4,341,023
Investments	1,684,807	-	1,684,807
Receivables, net of allowances for collection losses:			
Property taxes	53,366,290	-	53,366,290
Sewer user fees and liens	-	5,183,546	5,183,546
Federal and state governments	31,998,355	-	31,998,355
Other	3,867,463	614,989	4,482,452
Noncurrent:			
Deferred charges, net of accumulated amortization	9,740,113	-	9,740,113
Internal balances	-	826,186	-
Capital assets, net of accumulated depreciation	368,772,184	132,714,835	501,487,019
Federal and state governments receivable	26,960,096	-	26,960,096
Pension assets	120,266,666	-	120,266,666
	782,318,154	141,252,527	922,744,495
Liabilities			
Current maturities of long-term obligation	20,569,100	4,895,403	25,464,503
Accounts payable and accrued expenses	51,328,359	3,002,595	54,330,954
Claims incurred but not reported	19,008,695	-	19,008,695
Internal balances	826,186	-	-
Deferred revenues	12,316,657	4,994,750	17,311,407
Accrued interest payable	18,063,964	-	18,063,964
Bond anticipation notes payable	15,540,000	-	15,540,000
Noncurrent liabilities:			
Due in more than one year	709,046,573	64,560,194	773,606,767
Total liabilities	846,699,534	77,452,942	923,326,290
Net Assets (Deficits)			
Investment in capital assets, net of related debt	107,062,330	63,259,238	170,321,568
Restricted for:			
Debt service	-	1,841,023	1,841,023
Construction	56,543,555	-	56,543,555
Self-insured claims	2,500,000	-	2,500,000
Unrestricted	(230,487,265)	(1,300,676)	(231,787,941)
Total net assets (deficits)	$ (64,381,380)	$ 63,799,585	$ (581,795)

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2002

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	$ (27,244,677)	$ 5,116,886	$ 2,515	$ 23,178,878	$ 1,053,602	-	$ 1,053,602
Protection of person and property	(88,264,899)	5,416,334	358,333	-	(82,490,232)	-	(82,490,232)
Conservation of health	(13,744,109)	390,527	6,053,843	15,721	(7,284,018)	-	(7,284,018)
Public facilities	(26,229,738)	1,202,511	-	-	(25,027,227)	-	(25,027,227)
Charities and hospitals	(267,889)	-	-	-	(267,889)	-	(267,889)
Education	(254,740,628)	8,652,594	188,222,213	1,774,295	(56,091,526)	-	(56,091,526)
Parks and recreation	(8,719,146)	1,265,191	30,000	-	(7,423,955)	-	(7,423,955)
Special services	(22,332,660)	-	17,723,462	-	(4,609,198)	-	(4,609,198)
Interest on long-term debt	(45,717,491)	-	-	-	(45,717,491)	-	(45,717,491)
Total governmental activities	(487,261,237)	22,044,043	212,390,366	24,968,894	(227,857,934)	-	(227,857,934)
Business-type activities:							
Water Pollution Control Authority	(20,971,961)	14,445,410	-	1,232,373	$ -	(5,294,178)	(5,294,178)
Total primary government	$ (508,233,198)	$ 36,489,453	$ 212,390,366	$ 26,201,267	(227,857,934)	(5,294,178)	(233,152,112)
		General revenues:					
		Property taxes			176,438,519	-	176,438,519
		Grants and contributions not restricted to specific programs			49,285,043	-	49,285,043
		Unrestricted investment earnings			4,355,964	143,637	4,499,601
		Gain on sale of capital assets			1,931,506	-	1,931,506
		Transfers			(5,516,711)	5,516,711	-
		Total general revenues and transfers			226,494,321	5,660,348	232,154,669
		Change in net assets			(1,363,613)	366,170	(997,443)
		Net assets (deficits) - beginning, as restated (Note 19)			(63,017,767)	63,433,415	415,648
		Net assets (deficits) - ending			$ (64,381,380)	$ 63,799,585	$ (581,795)

The notes to the financial statements are an integral part of this statement

CITY OF BRIDGEPORT, CONNECTICUT

BALANCE SHEET - GOVERNMENT FUNDS
June 30, 2002

	General	Board of Education	2001 Bond Issue	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 81,083,352	$ -	$ 66,835,104	$ 15,243,724	$ 163,162,180
Restricted cash and cash equivalents	2,500,000	-	-	-	2,500,000
Investments	-	-	-	1,684,807	1,684,807
Receivables, net of allowances for collection losses:					
Property taxes	32,665,832	-	-	-	32,665,832
Intergovernmental	20,097,203	-	359,463	11,541,689	31,998,355
Other	3,199,425	-	827	667,211	3,867,463
Due from other funds	6,456,332	2,221,813	33,000	18,343,592	27,054,737
	146,002,144	2,221,813	67,228,394	47,481,023	262,933,374
Liabilities					
Accounts payable	21,717,275	-	5,116,458	9,736,463	36,570,196
Accrued liabilities	13,962,919	-	-	584,840	14,547,759
Claims and judgments	19,008,695	-	-	-	19,008,695
Due to other funds	19,612,291	-	4,322,969	4,155,436	28,090,696
Deferred revenues	30,545,452	-	-	11,132,903	41,678,355
Bond anticipation notes payable	-	-	15,540,000	-	15,540,000
Total liabilities	104,846,632	-	24,979,427	25,609,642	155,435,701
Fund balances:					
Reserved for:					
Encumbrances	84,394	2,221,813	11,913,420	12,125,767	26,345,394
Self-insured claims	2,500,000	-	-	-	2,500,000
Unreserved, reported in:					
General fund	38,571,118	-	-	-	38,571,118
Special revenue funds	-	-	-	3,621,856	3,621,856
Capital projects funds	-	-	30,335,547	4,580,240	34,915,787
Permanent fund	-	-	-	1,543,518	1,543,518
Total fund balances	41,155,512	2,221,813	42,248,967	21,871,381	107,497,673
Total liabilities and fund balances	$ 146,002,144	$ 2,221,813	$ 67,228,394	$ 47,481,023	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets, net of accumulated depreciation of $146,644,441, purchased in governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the City as a whole.	368,772,184
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	47,660,554
Pension assets	120,266,666
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(708,578,457)
Net assets (deficit) of governmental activities	$ (64,381,380)

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2002

	General	Board of Education	2001 Bond Issue	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	$ 171,783,186	$ -	$ -	$ -	$ 171,783,186
Property tax delinquency fees	4,693,182	-	-	-	4,693,182
Intergovernmental	196,369,721	10,048,375	14,850,875	64,418,172	285,687,143
Fees, permits and licenses	11,464,973	-	-	-	11,464,973
Interest	2,507,860	-	1,566,305	273,457	4,347,622
Other	6,681,886	-	8,305,000	3,579,776	18,566,662
Total revenues	393,500,808	10,048,375	24,722,180	68,271,405	496,542,768
EXPENDITURES					
Current:					
General government	93,211,125	-	-	152,754	93,363,879
Protection of person and property	61,494,439	-	-	-	61,494,439
Conservation of health	5,592,036	-	-	6,021,039	11,613,075
Public facilities	16,580,433	-	-	-	16,580,433
Charities and hospitals	221,764	-	-	-	221,764
Education	-	170,673,569	-	42,212,783	212,886,352
Parks and recreation	5,730,908	-	-	-	5,730,908
Special services	1,865,899	-	-	18,411,356	20,277,255
Debt service:					
Principal retirements	18,687,839	-	-	470,000	19,157,839
Interest and other charges	44,717,250	-	-	344,729	45,061,979
Capital outlay	314,471	-	40,525,178	2,044,771	42,884,420
Total expenditures	248,416,164	170,673,569	40,525,178	69,657,432	529,272,343
Revenues over (under) expenditures	145,084,644	(160,625,194)	(15,802,998)	(1,386,027)	(32,729,575)
OTHER FINANCING SOURCES (USES)					
Transfers in	5,808,228	162,216,090	-	-	168,024,318
Transfers out	(162,216,090)	-	(5,516,711)	(5,808,228)	(173,541,029)
Proceeds from notes payable	-	-	-	1,000,000	1,000,000
Proceeds from bonds	-	-	45,780,435	-	45,780,435
Capital lease	314,471	-	-	-	314,471
Premiums on bond issuance	4,993,619	-	1,621,191	-	6,614,810
Refunding bonds issued	75,415,000	-	-	-	75,415,000
Payment to refunding escrow agent	(79,331,679)	-	-	-	(79,331,679)
Total other financing sources (uses)	(155,016,451)	162,216,090	41,884,915	(4,808,228)	44,276,326
Revenues and other financing sources over (under) expenditures and other financing uses	(9,931,807)	1,590,896	26,081,917	(6,194,255)	11,546,751
FUND BALANCES, beginning	51,087,319	630,917	16,167,050	28,065,636	95,950,922
FUND BALANCES, ending	$ 41,155,512	$ 2,221,813	$ 42,248,967	$ 21,871,381	$ 107,497,673

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2002

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

Net change in fund balances – total governmental funds	$ 11,546,751
Governmental funds report capital outlays as expenditures. 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.	15,390,113
Change in pension assets.	(5,968,295)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	(386,875)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(4,741,560)
The issuance of long-term debt (e.g., bonds, leases) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(29,303,802)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	12,100,055
Change in net assets (deficits) of governmental activities	$ (1,363,613)

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2002

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Property taxes	$ 174,671,082	$ 174,671,082	$ 174,920,375	$ 249,293
Intergovernmental	202,764,057	202,764,057	196,011,388	(6,752,669)
Fees, permits and licenses	12,328,992	12,962,210	11,464,973	(1,497,237)
Interest	5,450,000	5,450,000	2,507,860	(2,942,140)
Other	13,644,824	13,644,824	16,216,149	2,571,325
Appropriation of fund balance - Revaluation	22,500,000	22,500,000	22,500,000	-
Operating transfers in	5,908,376	5,908,376	5,808,228	(100,148)
Total revenue and other financing sources	437,267,331	437,900,549	429,428,973	(8,471,576)
EXPENDITURES AND ENCUMBRANCES				
General government	117,461,195	117,316,595	99,193,173	18,123,422
Protection of person and property	61,964,170	61,964,170	61,159,494	804,676
Conservation of health	5,575,724	5,575,724	5,590,991	(15,267)
Public facilities	16,874,087	16,824,087	16,487,983	336,104
Charities and hospitals	214,356	214,356	221,765	(7,409)
Education	165,791,681	165,791,681	164,484,037	1,307,644
Parks and recreation	4,879,328	5,857,146	5,736,697	120,449
Special services	1,954,773	1,954,773	1,863,797	90,976
Debt service	62,542,533	62,392,533	62,328,149	64,384
Total expenditures and encumbrances	437,257,847	437,891,065	417,066,086	20,824,979
Revenue and other financing sources over expenditures and encumbrances	$ 9,484	$ 9,484	12,362,887	$ 12,353,403
UNRESERVED AND UNDESIGNATED, beginning			25,929,336	
Net recognition of prior year accrual recognized in current year budgetary presentation			278,895	
UNRESERVED AND UNDESIGNATED, ending			$ 38,571,118	

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUND
June 30, 2002

	Business Type Activity Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 71,948
Receivables, net of allowances for collection losses:	
Sewer user fees and liens	5,183,546
Other	614,989
Due from other funds	3,775,746
Total current assets	9,646,229
Noncurrent assets:	
Restricted cash and cash equivalents	1,841,023
Capital assets (net of accumulated depreciation)	132,714,835
Total noncurrent assets	134,555,858
Total assets	144,202,087
LIABILITIES	
Current liabilities:	
Accrued liabilities	3,002,595
Due to other funds	2,949,560
Bond payable - current	533,272
Notes payable - current	4,362,131
Total current liabilities	10,847,558
Noncurrent liabilities:	
Bonds payable	1,830,901
Notes payable	62,729,293
Deferred revenues	4,994,750
Total noncurrent liabilities	69,554,944
Total liabilities	80,402,502
NET ASSETS	
Invested in capital assets, net of related debt	63,259,238
Restricted for debt service	1,841,023
Unrestricted	(1,300,676)
Total net assets	$ 63,799,585

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUND
Year Ended June 30, 2002

	Business Type Activity Enterprise Fund
OPERATING REVENUES	
Sewer user fees	$ 13,638,092
OPERATING EXPENSES	
Operation and maintenance	14,030,684
Depreciation	5,319,876
Provision for doubtful accounts	110,961
	19,461,521
Operating loss	(5,823,429)
NONOPERATING REVENUES (EXPENSES)	
Interest income	143,637
Interest expense	(1,510,440)
Other income	807,318
Total nonoperating revenues (expenses)	(559,485)
Net loss before capital contributions and transfers	(6,382,914)
Transfers in	5,516,711
Capital contributions	1,232,373
Change in net assets	366,170
FUND NET ASSETS, beginning	63,433,415
FUND NET ASSETS, ending	$ 63,799,585

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year Ended June 30, 2002

	Business Type Activity Enterprise Fund
Cash Flows From Operating Activities	
Receipts from customers and users	$ 11,439,525
Payments to suppliers	(11,748,941)
Payments to employees	(864,539)
Net cash used in operating activities	(1,173,955)
Cash Flows From Capital and Related Financing Activities	
Principal payments on debt	(6,357,734)
Interest paid on debt	(3,316,899)
Proceeds from notes payable	1,854,873
Proceeds received on capital grants	1,232,373
Purchase of property and equipment	(3,963,528)
Net cash used in capital and related financing activities	(10,550,915)
Cash Flows From Noncapital Financing Activities	
Transfers in	5,516,711
Cash Flows From Investing Activities	
Interest received on investments	145,256
Net decrease in cash and cash equivalents	(6,062,903)
Cash and Cash Equivalents	
Beginning	7,975,874
Ending	$ 1,912,971
Reconciliation to Combined Balance Sheet	
Cash and cash equivalents	$ 71,948
Restricted cash and cash equivalents	1,841,023
	$ 1,912,971
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating loss	$ (5,823,429)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	5,319,876
Provision for uncollectible accounts	110,961
Other income	474,968
Changes in assets and liabilities:	
Decrease in other receivables	951,869
Increase in unbilled usage charges	(156,622)
Increase in other receivables	(254,344)
Increase in due from other funds of the City of Bridgeport	(3,214,438)
Increase in accrued expenses	736,694
Increase in due to other funds of the City of Bridgeport	680,510
Net cash used in operating activities	$ (1,173,955)

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
June 30, 2002

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	$ 20,213,011
Investments, at fair value	
U.S. government and agency bonds	30,483,815
Corporate bonds	98,307,895
Corporate stocks	112,800,116
Mutual funds - fixed income	14,805,678
Mutual funds - equities	69,886,926
International bonds	1,634,926
Total investments	327,919,356
Due from other funds	209,773
Contributions receivable	1,617,085
Net Assets Held in Trust for Pension Benefits	$ 349,959,225

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
Year Ended June 30, 2002

	Pension Trust Funds
Additions	
Contributions	
Employer	$ 3,389,979
Plan members	2,332,321
Annuity proceeds	5,342,615
Total contributions	11,064,915
Investment Income	
Net depreciation in fair value of investments	(40,601,114)
Interest and dividends	11,295,247
	(29,305,867)
Less investment expenses:	
Investment management fees	1,647,370
Net investment loss	(30,953,237)
Total reductions	(19,888,322)
Deductions	
Benefits	34,216,149
Change in net assets	(54,104,471)
Net Assets	
Beginning of year	404,063,696
End of year	$ 349,959,225

The notes to the financial statements are an integral part of this statement.

- **Summary of Significant Accounting Policies**

Reporting Entity

The City of Bridgeport, Connecticut (the "City") was founded in 1639, incorporated as a town in 1821, and as a city in 1836. The City operates under a Mayor - City Council form of government.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Statement No. 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity", have been considered and there are no agencies or entities that should be, but are not, combined with the basic financial statements of the City.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets (deficits) and the statement of changes in net assets (deficits)) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, 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 are 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 applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given 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.

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

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 the 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 for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Expenditures are generally recorded when a 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 when levied for, licenses, 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. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

The City reports the following major governmental funds.

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Board of Education Fund accounts for operations of the Board of Education, except those required to be accounted for in another fund.

The 2001 bond issue accounts for various construction projects that are funded out of proceeds from the 2001 bond issue.

The City reports the following major proprietary fund:

The Water Pollution Control Authority of the City of Bridgeport (the "WPCA") accounts for the activities of the two sewage treatment plants, sewage pumping stations and collection systems of the City.

Additionally, the City reports the following fund types:

The pension trust funds account for the activities of the City's four defined benefit pension plans, which accumulate resources for pension benefit payments to qualified employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental 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 City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the WPCA and various other functions of the government. 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, and 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 nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the WPCA are charges to customers for user fees. Operating expenses for enterprise funds include the cost of operations and maintenance, provision for doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting estimates

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

Cash and cash equivalents

The City considers all highly liquid short-term investment funds, including those that are classified as restricted assets, and all certificates of deposit and treasury bills with an original maturity of three months or less, to be cash equivalents.

Investments

Investments are stated at fair value (market value or the best available estimate).

Property taxes

Property taxes are assessed as of October 1, are levied on the following July 1, and are due in two installments - July 1 and the following January 1. Liens are filed on the last day of the fiscal year.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of two years. Purchased and constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the WPCA during the current fiscal year was approximately $1,592,000. Of this amount, $81,000 was included as part of the cost of capital assets under construction in connection with wastewater treatment facilities construction projects.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	3-5
Office equipment	5
Computer equipment	5

Claims and judgments

This liability relates to the City's self insurance programs. The obligation consists of claims incurred and incurred but not reported medical self insurance, the estimated loss for probable general liability matters and an actuarial estimate for claims incurred and incurred but not reported for workers compensation claims. An expenditure is recognized in governmental funds only when the obligation is expected to be paid from available resources.

Compensated absences

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for amounts expected to be paid with available resources, for example, as a result of employee resignations and retirements.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt

issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pension accounting

Pension Trust Funds:

Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental Funds:

The net pension obligation (asset), the cumulative difference between annual pension cost and the City's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. Expenditures are recognized when they are paid or are expected to be paid with current available resources. The pension (asset) obligation is recorded as a noncurrent asset/liability in the government-wide financial statements.

Fund equity and net assets

In the Government-Wide Financial Statements, net assets are classified in the following categories:

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 reduces this category.

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This category represents the net assets of the City, which are not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified in two separate categories. The two categories, and their general meanings, are as follows:

Reserved fund balance - indicates that portion of fund equity which has been legally segregated for specific purposes.

Undesignated and unreserved fund balance - indicates that portion of fund equity which is available for appropriation and expenditure in future periods.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance as they do not constitute expenditures or liabilities.

- **Reconciliation of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities are reported in the government-wide statement of net assets (deficits). 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 funds." The details of this $708,578,457 difference are as follows:

Bonds and notes payable	$	642,114,927
Less: Deferred charge on refunding (to be amortized as interest expense)		(8,491,679)
Less: Deferred charge for issuance costs (to be amortized over life of debt)		(1,248,434)
Plus: Issuance premium (to be amortized as interest expense)		6,554,015
Accrued interest payable		18,063,964
Capital leases payable		292,312
Workers compensation, medical and litigation claims		46,778,691
Compensated absences		30,807,979
Deferred revenue, unrelated to debt		(29,361,067)
Pension liability		2,781,649
Landfill		286,100
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	$	708,578,457

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund 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 government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures." However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $15,390,113 difference are as follows:

Capital outlay	$ 24,368,435
Depreciation expense	(8,978,322)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets (deficits) of governmental activities	$ 15,390,113

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." The details of this $386,875 difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets (deficits) differs from the change in fund balance by the cost of the capital assets sold.	$ (386,875)
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	$ (386,875)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $29,303,802 difference are as follows:

Debt issued or incurred:		
Capital lease financing	$	314,471
Issuance of general obligation bonds		122,195,435
Premiums/Issue Costs		5,305,581
Principal repayments:		
General obligation debt		(19,157,847)
Down payment of capital lease		(22,159)
Payment to escrow agent for refunding		(79,331,679)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	$	29,303,802

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 reported as expenditures in governmental funds." The details of this $12,100,055 difference are as follows:

Compensated absences	$	1,179,383
Workers compensation, medical and litigation claims		(15,176,309)
Accrued interest		1,960,771
Net change in other expenditures		(63,900)
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	$	(12,100,055)

- **Budgets and Budgetary Accounting**

The City follows the procedures outlined below in establishing its General Fund budget:

- The Mayor shall submit to the City Council, no later than 120 days before July 1, the proposed operating and capital budgets.
- The Mayor shall submit to the City Council, with the proposed budgets, a certificate that the budget is consistent with a three year financial plan, and that operating within the budget is feasible.
- Expenditures may not legally exceed appropriations at the department level (legal level of control).
- Budgets must include appropriations which, among others, allow funding of expenditures required by law, those for debt service, and for elimination of prior deficits, as well as those properly attributable to the fiscal year.
- Budgeted revenues cannot exceed certain actual amounts of prior year's revenues unless justification for each item have been approved by the City Council.
- Budgets must include schedules of cash disbursements and cash receipts for the fiscal year on a monthly basis, with sufficient detail for City Council to determine estimated need for cash-flow borrowings during the year.
- The City Council shall approve the three year financial plan with the budget forming the first year of the financial plan, once it determines that such plan is complete.
- Transfers and supplemental appropriations of budgeted amounts that change a department's total budgeted expenditures must be adopted by resolutions of the City Council. Supplemental appropriations totaling $633,218 were adopted during the year ended June 30, 2002. In addition, per City Ordinance all requests for transfers of $10,000 or more in the aggregate in any one fiscal year between sub-line items must also be requested through the City Council with appropriate documentation. Also, any transfers between line item accounts (salary, overtime, fringe benefits and operating and special services) shall be submitted with appropriate documentation, for council approval regardless of the dollar amount.

In the General Fund, encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order or other commitment is issued and, accordingly, encumbrances outstanding at year-end are recognized in budgetary reports as expenditures of the current year. Generally, all unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the next year.

General governmental revenues and expenditures accounted for in the General Fund are controlled by formal integrated budgetary accounting systems in accordance with various legal

requirements which govern the City's operations. The City is required to adopt a budget for its General Fund. The City is not required to prepare budgets for special revenue, capital project, proprietary and trust funds. Accordingly, the budget and actual comparisons are only presented for the General Fund.

A reconciliation of General Fund operations and fund balance presented in the statement of revenues, expenditures and changes in fund balance and the amounts presented on the budgetary basis is as follows:

	Revenues and Operating Transfers In	Expenditures and Transfers Out
Balance, GAAP basis fund financial statements	$ 399,309,036	$ 410,632,254
Foreclosed property, not recognized for budgetary purposes	(1,555,993)	(1,555,993)
Insurance and debt service reimbursements from other funds, recognized for budgetary purposes	9,534,263	9,534,263
Appropriation of fund balance recognized as other financing source for budgetary purposes	22,500,000	-
Not recognized for budgetary purposes in the prior year	-	278,895
Cops Grant, not recognized for budgetary purposes	(358,333)	(358,333)
Capital lease	-	(314,471)
Net Refunding Activity	-	(1,076,940)
Encumbrances		
June 30, 2001	-	(157,983)
June 30, 2002	-	84,394
Balance, budgetary basis	$ 429,428,973	$ 417,066,086

Classification of certain revenues, expenditures and transfers in (out) under GAAP, differ from classifications used for budgetary purposes.

During the year ending June 30, 2002, the following line items overexpended their appropriations:

	Final Appropriations	Expenditures and Encumbrances	Balance Overexpended
Mayor's office	$ 400,914	$ 410,711	$ (9,797)
Civil service commission	747,493	787,660	(40,167)
Grants personnel	57,275,026	59,072,713	(1,797,687)
City attorney	2,528,319	4,025,295	(1,496,976)
Klein memorial auditorium	78,200	79,639	(1,439)
Office of policy and management	488,457	497,528	(9,071)
Pensions	4,309,961	4,350,415	(40,454)
Fringe benefits	2,470,000	2,928,633	(458,633)
Archives and records	81,859	85,144	(3,285)
Private school busing	1,680,801	1,898,541	(217,740)
Contingency account	829,400	2,622,938	(1,793,538)
Refunds	-	10,879	(10,879)
Comptrollers' office	1,205,010	1,219,526	(14,516)
Treasurer's office	219,691	222,827	(3,136)
Finance department	384,477	398,502	(14,025)
Print shop	314,963	317,791	(2,828)
Off-street parking	-	5,846	(5,846)
Labor relations	870,141	1,097,136	(226,995)
Employee org. and development	139,894	141,265	(1,371)
Relief and outside poor	214,356	221,765	(7,409)
Town clerk	556,418	835,342	(278,924)
Office and administrative	401,736	404,322	(2,586)
Public health nursing	1,598,113	1,632,057	(33,944)
Dental hygiene	309,632	319,320	(9,688)
Health clinics	497,305	498,036	(731)
Housing code enforcement	223,691	238,124	(14,433)
School based health	1,175,443	1,224,923	(49,480)
Chase building	543,000	598,334	(55,334)
Ash and garbage collection	5,170,465	5,225,713	(55,248)
City yard	79,500	334,748	(255,248)
Municipal garage	388,547	403,071	(14,524)
Maintenance	1,628,797	1,721,596	(92,799)
Instruction	104,321,799	105,413,887	(1,092,088)
Pupil services	10,448,296	10,514,305	(66,009)
Instructional staff services	4,816,800	5,078,875	(262,075)
Board of recreation	858,639	870,918	(12,279)
Parks department	3,222,290	3,227,709	(5,419)
Office of disabilities	58,777	60,471	(1,694)
Veterans affairs	26,570	36,178	(9,608)

Special Revenue Funds

The City does not have legally adopted annual budgets for its special revenue funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

Capital Projects Fund

Legal authorization for expenditures of the capital projects fund is provided by the related bond ordinances. Capital appropriations do not lapse until completion of the applicable projects.

- **Cash, Cash Equivalents and Investments**

State statutes allow the City to invest in obligations of the United States, including its agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service; or in any custodial arrangement, pool or no-load, open-end management-type investment company or investment trust provided certain other requirements are also met. The pension and other trust funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds.

As of June 30, 2002, the carrying amount of the City's deposits was $52,600,466, with bank balances of approximately $62,783,000. The amount of the bank balances covered by federal depository insurance was approximately $1,613,000. The remaining $61,170,000 of deposits were uninsured and uncollateralized. However, provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. The level of such collateral varies from 10% to 120% of each bank's public deposits, depending on the bank's financial strength as shown by its risk-based capital ratio. As of June 30, 2002, approximately $6,278,300 of uninsured deposits were collateralized under these provisions. It is unclear whether the collateral required for public deposits would stand if challenged by the FDIC since there is no perfected security agreement between the depository and the depositor as required by federal laws.

Connecticut General Statutes allow deposits to be placed with any qualified public depository which has its main place of business in the State of Connecticut.

The City's investments, in which the majority of the investments relate to pension trust funds, as of June 30, 2002 consisted of the following:

	Category			
	1	2	3	Carrying and Fair Value
Corporate bonds	$ 5,179,139	$ -	$ 93,183,817	$ 98,362,956
Corporate stocks	19,901,197	-	93,104,937	113,006,134
U.S. government securities	4,763,924	-	27,143,619	31,907,543
International bonds	-	-	1,634,926	1,634,926
	$ 29,844,259	$ -	$ 220,703,557	244,911,559
Investments not subject to risk categorization:				
Mutual funds				84,692,604
Short-term investment funds				135,187,696
				$ 464,791,859

The three preceding risk categories are defined below:

Category	Description
1	Securities that are insured or registered or the securities are held by the City or its agent in the City's name.
2	Uninsured and unregistered securities which are held by the counterparty's trust department or agent in the City's name.
3	Uninsured and unregistered securities which are held by the counterparty, or by its trust department or agent but not in the City's name.

Deposits of $52,600,466 and investments of $464,791,859 are presented in the accompanying balance sheet as follows:

Cash and cash equivalents	$ 163,162,180
Cash and cash equivalents – Enterprise Fund	71,948
Cash and cash equivalents – Fiduciary Funds	20,213,011
Restricted cash and cash equivalents	4,341,023
Investments	329,604,163
	$ 517,392,325

Cash and cash equivalents are restricted for the following uses at June 30, 2002:

General Fund	
Self Insurance Programs	$ 2,500,000
Enterprise Fund	
Debt Service	1,841,023
	$ 4,341,023

- **Receivables – Fund Basis**

Receivables at June 30, 2002 for the City's individual major funds and nonmajor and fiduciary funds in aggregate, including the applicable allowances for collection losses, are as follows:

	General	2000 Bond Issue	Enterprise	Nonmajor and Other Funds	Totals
Property taxes	$ 54,719,459	$ -	$ -	$ -	$ 54,719,459
Sewer user fees	-	-	10,452,546	-	10,452,546
Intergovernmental	20,097,203	359,463	-	11,541,689	31,998,355
Other	3,199,425	827	614,989	2,284,296	6,099,537
Total gross receivables	78,016,087	360,290	11,067,535	13,825,985	103,269,897
Allowance for collection losses	22,053,627	-	5,269,000	-	27,322,627
Total net receivables	$ 55,962,460	$ 360,290	$ 5,798,535	$ 13,825,985	$ 75,947,270

- **Interfund Accounts**

As of June 30, 2002 amounts due from and to other funds were as follows:

	General	2000 Bond Issue	Enterprise	Nonmajor and Other Funds	Totals
Due to:					
General Fund	$ -	$ 1,122,008	$ 2,949,560	$ 2,384,764	$ 6,456,332
Board of Education	2,221,813	-	-	-	2,221,813
2000 Bond Issue Fund	-	-	-	33,000	33,000
Enterprise Fund	574,785	3,200,961	-	-	3,775,746
Nonmajor and Other Funds	16,605,920	-	-	1,737,672	18,343,592
Fiduciary Funds	209,773	-	-	-	209,773
Total	$ 19,612,291	$ 4,322,969	$ 2,949,560	$ 4,155,436	$ 31,040,256

The balance of $16,605,920 due the nonmajor funds is the result of the pension bond issue of 2001. All remaining balances resulted from the time lag between the dates payments occur between funds for various activities.

Interfund transfers during the year ended June 30, 2002 were as follows:

	General	Board of Education	Enterprise	Totals
Transfers out:				
General Fund	$ -	$ 162,216,090	$ -	$ 162,216,090
Bond Issue 2000	-	-	5,516,711	5,516,711
Nonmajor governmental funds	5,808,228	-	-	5,808,228
Total	$ 5,808,228	$ 162,216,090	$ 5,516,711	$ 173,541,029

Transfers are used to account for unrestricted revenues collected mainly in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations.

- **Bulk Lien Sales**

During the year ended June 30, 2002, the City executed two bulk sales of property tax liens and collected proceeds of approximately $4,926,000. The City retains no interest in the assigned liens. The purchaser bears all risks relating to its ability to collect the amounts owed and should it acquire title to the underlying real estate through foreclosure or otherwise, will bear all risks associated with the ownership and sale of the real property.

- **Capital Assets**

Capital asset activity for the year ended June 30, 2002 was as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 71,982,322	$ 8,597,516	$ 174,325	$ 80,405,513
Construction in progress	84,318,850	8,260,569	-	92,579,419
Total capital assets, not being depreciated	156,301,172	16,858,085	174,325	172,984,932
Capital assets, being depreciated:				
Buildings and improvements	213,560,039	3,135,149	465,850	216,229,338
Machinery and equipment	9,615,580	1,332,302	-	10,947,882
Infrastructure	91,572,966	1,802,000	-	93,374,966
Vehicles	20,638,608	1,240,899	-	21,879,507
Total capital assets being depreciated	335,387,193	7,510,350	465,850	342,431,693
Less accumulated depreciation for:				
Buildings and improvements	65,008,713	4,348,911	253,300	69,104,324
Machinery and equipment	6,218,934	573,505	-	6,792,439
Vehicles	15,501,843	1,514,520	-	17,016,363
Infrastructure	51,189,929	2,541,386	-	53,731,315
Total accumulated depreciation	137,919,419	8,978,322	253,300	146,644,441
Total capital assets, being depreciated, net	197,467,774	(1,467,972)	212,550	195,787,252
Governmental activities capital assets, net	$ 353,768,946	$ 15,390,113	$ 386,875	$ 368,772,184

	Beginning Balance	Additions	Disposal/ Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	$ 2,671,410	$ 2,328,322	$ 619,402	$ 4,380,330
Capital assets, being depreciated:				
Buildings and improvements	97,480,070	391,260	-	97,871,330
Machinery and equipment	6,037,489	323,091	-	6,360,580
Distribution and collection systems	45,039,106	689,422	(619,402)	46,347,930
Vehicles	1,541,115	81,733	-	1,622,848
Total capital assets, being depreciated	150,097,780	1,485,506	(619,402)	152,202,688
Less accumulated depreciation for:				
Buildings and improvements	9,680,574	3,915,022	-	13,595,596
Machinery and equipment	3,863,031	350,732	-	4,213,763
Distribution and collection s ystems	3,915,343	914,915	-	4,830,258
Vehicles	1,089,359	139,207	-	1,228,566
Total accumulated depreciation	18,548,307	5,319,876	-	23,868,183
Total capital assets, being depreciated, net	131,549,473	(3,834,370)	(619,402)	128,334,505
Business-type activities capital assets, net	$ 134,220,883	$ (1,506,048)	$ -	$ 132,714,835

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	$ 579,177
Protection of person and property	1,092,719
Conservation of health	52,383
Public facilities, including depreciation of general infrastructure assets	3,661,343
Education	3,160,799
Parks and recreation	431,901
Total depreciation expense – governmental activities	$ 8,978,322
Business-type activities:	
Sewer	5,319,876
Total depreciation expense – business-type activities	$ 5,319,876

- **Deferred Revenue**

Deferred revenue as of June 30, 2002 in the fund financial statements consists of the following items:

	General	Nonmajor Governmental Funds	Enterprise
Property taxes	$ 29,361,067	$ -	$ -
Grants	1,184,385	11,132,903	-
Concession fee	-	-	4,994,750
	$ 30,545,452	$ 11,132,903	$ 4,994,750

- **Bond Anticipation Notes Payable**

The City has $15,540,000 of bond anticipation notes outstanding as of June 30, 2002. The notes bear interest at 3.0% and 4.4% and mature on July 18, 2002. On July 18, 2002, the bond anticipation notes were rolled over and are due and payable on July 18, 2003.

Bond Anticipation Notes payable transactions for the year ended June 30, 2002 were as follows:

	Bond Anticipation Notes
Outstanding, July 1, 2001	$ 23,414,565
New borrowings	15,540,000
Repayments	(23,414,565)
Outstanding, June 30, 2002	$ 15,540,000

- **Line of Credit**

The City had a $20,000,000 revolving line of credit with a bank which expired in October 2001. Interest on borrowings outstanding pursuant to this line of credit agreement bore interest, payable monthly, at either the bank's prime rate or the bank's 30 day cost of funds rate plus 2%. The outstanding balance was repaid in October 2001 upon receipt of the final grant payments.

- **Long-Term Debt**

A summary of outstanding general long-term debt and changes therein as of and for the year ended June 30, 2002 is as follows:

Notes payable

Notes payable as of June 30, 2002 include the following:

Governmental Activities	
Fire equipment loan, due in quarterly installments of $21,675, plus interest of 5.74%, through 2006	$ 260,100
Department of Housing and Urban Development Section 108 Loans, due in varying installments plus interest at 7.17% through 2016	6,559,000
	6,819,100
Business-type Activities:	
Clean Water Program, due in varying installments, plus interest at 2%, through 2021	67,091,424
	$ 73,910,524

General obligation bonds

As of June 30, 2002, the City had the following general obligation bonds outstanding:

General purpose, 4.4% to 8.6%	$ 581,202,965
School, 4.8% to 13.3%	55,928,683
Sewer, 4.8% to 13.3%	528,352
Total	637,660,000
Less amount allocated to the business-type activities	2,364,173
Total governmental activities	$ 635,295,827

2002 General Obligation Refunding Bond - In Substance Defeasance

On June 15, 2002, the City issued $75,415,000 of general obligation bonds with interest rates ranging from 3.25% to 5.38% which were used to advance refund portions of the outstanding principal amounts of general obligation bonds of the City dated August 15, 1985 and January 15, 2000 (the "Refunding Bonds"). The net proceeds of $79,331,679 (after payment of $1,076,940 in underwriters fees and other costs), were placed in an irrevocable trust fund under an Escrow Agreement between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the dates the payments are due.

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,111,410. The refunding reduces debt service payments over the next four years, which increases total debt service payments over the next 18 years by approximately $2,974,000.

The balance in transit for the escrow deposit was $79,331,679 at June 30, 2002. The balance of the defeased bonds was approximately $70,340,000 at June 30, 2002. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

In prior years, the City has defeased various other bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the governmental activities column of the statement of net assets. As

of June 30, 2002, the amount of defeased debt outstanding but removed from the governmental activities column of the statement of net assets amounted to $12,645,000.

The annual debt service requirements relative to the outstanding notes payable and general obligation bonds are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2003	$ 20,516,728	$ 41,123,842	$ 61,640,570	$ 4,895,403	$ 1,470,076	$ 6,365,479
2004	20,632,272	41,015,484	61,647,756	4,963,911	1,363,879	6,327,790
2005	22,917,710	39,537,285	62,454,995	4,999,582	1,211,731	6,211,313
2006	24,594,218	37,886,846	62,481,064	5,043,066	1,070,417	6,113,483
2007	24,385,000	36,307,586	60,692,586	4,390,592	950,826	5,341,418
2008	23,820,000	34,959,468	58,779,468	4,390,592	863,014	5,253,606
2009	25,775,000	33,604,795	59,379,795	4,390,592	775,202	5,165,794
2010	24,135,000	32,248,951	56,383,951	4,390,592	687,390	5,077,982
2011	22,449,000	32,491,145	54,940,145	4,379,163	599,578	4,978,741
2012	23,625,000	32,695,190	56,320,190	4,149,893	513,819	4,663,712
2013	23,430,000	31,280,707	54,710,707	4,042,728	431,919	4,474,647
2014	22,670,000	29,708,571	52,378,571	3,873,350	352,620	4,225,970
2015	23,075,000	27,934,868	51,009,868	3,838,220	275,739	4,113,959
2016	22,810,000	26,102,999	48,912,999	3,817,624	199,116	4,016,740
2017	24,415,000	24,195,536	48,610,536	2,216,473	133,651	2,350,124
2018	23,705,000	22,143,449	45,848,449	1,895,441	96,140	1,991,581
2019	25,250,000	20,105,421	45,355,421	1,806,670	58,601	1,865,271
2020	26,909,999	17,938,029	44,848,028	1,717,899	23,726	1,741,625
2021	19,645,000	16,157,741	35,802,741	211,009	3,306	214,315
2022	21,015,000	14,793,086	35,808,086	23,345	681	24,026
2023	16,795,000	13,472,376	30,267,376	19,452	178	19,630
2024	18,080,000	12,189,238	30,269,238	-	-	-
2025	19,460,000	10,807,926	30,267,926	-	-	-
2026	20,945,000	9,321,182	30,266,182	-	-	-
2027	22,545,000	7,720,984	30,265,984	-	-	-
2028	24,270,000	5,998,546	30,268,546	-	-	-
2029	26,125,000	4,144,318	30,269,318	-	-	-
2030	28,120,000	2,148,368	30,268,368	-	-	-
Total	$642,114,927	$658,033,937	$ 1,300,148,864	$ 69,455,597	$11,081,609	$ 80,537,206

The State of Connecticut reimburses the City for eligible school bond principal and interest costs. The amount of such reimbursement for the year ended June 30, 2002 was approximately $4,471,000. Additional principal and interest reimbursements approximating $39,988,000 are expected to be received through the bonds' maturity dates.

Capital lease obligations

Property and equipment in the Governmental activities are being acquired under capital lease arrangements.

Future minimum lease payments under capital leases are as follows:

	Governmental Funds
2003	$ 100,131
2004	65,624
2005	65,624
2006	65,624
2007	53,229
	350,232
Less amount representing interest	57,920
	$ 292,312

Legal Debt Limit

The City's indebtedness, net of principal reimbursements expected from the state, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Indebtedness	Balance
General purpose	$ 392,769,000	$ 294,516,000	$ 98,253,000
Unfunded Pension Benefit Obligation	$ 523,692,000	$ 436,290,000	$ 87,402,000
Schools	$ 785,538,000	$ 104,329,000	$ 681,209,000
Sewers	$ 654,615,000	$ 528,000	$ 654,087,000
Urban renewal	$ 567,333,000	$ -	$ 567,333,000

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or $1,222,000,000. All long-term debt obligations are retired through General Fund appropriations, or user charges.

Indebtedness above includes bonds authorized, but not issued as follows:

General purpose	$ 44,063,000
Unfunded pension benefit obligation	90,000,000
Schools	75,360,000
	$ 209,423,000

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2002 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds and notes	$ 603,354,839	$ 121,195,435	$ 89,254,447	$ 635,295,827	$ 20,041,728
Notes payable	6,562,500	1,000,000	743,400	6,819,100	475,000
Deferred amounts:					
For issuance premium	-	6,614,810	60,795	6,554,015	-
Total bonds and notes payable	609,917,339	128,810,245	90,058,642	648,668,942	20,516,728
Capital leases	-	314,471	22,159	292,312	52,372
Claims and judgments	61,955,000	-	15,176,309	46,778,691	-
Compensated absences	29,628,596	1,179,383	-	30,807,979	-
Landfill closure costs	350,000	-	63,900	286,100	-
Unfunded pension liability	2,504,230	277,419	-	2,781,649	-
Governmental activity Long-term liabilities	$ 704,355,165	$ 130,581,518	$ 105,321,010	729,615,673	$ 20,569,100
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 2,564,726	$ -	$ 200,553	$ 2,364,173	$ 533,272
Notes payable	71,093,731	1,854,873	5,857,180	67,091,424	4,362,131
Business-type activity Long-Term liabilities	$ 73,658,457	$ 1,854,873	$ 6,057,733	$ 69,455,597	$ 4,895,403

- **Commitments and Contingencies**

The City is a defendant in various lawsuits including personal injury, wrongful death, property damage, civil rights violations and other miscellaneous claims. For certain of these cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued. For certain other cases, where there is a reasonable possibility that a loss has been incurred, the City estimates its possible exposure could be $3.2 to $6.8 million. Based upon the advice of the City attorney and other legal counsel, management believes that the ultimate

resolution of these matters will not have a material adverse effect on the basic financial statements of the City.

During the year ended June 30, 1993, several individual plaintiffs alleging Indian tribal status as the Golden Hill Paugussett Tribe of Indians ("Tribe") filed a civil action in the United States District Court against the State of Connecticut, the City and various other parties. The action sought to restore the alleged Tribe to possession of certain aboriginal and reservation lands in the City which were allegedly taken in violation of the common law. The plaintiffs demanded a declaration of right of possession, award for rents and profits, attorney's fees, costs and other appropriate relief. The Federal District Court dismissed the case for lack of standing to sue, because the plaintiffs had not received Federal Bureau of Indian Affairs ("BIA") tribal recognition. The plaintiffs appealed to the Second Circuit Court of Appeals, and in October 1994 the case was remanded to the District Court and action stayed on the land claims pending BIA determination of the Federal tribal status of the plaintiffs. On September 17, 1996 the BIA issued its final decision denying Federal recognition to the alleged Tribe. The alleged Tribe has appealed the decision of the BIA, which has reheard the matter and its decision is pending. In April 1998, the District Court dismissed the Tribe's claim based upon the BIA's decision. The Tribe filed a Request for Reconsideration alleging the dismissal was premature due to the pendency of its appeal of the BIA's decision. On or about September 17, 1999, the Deputy Assistant Secretary – Indian Affairs, issued a Reconsidered Final Determination, ordering full evaluation of the documented petition of the Golden Hill Paugussetts under all seven mandatory criteria for Federal (tribal status) acknowledgement. The BIA is scheduled to release its further decision concerning the tribe's petition for federally recognized tribal status on or before January 19, 2003. In the event that the Tribe is granted Federal recognition, it must in addition satisfy a significant number of other legal requirements in order to prevail on its land claim for a substantial number of acres of land in and around the downtown area of the City.

The case of Szudora v. Fairfield, 214 Conn. 552 (1990), has resulted in the City (and other Connecticut cities and towns) being exposed to certain pending and potential future claims for increased heart and hypertension benefits payments pursuant to CGS Sections 7-433b and c. To date, approximately 90 benefit recipients (present and former police officers, firemen and/or their dependents or survivors) have asserted claims, certain of which have no impact on the City, that their level of combined compensation and pension payments for past and future benefits have been calculated and paid at improperly reduced levels. Historically, the combined benefits were capped at 100% of the base salary paid to active members of the respective department holding the same rank as the claimant at retiring. In light of Szudora, certain claimants are claiming benefits calculated upon total compensation (base salary plus average inside and outside/private duty overtime). The City is addressing these claims on a case by case basis, considering such factors as the claim, finding and award, and payment dates as they relate to the Szudora holding. Payments to date have been made within budget and the City continues to vigorously defend or satisfactorily settle such claims. The City has recorded approximately $5,000,000 as an accrued liability for these claims at June 30, 2002 in the General Fund, $3,000,000 of which is a current liability.

During the year ended June 30, 2001, the City and several elected and appointed officials were named in a suit brought by the former preferred developer of the Steel Point Peninsula Development Project, seeking damages of at least $105 million, allegedly because of the charges discussed in Note 20 and the City's decision to terminate its memorandum of understanding. Management and its legal counsel are not able to predict the outcome or the merits of this matter and no amount has been accrued in the financial statements.

Beardsley Zoo

On May 13, 1997, the City sold the land, buildings, equipment and animals comprising the Beardsley Zoological Gardens (the "Zoo") to the Connecticut Zoological Society (the "Society"). Under the sale agreement, if the Society is no longer willing or able to operate and maintain the Zoo, the responsibilities associated with it, and the trust assets, will revert back to the City.

The City also entered into a service agreement with the Society in which the City is required to provide operating assistance to the Society for such costs as personnel, supplies, services, materials, utilities, maintenance, equipment and vehicles, that it currently provides to the Zoo, at specified levels. These levels can be adjusted up or down depending on changes to the Zoo such as expansion. However, the Society is required to pay the City any subsidy received from the State. A subsidy of $450,000 was received for the year ended June 30, 2002. The Society retains any revenues from admissions, vending, concessions, other grants or bequests.

WPCA Privatization

On April 28, 1997, the WPCA entered into an agreement with an independent contractor (the "Company") to provide operations, maintenance and management services to its two wastewater treatment facilities and systems and related collection conveyance systems facilities (the "Facilities"), associated real estate and personal property. On May 27, 1999, the agreement was amended to increase the term from five to 20 years. The amended agreement includes annual service fees payable to the Company over its remaining term of $10,425,000. The amendment also required the Company to pay a concession fee of $6,000,000 of which $4,994,750 is recorded as deferred revenue at June 30, 2002. This fee is being amortized over the term of the agreement.

In the event the agreement is terminated early, the WPCA must pay the Company for the remaining unamortized costs incurred to maintain the facility. This balance is calculated using straight line amortization over the remaining term with costs not to exceed $3.2 million.

The Company has both expressed its apparent intentions to terminate or abandon the agreement and has alleged that the WPCA has already terminated the agreement, prompting the WPCA to competitively select a successor vendor, with whom the WPCA is negotiating a successor agreement. The WPCA intends to pursue the Company for its damages arising out of the Company's abandonment, and the Company is expected to assert a claim for the return of the pro rata share of its unamortized capital and start-up cost. The WPCA will contest this claim.

Lease commitments

The City is committed under various operating leases for real estate, vehicles and office and data processing equipment. Lease expenditures for the year ended June 30, 2002 totaled approximately $323,000. Future minimum lease payments under these agreements are due as follows:

Year Ending June 30,	
2003	$ 289,163
2004	229,201
2005	162,488
2006	135,860
2007	2,632
	$ 819,344

Consent decrees

Under various consent decrees issued by the State of Connecticut Department of Environmental Protection ("consent decrees"), the WPCA is required to bring both of its treatment facilities in compliance with federal standards and eliminate certain combined storm and sanitary sewers. The estimated costs of these improvements is $153,000,000. Currently, the WPCA has signed contracts approximating $134,500,000 relating to these consent decrees. As of June 30, 2002, approximately $135,800,000 relating to these projects, including capitalized interest, have been incurred and included in property and equipment. Based on current engineering estimates, completion of these projects will be within the next eight years. Funding for these improvements is being provided by the State of Connecticut's Clean Water Fund in the form of loans and grants. As of June 30, 2002, the State is committed to providing the WPCA additional funding in the form of loans and grants of approximately $544,000 and $1,137,000, respectively.

Municipal Solid Waste Service Agreement

The City has entered into a municipal solid waste service agreement, as amended (the "service agreement") with the Connecticut Resources Recovery Service Authority (the "Authority") pursuant to which it participates with seventeen other Connecticut Municipalities (the eighteen constituting the "Contracting Municipalities"), in the Greater Bridgeport Resources Recovery System (the "System").

Under the service agreement, the City is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 67,000 tons per year and to pay a uniform per ton disposal service payment (the "service payment"). The current fee is $70 per ton. The aggregate minimum commitment of the eighteen Contracting Municipalities is 400,000 tons per year. The City's service payment commitment is a "put-or-pay" commitment, in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the City must pay the service payment for its

proportionate share of the shortfall of the aggregate minimum commitment (even if it did deliver its full portion).

Service payments shall be payable so long as the System is accepting solid waste delivered by or on behalf of the City, whether or not such solid waste is processed at the facility. The City has pledged its full faith and credit to the payment of service payments and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as may be necessary to provide for the payment of the service payments.

If any Contracting Municipality shall default in the payment of any service payments, the other Contracting Municipalities shall pay their share of the amounts unpaid by the nonpaying Contracting Municipality.

- **Pension Plans**

Connecticut Municipal Employees' Retirement Fund

All full-time employees of the City, except for Board of Education personnel, police, firefighters, janitors and engineers who participate in other plans described below, participate in the Connecticut Municipal Employees' Retirement Fund B ("CMERF"), a cost-sharing multiple employer public employee retirement system administrated by the State of Connecticut.

Employees are eligible to participate in CMERF provided they work at least 20 hours per week if hired after September 30, 1969. If hired prior to that date there is no minimum hourly requirement. All benefits vest after 5 years of continuous service. Members who retire after age 55 with 15 years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount for each year of service equal to:

- If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.

- If covered by Social Security: 1-1/6% of the average of earnings not in excess of the taxable wage base for the 10 highest paid years, plus 2% of the average of earnings for the three highest paid years of service which is in excess of the average of earnings not in excess of the taxable wage base for the 10 highest paid years.

CMERF also provides death and disability benefits.

Benefits and other plan provisions are established by State statute. Covered employees are required by Connecticut statute to contribute 2-1/4% of earnings upon which social security tax is paid plus 5% of earnings upon which no social security tax is paid. The City is required to make contributions as set by the State Retirement Commission to fund the remaining cost. The employer contribution represents 3% of covered payroll. The City's contributions for the years ending June 30, 2002, 2001 and 2000 were $5,508,000, $4,963,000 and $5,775,000, respectively, equal to the required contributions for each year.

The financial statements of the plan are available from the State Treasurer for the MER Fund, 55 Elm Street, Hartford, CT 06106.

State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a multiple employer cost sharing contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The financial statements of the plan are available from the State of Connecticut Teachers' Retirement Board, 21 Grand Street, Hartford, CT 06105.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7% of their annual earnings to the plan. The City does not and is not legally responsible to contribute to the plan. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual municipality basis.

In addition, the City has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately $7,349,000 for the year ended June 30, 2002.

Single Employer Defined Benefit Plans

The City maintains and administers four single employer defined benefit pension plans which cover substantially all of the employees of the City with the exception of those covered under CMERF and the State Teachers' Retirement System. Stand alone plan reports are not available for these plans. The four City plans are as follows:

i) Public Safety Plan A Investment and Pension Trust (Plan A)
ii) Police Retirement Plan B
iii) Firefighters' Retirement Plan B
iv) Janitors' and Engineers' Retirement Plan

The Police Retirement Plan B (ii) and Firefighters' Retirement Plan B (iii) are funded on an actuarial basis; the Janitors' and Engineers' Retirement Plan (iv) is funded on a "pay as you go" basis, that is, the City's contribution to the plan is the amount necessary to pay annual benefits. The City makes contributions to Plan A (i) equal to the actuarially determined Normal Cost amounts. The net pension obligation and the contribution requirements are actuarially determined. Plan A (i) is a closed plan and as such no new enrollments have been allowed since January 1, 1984.

In August 1985, the City purchased an annuity contract for approximately $75 million to fund a portion of the net pension obligation for Plan A. The plan assets available for benefits and the net pension obligation amounts for Plan A excludes the plan assets and pension obligations covered by the above mentioned annuity contract. For the year ended June 30, 2002, approximately $5,343,000 million of benefits were provided through this annuity contract.

In August 2000, the City issued $350,000,000 of taxable general obligation pension funding bonds. The proceeds of these bonds were transferred into the Pension Plans A Investment Trust (the "A Trust"). The proceeds and any future investment earnings are to be used to make contributions to the Public Safety Plan A or to pay benefits on behalf of the Plan. The City can, however, withdraw from the A Trust the greater of 1) 20% of the amount by which the A Trust assets exceed the present value of accrued Plan benefits ($386,186,000) based on the July 1, 2001 actuarial valuation or 2) the amount of the A Trust assets in excess of 110% of the present value of accrued Plan benefits.

The A Trust assets are invested in accordance with an investment policy which provides the following target allocations:

Equities	60%
Fixed Income	30%
Cash	10%

Under State statutes regarding pension obligation bonds, the City is required to make its "Actuarially Recommended Contribution," defined as the lesser of the Employer's Normal Cost or the Annual Required Contribution as defined by GASB Statement No. 25. In addition, the City could have to make additional contributions as it is required to fund the Plan at approximately the same funding level as immediately following the issuance (79%).

Provisions of Pension Plans	Public Safety Plan A	Police Plan B	Firefighters' Plan B	Janitors' and Engineers' Retirement Fund
Employees covered	All police and fire employed before 6/4/81 and 1/1/84, respectively	All police employed on or after 6/4/81.	All firefighters employed on or after 1/1/84.	All employees hired before 1985.
Number of retirees receiving benefits	1,005	39	18	59
Terminated employees entitled to future benefits	-	-	-	-
Current employees:				
Fully vested	143	266	195	5
Non-vested	-	134	90	-
Total number of participants	1,148	439	303	64

Provisions of Pension Plans	Public Safety Plan A	Police Plan B	Firefighters' Plan B	Janitors' and Engineers' Retirement Fund
Benefit provisions	50% of compen-sation plus 2-1/2% for each year in excess of 20 years, maximum 75%	2% of salary for each year of service plus 50% of subsequent compensation increase, maximum 70%	2% of salary for each year of service plus 50% of subsequent compensation increase, maximum 70%	2% of compen-sation for each year of service, up to 33 years plus 1% thereafter
Definition of "Compensation"	Maximum yearly salary currently being paid to members in the same position which the employee held at the time of retirement.	Maximum yearly salary currently being paid to members in the same position which the employee held at the time of retirement	Maximum yearly salary currently being paid to members in the same position which the employee held at the time of retirement	Average of three highest years
Eligibility requirements	Vest after 10 years of service	Vest after 5 years of service	Vest after 5 years of service	Vest after the earlier of 10 years of continuous or 15 years of aggregate service
Obligation to contribute in accordance with funding policy:				
Employee	8% of earnings	6% of earnings	6% of earnings	5% of earnings
Employer	$222,973 (Normal Cost)	$1,551,307	$624,764	"Pay as you go"
Authority under which benefit provisions established	Contract negotiation	Contract negotiation	Contract negotiation	Contract negotiation

Provisions of Pension Plans	Public Safety Plan A	Police Plan B	Firefighters' Plan B	Janitors' and Engineers' Retirement Fund
Funding Status and Progress				
Date of actuarial valuation	July 1, 2001	July 1, 2001	July 1, 2001	July 1, 2000
Significant actuarial assumptions				
V Investment rate of return	8.25%	8.25%	8.25%	8.25%
V Projected annual salary increases	3.5%	3.5%	3.5%	4.0%
V Post retirement benefit increases	3.0%	3.0%	3.0%	3.5%
V including inflation of	3.0%	3.0%	3.0%	4.5%
V Disability Rate:				None
Age 20	.05%	.05%	.05%	
30	.05%	.05%	.05%	
40	.09%	.09%	.09%	
50	.40%	.40%	.40%	
60	1.74%	1.74%	1.74%	
Actuarial asset valuation method	Recognize 20% of income > 8.25% per yr.	Recognize 20% of income > 8.25% per yr.	Recognize 20% of income > 8.25% per yr.	Fair value
Funding Policy	Actuarial, Normal Cost	Actuarial, based on valuation available when budget is adopted	Actuarial, based on valuation available when budget is adopted	"Pay as you go"
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Projected unit credit cost
Amortization method	Level Dollar Amount Closed	Level Dollar Amount Closed	Level Dollar Amount Closed	Level Dollar Amount Closed
Period for amortizing any unfunded actuarial liability	36 years	16 years	16 years	15 years
Authority under which contributions are established	City Council	City Council	City Council	City Council

	Public Safety Plan A	Janitors' and Engineers' Retirement Fund
Annual required contribution	$ 4,988,617	$ 1,282,060
Interest on net pension obligation	(9,762,231)	207,453
Adjustment to annual required contribution	10,361,653	(221,159)
Annual pension cost	5,588,039	1,268,354
Contributions made	222,973	990,935
Increase in net pension obligation	5,365,066	277,419
NET PENSION OBLIGATION (ASSET)		
Beginning of year	(118,330,074)	2,504,230
End of year	$ (112,965,008)	$ 2,781,649

	Police Plan B	Firefighters' Plan B
Annual required contribution	$ 1,608,499	644,799
Interest on net pension obligation	(384,219)	(250,500)
Adjustment to annual required contribution	534,696	348,606
Annual pension cost	1,758,976	742,905
Contributions made	1,551,307	624,764
Increase in net pension obligation	207,669	118,141
NET PENSION OBLIGATION (ASSET)		
Beginning of year	(4,655,693)	(2,971,775)
End of year	$ (4,448,024)	(2,853,634)

For the July 1, 2001 valuations, the City changed its actuarial assumptions based on historical experiences for annual salary increases from 4.5% to 3.5% for the first year, 4.0% for the second year and 4.25% thereafter and for post-retirement benefits increases from 4.5% to 3.0% for the first year, 3.5% for the second year and 3.75% thereafter. These changes decreased the actuarial accrued liability as follows:

Public Safety Plan A	$ 31,761,651
Police Plan B	2,417,484
Firefighters' Plan B	1,536,949

TREND INFORMATION

Fiscal Year	Annual Pension Cost (APC) ($000)	Percentage of APC Contributed	Net Pension Obligation (Asset) ($000)
Public Safety Plan A			
Plan A:			
2002	$ 5,588	89.3%	$ (112,965)
2001	32,722	103.0%	(118,330)
2000	36,530	63.4%	192,471
Police Retirement			
Plan B:			
2002	1,759	88.2%	(4,448)
2001	930	131.2%	(4,656)
2000	1,208	70.5%	(4,365)
Firefighters' Retirement			
Plan B:			
2002	743	84.1%	(2,854)
2001	489	125.0%	(2,972)
2000	629	40.5%	(2,849)
Janitors' and Engineers'			
Retirement Plan:			
2002	1,268	78.1%	2,782
2001	1,173	79.5%	2,504
2000	860	105.8%	2,263

SCHEDULES OF EMPLOYER CONTRIBUTIONS
(AMOUNTS STATED IN THOUSANDS)

	Public Safety Plan A		Janitors' and Engineers' Retirement Plan	
Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2002	$ 4,989	4.5%	$ 1,282	77.3%
2001	33,697	100.0%	1,184	78.7%
2000	37,355	62.0%	870	104.6%
1999	34,273	60.6%	804	108.6%
1998	32,994	66.4%	882	92.8%
1997	37,013	52.9%	998	54.1%

	Police Retirement Plan B		Firefighters' Retirement Plan B	
Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2002	$ 1,608	96.4%	$ 645	96.9%
2001	804	151.9%	406	150.5%
2000	1,085	78.5%	545	46.8%
1999	475	177.8%	165	153.0%
1998	617	168.4%	205	278.5%
1997	121	1,292.0%	25	3,908.0%

SCHEDULES OF FUNDING PROGRESS
(AMOUNTS STATED IN THOUSANDS)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Underfunded) Overfunded AAL (UAAL)	Funded Ratio %	Covered Payroll	UAAL as a Percentage of Covered Payroll%
Public Safety Plan A						
July 1, 2001	$ 331,750	$ 386,186	$ (54,436)	85.9	$ 8,050	676.2
July 1, 2000	1,435	383,220	(381,785)	0.4	8,836	4,320.8
July 1, 1999	1,653	423,772	(422,149)	0.4	9,590	4,402.0
July 1, 1997	575	360,599	(360,024)	0.2	9,239	3,896.8
July 1, 1996	609	353,093	(352,484)	0.2	10,527	3,348.4
July 1, 1995	-	355,035	(355,035)	0.0	11,087	3,202.3
Police Retirement Plan B						
July 1, 2001	$ 57,184	$ 55,092	$ 2,092	103.8	$ 19,773	(10.6)
July 1, 2000	53,467	46,430	7,038	115.2	16,866	(41.7)
July 1, 1999	48,505	42,405	6,100	114.4	16,924	(36.0)
July 1, 1997	35,030	29,158	5,872	120.1	13,964	(42.1)
July 1, 1996	26,112	23,804	2,308	109.6	14,022	(16.5)
July 1, 1995	19,395	21,262	(1,867)	91.2	12,081	15.5
Firefighters' Retirement Plan B						
July 1, 2001	$ 39,416	$ 33,754	$ 5,662	116.8	$ 12,796	(44.2)
July 1, 2000	36,654	28,961	7,694	126.6	12,341	(62.3)
July 1, 1999	32,601	25,529	7,072	127.7	11,315	(62.5)
July 1, 1997	23,050	15,224	7,826	151.4	8,891	(87.8)
July 1, 1996	17,119	12,864	4,255	133.1	8,971	(47.4)
July 1, 1995	12,330	11,537	793	106.8	8,584	(9.2)
Janitors' and Engineers' Retirement Plan						
July 1, 2001	$ 3	$ *	$ *	*	$ *	*
July 1, 2000	3	9,895	(9,892)	0.1	160	6,182.5
July 1, 1999	3	9,079	(9,076)	0.1	223	4,069.9
July 1, 1997	3	*	*	*	314	*
July 1, 1996	3	9,211	(9,208)	0.1	339	2,716.3
July 1, 1995	3	*	*	*	339	*

* Information not available.

SCHEDULE OF PLAN NET ASSETS
JUNE 30, 2002

	Public Safety Investment and Pension Trust Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Totals
ASSETS					
Cash and cash equivalents	$ 3,840,072	$ 10,279,092	$ 6,090,413	$ 3,434	$ 20,213,011
Investments, at fair value					
U.S. Government and Agency Bonds	20,981,823	3,968,627	5,533,365	-	30,483,815
Corporate Bonds	89,775,034	6,668,596	1,864,265	-	98,307,895
Corporate Stocks	78,832,496	18,582,394	15,385,226	-	112,800,116
Mutual Funds - Fixed Income	14,805,678	-	-	-	14,805,678
Mutual Funds - Equities	62,460,404	5,636,258	1,790,264	-	69,886,926
International Bonds	1,634,926	-	-	-	1,634,926
Total investments	268,490,361	34,855,875	24,573,120	-	327,919,356
Due from other funds	209,773	-	-	-	209,773
Contributions receivable	425,080	871,887	320,118	-	1,617,085
Net Assets Held in Trust for Pension Benefits	$ 272,965,286	$ 46,006,854	$ 30,983,651	$ 3,434	$ 349,959,225

SCHEDULE OF CHANGES IN PLAN NET ASSETS YEAR ENDED JUNE 30, 2002

	Public Safety Plan A Investment and Pension Trust	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Totals
Additions					
Contributions					
Employer	$ 222,973	$ 1,551,307	$ 624,764	$ 990,935	$ 3,389,979
Plan members	422,322	1,162,958	747,041	-	2,332,321
Annuity proceeds	5,342,615	-	-	-	5,342,615
Total contributions	5,987,910	2,714,265	1,371,805	990,935	11,064,915
Investment Income					
Net depreciation in fair value of investments	(31,285,875)	(4,553,633)	(4,761,606)	-	(40,601,114)
Interest and dividends	9,197,727	1,223,067	874,453	-	11,295,247
	(22,088,148)	(3,330,566)	(3,887,153)	-	(29,305,867)
Less Investment Expenses:					
Investment management fees	(1,190,311)	(218,087)	(238,972)	-	(1,647,370)
	(23,278,459)	(3,548,653)	(4,126,125)	-	(30,953,237)
Total additions (reductions)	(17,290,549)	(834,388)	(2,754,320)	990,935	(19,888,322)
Deductions					
Benefits	31,721,789	996,423	507,002	990,935	34,216,149
Total deductions	31,721,789	996,423	507,002	990,935	34,216,149
Net (decrease)	(49,012,338)	(1,830,811)	(3,261,322)	-	(54,104,471)
Net Assets Held in Trust for Pension Benefits					
Beginning of year	321,977,624	47,837,665	34,244,974	3,433	404,063,696
End of year	$ 272,965,286	$ 46,006,854	$ 30,983,652	$ 3,433	$ 349,959,225

- **Other Postemployment Benefits**

In accordance with various collective bargaining agreements, the City also provides postretirement health care benefits to all employees who retire from the City, generally on or after attaining age 35 to 60 with at least 15 to 25 years of service, dependent upon the particular collective bargaining agreement. Currently, approximately 3,100 retirees meet these eligibility requirements. Expenditures for postretirement health care benefits are recognized and funded on a pay-as-you-go basis and approximated $16,248,000 for the year ended June 30, 2002.

- **Landfill Closure and Postclosure Care Costs**

A portion of the Bridgeport Seaside Landfill was used for disposal of materials classified as hazardous waste from 1974 until late 1981 when it stopped accepting waste. The hazardous waste area of the landfill is subject to federal and state laws and regulations which required that the City close the facility in a manner that minimizes the need for further maintenance; and controls, minimizes or eliminates, to the extent necessary to protect human health and the environment, post-closure escape of hazardous waste, hazardous constituents, leachate, contaminated run-off, or hazardous waste decomposition products to the ground or surface waters or to the atmosphere. In addition, the City is required to perform certain maintenance and monitoring functions at the hazardous waste site for thirty years after closure. The estimated total current cost of the postclosure care of $286,100 is based on the estimated amount to be paid for all equipment, facilities and services required to close, monitor and maintain the site as of June 30, 2002. The actual cost of postclosure care costs may be higher due to inflation, changes in technology, or changes in federal, state or local laws and regulations.

The non-hazardous waste portion of the landfill is not subject to any federal, state or local laws and regulations requiring closure or postclosure care.

- **Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for insurable risks of loss except for general liability, workers' compensation and employee health and dental insurance. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

Workers' compensation

The City carries no insurance coverage for losses arising out of workers' compensation claims. These claims are paid from the General Fund. The City estimates a liability for workers' compensation claims payable and for claims incurred but not reported based on an actuarial valuation. This is accounted for in the General Fund.

Group health insurance

The City maintains a group health and dental self-insurance plan to pay for medical claims of current and retired City employees and their covered dependents. Approximately 3,500 active employees and 3,100 retirees receive their health coverage through this plan. Payments related to these claims are made by an outside administrator under an administrative services contract and are accounted for in the General Fund. The contract requires the City to maintain a $2,500,000 certificate of deposit which is recorded as restricted cash in the accompanying balance sheet. The City estimates a liability for unpaid health claims which is expected to be paid from current resources. This liability is accounted for in the General Fund. The City maintains stop loss coverage through a commercial insurance company for individual claims in excess of $100,000 up to a maximum of $1,000,000 for active employees and individual claims in excess of $75,000 for retirees.

The liability for general liability, workers' compensation and group health insurance includes all known claims reported plus a provision for those claims incurred but not reported, net of estimated recoveries. The liability is based on past experience adjusted for current trends and includes incremental claim expenditures. The liability for workers' compensation claims is calculated using actuarial methods. Changes in the reported liability are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2001	$ 68,979,599	$ 66,977,701	$ 53,989,204	$ 81,968,096
2002	$ 81,968,096	$ 42,867,583	$ 59,048,293	$ 65,787,386

At June 30, 2002, $19,008,695 is expected to be paid from current resources recorded as claims incurred but not reported on the statement of net assets, and $46,778,691 is recorded as a noncurrent liability on the statement of net assets.

- **Fund Deficits**

The following funds have fund deficits as of June 30, 2002:

Special Revenue	
Development Administration State Grant	$ 522,656
Health and Sanitation	17,732

The City anticipates eliminating the fund deficit through future grants and revenues.

- **Implementation of New Accounting Pronouncements**

As of July 1, 2001, the City implemented the following Governmental Accounting Standards Board pronouncements:

Statements

- No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*
- No. 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues – An amendment of GASB No. 33*
- No. 37 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*
- No. 38 – *Certain Financial Statement Note Disclosures*

Interpretation

- No. 6 – *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*

The above pronouncements are all related to the new financial reporting requirements for all state and local governments. These pronouncements are scheduled for a phased implementation (based on the size of the government) through fiscal years ending in 2005. The City was required to implement the new requirements for the fiscal year ended June 30, 2002.

The more significant of the changes affecting the City as required by the new standards include:

- Management's discussion and analysis;
- Basic financial statements that include:
  - Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting;
  - Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds and enterprise funds;
  - Schedules to reconcile the fund financial statements to the government-wide financial statements; and
  - Notes to the basic financial statements.

As a result of implementing these pronouncements for the fiscal year ended June 30, 2002, the following restatements were made to beginning fund balance and net asset (deficit) accounts:

Governmental Fund financial statements. The Expendable Library Fund, Education Fund, Parks and Recreation Fund, and the Health Insurance Reserve Fund were reclassified to special revenue funds. In addition, the Nonexpendable Library Fund and Education Fund were also reclassified to permanent funds.

Fund balance as of June 30, 2001	$ 93,541,723
Add: reclassed to special revenue fund	1,838,742
Add: reclassed to permanent funds	570,457
Fund balance, restated, as of July 1, 2001	$ 95,950,922

The beginning net assets of the enterprise fund was derived by aggregating the previously reported retained earnings and contributed capital of that fund, as follows:

Retained earnings as of June 30, 2001	$ 34,869,862
Contributed capital as of June 30, 2001	28,563,553
Net assets – July 1, 2001	$ 63,433,415

Government-wide financial statements. Beginning net assets (deficits) for governmental activities was determined as follows:

Fund balances of general, special revenue and capital project funds as of June 30, 2001 (as stated above)	$ 95,950,922
Add: governmental capital assets, including general fixed assets and infrastructure as July 1, 2001 (as restated)	491,688,365
Add: pension assets	125,957,542
Add: property tax receivable, deferred revenue and miscellaneous receivables	81,763,181
Deduct: accumulated depreciation as of June 30, 2001 on above governmental capital assets	(137,919,419)
Deduct: general obligation bonds payable as of June 30, 2001	(609,917,339)
Deduct: accrued interest payable on general obligation bonds and other long-term liabilities as of June 30, 2001	(48,586,019)
Deduct: workers compensation, medical and litigation claims	(61,955,000)
Governmental net assets (deficits), restated, as of July 1, 2001	$ (63,017,767)

- **Federal Investigations**

During the year ended June 30, 2001, the City learned that certain individuals and business entities were subjects of a federal investigation. Nine individuals, including a former employee of the city, and a business entity have pleaded guilty to various charges arising out of this investigation. Management believes the improprieties disclosed from these charges did not have a material adverse effect on the City's financial statements.

In October 2001, the United States District Court in the District of Connecticut issued an indictment against the Mayor of the City. The grand jury charges contained 24 counts including racketeering, racketeering conspiracy, Hobbs Act extortion, mail fraud, bribery, conspiracy, false tax returns and criminal forfeitures. Management has not independently investigated these allegations. It is the City's understanding that the investigation is ongoing before a new federal grand jury and the Mayor's trial is scheduled to commence in January 2003. Due to the secret nature of grand jury activities, the City is unaware of the focus and extent of its ongoing activities. However, management believes that even if the allegations against the Mayor are proven true, they are not anticipated to have a material adverse effect on the financial statements of the City, accordingly, the City's financial statements do not reflect any adjustments that might result from this uncertainty.

Supplementary Information

General Fund

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2002

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
PROPERTY TAXES				
Current taxes	$ 161,969,680	$ 161,969,680	$ 161,502,431	$ (467,249)
Interest - current	1,300,000	1,300,000	1,448,135	148,135
Arrears - principal	9,129,402	9,129,402	8,724,762	(404,640)
Arrears - interest	2,200,000	2,200,000	3,161,624	961,624
Lien fees	72,000	72,000	83,423	11,423
Total property taxes	174,671,082	174,671,082	174,920,375	249,293
INTERGOVERNMENTAL				
Elderly exemption refund	1,247,588	1,247,588	1,017,072	(230,516)
Elderly freeze program	240,704	240,704	142,544	(98,160)
DCA tax abatement	180,000	180,000	151,299	(28,701)
Distressed municipalities	350,000	350,000	306,678	(43,322)
Boat registry	43,535	43,535	-	(43,535)
Education cost sharing	136,829,432	136,829,432	135,177,180	(1,652,252)
School construction refunds	4,221,331	4,221,331	4,198,257	(23,074)
Transportation - elementary	3,934,319	3,934,319	3,635,422	(298,897)
Aid to non-public schools	150,777	150,777	183,931	33,154
Town aid roads	1,030,073	1,030,073	889,654	(140,419)
Vocational education	30,100	30,100	-	(30,100)
Legally blind	192,948	192,948	89,158	(103,790)
PILOT	2,738,702	2,738,702	2,744,140	5,438
Miscellaneous PILOTs	36,800	36,800	172,668	135,868
Duke Energy PILOT	7,750,000	7,750,000	7,750,000	-
Tax exempt colleges and hospitals	8,163,987	8,163,987	8,030,415	(133,572)
Connecticut Resource Recovery	2,394,077	2,394,077	2,185,629	(208,448)
Breakfast program				
State	239,433	239,433	198,006	(41,427)
Federal	2,015,707	2,015,707	1,497,757	(517,950)
Court fines	2,500	2,500	2,784	284
Nutrition Center				
Federal	6,773,157	6,773,157	6,779,948	6,791
State	189,861	189,861	176,883	(12,978)
CDBG lead	112,731	112,731	142,060	29,329
Mashantucket Pequot funds	16,375,531	16,375,531	15,858,847	(516,684)
PA 90-270	3,390,894	3,390,894	2,695,910	(694,984)
Safe neighborhood	232,000	232,000	-	(232,000)
Beardsley Zoo subsidy	450,000	450,000	450,000	-
Additional state aid	3,447,870	3,447,870	1,535,146	(1,912,724)
Total intergovernmental	202,764,057	202,764,057	196,011,388	(6,752,669)

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2002

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
FEES, PERMITS AND LICENSES				
Parks and Recreation				
Golf course revenues	250,000	883,218	718,833	(164,385)
Wonderland of Ice	65,000	65,000	75,079	10,079
Parking in parks	12,000	12,000	19,903	7,903
Kennedy Stadium	2,000	2,000	9,830	7,830
Leases/W.I.C.C.	26,000	26,000	10,500	(15,500)
Parks	72,750	72,750	156,391	83,641
Ball park revenues	532,855	532,855	144,225	(388,630)
Flea market/ballfield	84,000	84,000	14,264	(69,736)
Miscellaneous	2,000	2,000	1,885	(115)
Westside park	5,000	5,000	-	(5,000)
Bluefish parking	69,986	69,986	84,110	14,124
Arena	567,687	567,687	30,170	(537,517)
Total parks and recreation	1,689,278	2,322,496	1,265,190	(1,057,306)
Building Department				
Building permits	900,000	900,000	934,257	34,257
Sign permits	4,000	4,000	332	(3,668)
Certificate of occupancy fees	5,000	5,000	4,934	(66)
Total building department	909,000	909,000	939,523	30,523
Police Department				
Traffic violations	800,000	800,000	746,337	(53,663)
Parking meters	100,000	100,000	134,187	34,187
Photocopy fees	30,000	30,000	44,909	14,909
Outside overtime	2,746,670	2,746,670	2,634,986	(111,684)
Overtime surcharge	750,454	750,454	686,748	(63,706)
Housing authority	912,000	912,000	912,000	-
Miscellaneous	195,000	195,000	255,436	60,436
Reclaimed dog fees	-	-	1,730	1,730
Total police department	5,534,124	5,534,124	5,416,333	(117,791)
Public Facilities				
Dump license fees	10,000	10,000	12,000	2,000
Commercial dump fees	459,135	459,135	116,888	(342,247)
Street excavation license	5,500	5,500	5,600	100
Curb layers license	3,400	3,400	3,875	475
Public safety miscellaneous	2,000	2,000	9,078	7,078
Sewer permits	50,000	50,000	73,950	23,950
Miscellaneous	150,000	150,000	55,790	(94,210)
CRRA host revenue	250,000	250,000	290,000	40,000
Interest/dump	10,000	10,000	-	(10,000)
Sanitation permits	127,200	127,200	143,142	15,942
Sidewalk repairs	25,000	25,000	-	(25,000)
WPCA tipping fees	150,000	150,000	103,963	(46,037)
Public works road repair	3,500	3,500	-	(3,500)
Total public facilities	1,245,735	1,245,735	814,286	(431,449)

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2002

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
Bus Terminal and Public Garage				
Off-street parking	-	-	6,750	6,750
	-	-	6,750	6,750
Town Clerk				
Documentary stamps	175,000	175,000	379,033	204,033
Dog licenses	17,000	17,000	15,121	(1,879)
Fishing licenses	30,000	30,000	22,352	(7,648)
Combination licenses	7,000	7,000	5,386	(1,614)
Hunting licenses	2,200	2,200	1,116	(1,084)
Liquor licenses	500	500	786	286
Recording fees	425,000	425,000	735,697	310,697
Fire Marshal fees	69,000	69,000	58,590	(10,410)
Notaries/late fees	3,000	3,000	3,952	952
Pay phone applications	1,000	1,000	-	(1,000)
Total town clerk	729,700	729,700	1,222,033	492,333
Health Department				
Vital statistics	160,000	160,000	168,218	8,218
Dental clinic	57,500	57,500	14,045	(43,455)
Dental program	-	-	752	752
Health services	103,056	103,056	71,289	(31,767)
Lab fees	20,000	20,000	40,007	20,007
Health certificates	20,000	20,000	18,056	(1,944)
Total health department	360,556	360,556	312,367	(48,189)
Education and Nutrition Center				
Cafeteria	803,947	803,947	629,889	(174,058)
School based health	137,652	137,652	96,217	(41,435)
Total Education and Nutrition Center	941,599	941,599	726,106	(215,493)
Sikorsky Airport				
Airport fees	80,000	80,000	62,089	(17,911)
Airport miscellaneous	4,000	4,000	4,399	399
Airport leases	600,000	600,000	392,270	(207,730)
Airport concession	220,000	220,000	212,466	(7,534)
Total Sikorsky Airport	904,000	904,000	671,224	(232,776)
Fire Department	15,000	15,000	91,161	76,161
Total fees, permits and licenses	12,328,992	12,962,210	11,464,973	(1,497,237)

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2002

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
INTEREST	5,450,000	5,450,000	2,507,860	(2,942,140)
OTHER				
Property rentals	52,000	52,000	116,636	64,636
Telephone access lines	1,638,126	1,638,126	2,014,199	376,073
Auditorium rentals	200,000	200,000	26,426	(173,574)
High school athletics	8,000	8,000	17,056	9,056
Zoning appeals fees	12,000	12,000	13,300	1,300
Tavern zoning permits	48,000	48,000	54,180	6,180
O.T.B. income	700,000	700,000	853,461	153,461
CDBG reimburse/handicapp	79,982	79,982	-	(79,982)
Miscellaneous	141,600	141,600	30,219	(111,381)
High school summer tuition	77,000	77,000	77,149	149
Comptrollers grant health	600,000	600,000	651,185	51,185
Comptrollers BOE health	2,986,586	2,986,586	3,212,947	226,361
Comptrollers BOE City	1,484,000	1,484,000	1,648,079	164,079
Comptroller revenues	150,000	150,000	542,190	392,190
Comptrollers health copay	820,000	820,000	1,939,032	1,119,032
WPCA revenues	400,000	400,000	340,973	(59,027)
Weights and measures	63,000	63,000	62,160	(840)
State conservation	210	210	177	(33)
Sale of City-owned property	325,000	325,000	218,381	(106,619)
Port Authority revenue	60,000	60,000	-	(60,000)
Chase building rent	475,000	475,000	363,419	(111,581)
Pari-Mutuel	100,000	100,000	187,306	87,306
WPCA lease	1,124,320	1,124,320	1,742,048	617,728
Foreclosure cost recovery	-	-	5,626	5,626
General fund asset sale	2,100,000	2,100,000	2,100,000	-
Total other	13,644,824	13,644,824	16,216,149	2,571,325
Total revenues	408,858,955	409,492,173	401,120,745	(8,371,428)
OTHER FINANCING SOURCES				
Operating transfers in	5,908,376	5,908,376	5,808,228	(100,148)
Appropriation of fund balance				
Revaluation litigation	10,250,000	10,250,000	10,250,000	-
Revaluation set aside	12,250,000	12,250,000	12,250,000	-
Total other financing sources	28,408,376	28,408,376	28,308,228	(100,148)
Total revenues and other financing sources	437,267,331	437,900,549	429,428,973	(8,471,576)

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2002

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES				
GENERAL GOVERNMENT				
Central grants office	$ 223,585	$ 223,585	$ 217,681	$ 5,904
Mayor's office	400,914	400,914	410,711	(9,797)
Civil service commission	747,493	747,493	787,660	(40,167)
Grants personnel	57,275,026	57,275,026	59,072,713	(1,797,687)
City attorney	2,528,319	2,528,319	4,025,295	(1,496,976)
City clerk and city council	435,178	435,178	339,594	95,584
City engineer	451,905	451,905	425,944	25,961
Zoning commission	267,687	267,687	266,101	1,586
Election	158,335	158,335	147,585	10,750
Registrar of voters	293,966	293,966	284,710	9,256
City hall	97,900	97,900	84,334	13,566
Legislative departnment	51,700	51,700	41,353	10,347
Barnum institute	221,217	221,217	221,217	-
Libraries	4,009,104	4,009,104	3,937,104	72,000
Klein memorial auditorium	78,200	78,200	79,639	(1,439)
Office of policy and management	488,457	488,457	497,528	(9,071)
Archives and records	81,859	81,859	85,144	(3,285)
Required reserve	26,723,310	26,723,310	3,190,912	23,532,398
Zoning board of appeals	48,205	48,205	45,811	2,394
Pensions	4,309,961	4,309,961	4,350,415	(40,454)
Fringe benefits	2,470,000	2,470,000	2,928,633	(458,633)
Private school busing	1,680,801	1,680,801	1,898,541	(217,740)
Board of tax review	119,250	119,250	71,379	47,871
Grant city contributions	180,000	180,000	171,269	8,731
Bullard haven vocational program	50,000	50,000	47,939	2,061
Contingency account	974,000	829,400	2,622,938	(1,793,538)
Attrition adjustment	(500,000)	(500,000)	-	(500,000)
Refunds	-	-	10,879	(10,879)
Chief administrative officer	683,458	683,458	529,918	153,540
Finance department	384,477	384,477	398,502	(14,025)
Comptroller's office	1,205,010	1,205,010	1,219,526	(14,516)
Treasurer's office	219,691	219,691	222,827	(3,136)
Tax assessor	1,131,005	1,101,005	733,748	367,257
Information technology services	4,007,893	4,037,893	3,974,065	63,828
Tax collector	990,597	990,597	904,981	85,616
Purchasing	323,663	323,663	318,897	4,766
Print shop	314,963	314,963	317,791	(2,828)
Audit fees	280,000	280,000	280,000	-
Offstreet parking	-	-	5,846	(5,846)
Harbor master	180,843	180,843	131,807	49,036
Planning and development	1,548,662	1,548,662	1,467,617	81,045
Sikorsky airport	1,160,979	1,160,979	1,060,883	100,096

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2002

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
GENERAL GOVERNMENT, Continued				
Labor relations	870,141	870,141	1,097,136	(226,995)
Employee org. & development	139,894	139,894	141,265	(1,371)
Customer service desk	153,547	153,547	125,335	28,212
Total general government	117,461,195	117,316,595	99,193,173	18,123,422
PROTECTION OF PERSON AND PROPERTY				
Police department	36,520,158	36,520,158	35,851,636	668,522
Fire department	24,006,648	24,006,648	23,621,928	384,720
Town clerk	556,418	556,418	835,342	(278,924)
Building department	512,840	512,840	487,701	25,139
Weights and measures	89,298	89,298	88,118	1,180
Dog warden	278,808	278,808	274,769	4,039
Total protection of person and property	61,964,170	61,964,170	61,159,494	804,676
CONSERVATION OF HEALTH				
Office and administrative	401,736	401,736	404,322	(2,586)
Registrar of vital statistics	211,853	211,853	200,532	11,321
Communicable diseases	288,260	288,260	244,823	43,437
Public health nursing	1,598,113	1,598,113	1,632,057	(33,944)
Dental hygiene	309,632	309,632	319,320	(9,688)
Community dental clinic	118,221	118,221	110,094	8,127
Laboratories	244,200	244,200	234,003	10,197
Environmental health	392,248	392,248	379,735	12,513
Health clinics	497,305	497,305	498,036	(731)
Housing code enforcement	223,691	223,691	238,124	(14,433)
Lead poisoning	115,022	115,022	105,022	10,000
School based health	1,175,443	1,175,443	1,224,923	(49,480)
Total conservation of health	5,575,724	5,575,724	5,590,991	(15,267)
PUBLIC FACILITIES				
Chase building	543,000	543,000	598,334	(55,334)
City hall	373,950	373,950	289,470	84,480
Humane affairs building	138,500	138,500	109,563	28,937
Senior citizen center	156,300	156,300	118,161	38,139
Recycling	616,505	616,505	555,705	60,800
Hall of records	71,000	71,000	58,396	12,604
Transfer station	1,629,873	1,629,873	1,496,208	133,665
Director of public works	593,138	593,138	589,708	3,430
Ash and garbage collection	5,170,465	5,170,465	5,225,713	(55,248)
Landfill operation	54,355	54,355	51,054	3,301
Roadway maintenance	2,254,857	2,254,857	2,172,661	82,196
Miscellaneous	2,702,500	2,702,500	2,407,232	295,268
City yard	79,500	79,500	334,748	(255,248)

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2002

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
PUBLIC FACILITIES, Continued				
Bridges	24,800	24,800	17,600	7,200
Snow and ice removal	448,000	398,000	339,882	58,118
Municipal garage	388,547	388,547	403,071	(14,524)
Maintenance	1,628,797	1,628,797	1,721,596	(92,799)
Sweeping	-	-	(1,119)	1,119
Total public facilities	16,874,087	16,824,087	16,487,983	336,104
CHARITIES AND HOSPITALS				
Relief and outside poor	214,356	214,356	221,765	(7,409)
Total charities and hospitals	214,356	214,356	221,765	(7,409)
EDUCATION				
Instruction	106,148,871	104,321,799	104,782,970	(461,171)
Pupil services	9,743,093	10,448,296	10,514,305	(66,009)
Instructional staff services	3,545,055	4,816,800	5,078,875	(262,075)
BOE administration	1,435,509	1,698,297	1,650,455	47,842
Support services	29,968,013	31,304,873	30,399,788	905,085
School improvement initiatives	2,571,839	2,572,315	2,553,054	19,261
Nutrition center	10,629,301	10,629,301	9,504,590	1,124,711
Contingency Fund	1,750,000	-	-	-
Total education	165,791,681	165,791,681	164,484,037	1,307,644
PARKS AND RECREATION				
Board of recreation	858,639	858,639	870,918	(12,279)
Parks department	2,294,472	3,222,290	3,227,709	(5,419)
Tree warden	150,000	200,000	198,779	1,221
Park checkpoints	63,178	63,178	26,552	36,626
Construction division	453,702	453,702	406,511	47,191
Beardsley zoo	823,381	823,381	806,988	16,393
Carousel building	68,260	68,260	46,771	21,489
Mounted unit	167,696	167,696	152,469	15,227
Total parks and recreation	4,879,328	5,857,146	5,736,697	120,449
SPECIAL SERVICES				
Youth services	1,274,067	1,274,067	1,255,913	18,154
HRD administration	207,139	207,139	187,433	19,706
Department on aging	213,126	213,126	153,664	59,462
Office for disabilities	58,777	58,777	60,471	(1,694)
Affirmative action	175,094	175,094	170,138	4,956
Veterans affairs	26,570	26,570	36,178	(9,608)
Total special services	1,954,773	1,954,773	1,863,797	90,976

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2002

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Positive (Negative)
DEBT SERVICE	62,542,533	62,392,533	62,328,149	64,384
Total expenditures and encumbrances	$ 437,257,847	$ 437,891,065	$ 417,066,086	$ 20,824,979
Revenues and other financing sources over expenditures, encumbrances and other financing uses	$ 9,484	$ 9,484	12,362,887	$ 12,353,403
UNRESERVED/UNDESIGNATED, beginning			25,929,336	
Net recognition of prior year accrual in current year budgetary presentation			278,895	
UNRESERVED/UNDESIGNATED, ending			$ 38,571,118	

Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Education Grants Fund – is used to account for U.S. Department of Education grants as well as local grants relating to education.

Health and Sanitation Fund - is used to account for U.S. Department of Health and Human Services, U.S. Department of Agriculture and Connecticut Department of Health Services grants as well as local grants relating to health services.

Community Development Fund - is used to account for state and local grants used for such programs as labor-management cooperation, harbor management planning and economic development.

Rate Stabilization and Reserve Fund – is used to account for rate stabilization of the Public Safety Plan A Investment and Pension Trust. The fund also accounts for Connecticut Office of Policy and Management grants for such programs as Drug Enforcement and Local Capital Improvement (LOCIP) as well as other miscellaneous federal and state grants.

Social Services Fund - is used to account for U.S. Department of Labor, U.S. Department of Health and Human Services and Connecticut Office of Policy and Management grants for such programs as employment for senior citizens, summer feeding for school-age children and home care maintenance for the handicapped.

Community Development Block Grant Fund - is used to account for U.S. Department of Housing and Urban Development ("HUD") and Connecticut Department of Housing grants used for such activities as housing programs, community facilities, economic development and public services.

Home Program Fund - is used to account for HUD grants used to expand the supply of affordable housing including home ownership opportunities, rental housing and tenant based rental assistance.

Section 108 Loan Guarantee Fund - is used to account for development projects funded through the HUD Section 108 Loan Guarantee Program.

Development Administration State Grant Fund - is used to account for Connecticut Department of Social Services and Connecticut Department of Economic Development grants used for such programs as community centers, low and middle income housing, and neighborhood rehabilitation.

Library Fund – is used to account for donations and income from the investments of donations and endowments restricted for library-related activities.
Education Fund – is used to account for donations and income from the investment of donations restricted for scholarship grants to qualified recipients.

Parks and Recreation Fund – is used to account for donations and income from donations and endowments restricted for activities mainly related to parks and recreation.

Health Insurance Reserve – is used to accumulate funds for certain employee health plans, as specified by the Trust Agreement.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Education and Library Fund - is used to account for certain education and library capital projects funded through state grants.

Health and Sanitation Fund - is used to account for the construction of the Bridgeport-Trumbull Intercept Sewer Project.

Highway and Parking Fund - is used to account for the undertaking of special street paving projects.

General Government Fund - is used to account for small construction projects funded out of local grants.

Parks and Recreation Fund - is used to account for acquisition and construction of recreational facilities located at the various city parks.

Municipal Airport Fund - is used to account for federal, state and local grants used for construction, renovation and other improvements at Sikorsky Airport.

Capital Reduction Fund - is used to account for the miscellaneous construction and renovation projects approved by the City Council not accounted for in other capital project funds.

Bond Issue Fund - is used to account for various school construction and capital equipment acquisition projects that are funded out of bond proceeds.

School Bond Issue Fund - is used to account for various school construction that is funded out of proceeds from the 1995 bond issue.

1997 Bond Issue Fund - is used to account for various construction projects that are funded out of proceeds from the 1997 bond issue.

Permanent Funds

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Library Fund - is used to account for endowments and donations, the income from which is restricted for library-related activities.

Education Fund - is used to account for endowments and donations, the income from which is restricted for scholarship grants to qualified recipients.

CITY OF BRIDGEPORT, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2002

	Special Revenue			
	Education Grants	Health and Sanitation	Community Develop-ment	Rate Stabilization and Reserve
ASSETS				
Cash and cash equivalents	$ 2,000,000	$ -	$ -	$ 680,351
Investments	-	-	-	-
Receivables:				
Intergovernmental	4,234,883	980,487	130,240	3,352,561
Other	393	-	-	1,130
Due from other funds	260,400	81,235	14,721	14,899,752
Total assets	$ 6,495,676	$ 1,061,722	$ 144,961	$ 18,933,794
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	$ 1,625,685	$ 299,283	$ 141,831	$ 2,846,257
Accrued liabilities	168,800	44,335	-	3,457
Due to other funds	2,111,967	67,812	-	653,035
Deferred revenues	2,461,374	668,024	-	2,646,302
Total liabilities	6,367,826	1,079,454	141,831	6,149,051
FUND BALANCES (DEFICITS)				
Reserve for endowments	-	-	-	-
Reserved for encumbrances	1,505,545	979,538	528,961	1,265,817
Unreserved and undesignated	(1,377,695)	(997,270)	(525,831)	11,518,926
Total fund balances (deficits)	127,850	(17,732)	3,130	12,784,743
Total liabilities and fund balances (deficits)	$ 6,495,676	$ 1,061,722	$ 144,961	$ 18,933,794

Special Revenue							
Social Services	Community Development Block Grant	Home Program	Section 108 Loan Guarantee	Development Administration State Grant	Library	Education
$ -	$ -	$ -	$ 332,008	$ 1,821,030	$ 296,371	$ 252,557
-	-	-	803,980	-	408,273	-
655,754	1,275,015	128,823	-	2,165	-	-
-	662,718	-	-	-	-	-
2,556,074	93,516	-	-	-	-	-
$ 3,211,828	$ 2,031,249	$ 128,823	$ 1,135,988	$ 1,823,195	$ 704,644	$ 252,557
$ 2,739,984	$ 859,276	$ 726	$ -	$ -	$ -	$ -
17,118	351,130	-	-	-	-	-
202,316	62,058	4,457	-	4,086	-	-
219,810	756,232	123,640	942,217	2,341,765	-	-
3,179,228	2,028,696	128,823	942,217	2,345,851	-	-
-	-	-	-	-	704,644	252,557
1,674,547	744,805	745,420	447,527	2,604,080	-	-
(1,641,947)	(742,252)	(745,420)	(253,756)	(3,126,736)	-	-
32,600	2,553	-	193,771	(522,656)	704,644	252,557
$ 3,211,828	$ 2,031,249	$ 128,823	$ 1,135,988	$ 1,823,195	$ 704,644	$ 252,557

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

COMBINING BALANCE SHEET, Continued
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2002

	Special Revenue		Capital Projects	
	Parks and Recreation	Health Insurance Reserve	Education and Library	Health and Sanitation
ASSETS				
Cash and cash equivalents	$ 714,023	$ 906,678	$ 2,232,934	$ 732,800
Investments	-	-	-	-
Receivables:				
Intergovernmental	-	-	-	648,696
Other	-	1,224	-	188
Due from other funds	-	-	-	-
Total assets	$ 714,023	$ 907,902	$ 2,232,934	$ 1,381,684
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	$ 708,388	$ -	$ 406,808	$ 45,989
Accrued liabilities	-	-	-	-
Due to other funds	-	-	239,724	200,000
Deferred revenues	-	-	216,414	-
Total liabilities	708,388	-	862,946	245,989
FUND BALANCES (DEFICITS)				
Reserve for endowments	-	-	-	-
Reserved for encumbrances	-	-	702,985	2,929
Unreserved and undesignated	5,635	907,902	667,003	1,132,766
Total fund balances (deficits)	5,635	907,902	1,369,988	1,135,695
Total liabilities and fund balances (deficits)	$ 714,023	$ 907,902	$ 2,232,934	$ 1,381,684

Capital Projects							
Highway and Parking	General Government	Parks and Recreation	Municipal Airport	Capital Reduction	Bond Issue	School Bond Issue	1997 Bond Issue
$ 83,192	$ 1,890	$ 523,567	$ 274,387	$ 2,049,253	$ 974,502	$ 738,262	$ 516,156
-	-	-	-	-	-	-	-
-	-	-	90,874	18,787	400	-	23,004
112	-	466	54	39	775	-	112
-	-	-	-	437,894	-	-	-
$ 83,304	$ 1,890	$ 524,033	$ 365,315	$ 2,505,973	$ 975,677	$ 738,262	$ 539,272
$ -	$ -	$ -	$ -	$ 16,601	$ 23,198	$ -	$ 22,437
-	-	-	-	-	-	-	-
-	-	1,316		338	574,785	-	33,542
-	-	-	5,709	751,416	-	-	-
-	-	1,316	5,709	768,355	597,983	-	55,979
-	-	-	-	-	-	-	-
50,152	-	501	113,205	214,875	71,219	-	473,661
33,152	1,890	522,216	246,401	1,522,743	306,475	738,262	9,632
83,304	1,890	522,717	359,606	1,737,618	377,694	738,262	483,293
$ 83,304	$ 1,890	$ 524,033	$ 365,315	$ 2,505,973	$ 975,677	$ 738,262	$ 539,272

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

COMBINING BALANCE SHEET, Continued
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2002

	Permanent Trusts		
	Library	Education	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 5,687	$ 108,076	$ 15,243,724
Investments	472,554	-	1,684,807
Receivables:			
Intergovernmental	-	-	11,541,689
Other	-	-	667,211
Due from other funds	-	-	18,343,592
Total assets	$ 478,241	$ 108,076	$ 47,481,023
LIABILITIES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts payable	$ -	$ -	9,736,463
Accrued liabilities	-	-	584,840
Due to other funds	-	-	4,155,436
Deferred revenues	-	-	11,132,903
Total liabilities	-	-	25,609,642
FUND BALANCES (DEFICITS)			
Reserve for endowments	478,241	108,076	1,543,518
Reserved for encumbrances	-	-	12,125,767
Unreserved and undesignated	-	-	8,202,096
Total fund balances (deficits)	478,241	108,076	21,871,381
Total liabilities and fund balances (deficits)	$ 478,241	$ 108,076	$ 47,481,023

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CITY OF BRIDGEPORT, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2002

	Special Revenue			
	Education Grants	Health and Sanitation	Community Develop-ment	Rate Stabilization and Reserve
REVENUES				
Intergovernmental	$ 42,063,093	$ 5,415,907	$ 410,780	$ 4,871,696
Interest	-	-	-	53,764
Other	149,693	637,936	126,003	1,781,083
Total revenues	42,212,786	6,053,843	536,783	6,706,543
OTHER FINANCING SOURCES				
Proceeds from notes payable	-	-	-	-
Total other financing sources	-	-	-	-
Total revenues and other financing sources	42,212,786	6,053,843	536,783	6,706,543
EXPENDITURES				
Conservation of health	-	6,021,039	-	-
Education	42,212,783	-	-	-
Special services	-	-	553,553	6,767,151
Debt service:				
Principal retirements	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
General government	-	-	-	-
Total expenditures	42,212,783	6,021,039	553,553	6,767,151
OTHER FINANCING USES				
Transfers out	-	-	-	4,308,228
Total expenditures and other financing uses	42,212,783	6,021,039	553,553	11,075,379
Revenues and other financing sources over (under) expenditures and other financing uses	3	32,804	(16,770)	(4,368,836)
FUND BALANCES (DEFICITS), beginning	127,847	(50,536)	19,900	17,153,579
FUND BALANCES (DEFICITS), ending	$ 127,850	$ (17,732)	$ 3,130	$ 12,784,743

Special Revenue						
Social Services	Community Development Block Grant	Home Program	Section 108 Loan Guarantee	Development Administration State Grant	Library	Education
$ 2,221,686	$ 5,305,638	$ 1,332,336	$ 119,187	$ 854,586	$ -	$ -
-	-	-	63,043	-	2,969	8,861
493,341	207,126	-	-	2,365	151,015	-
2,715,027	5,512,764	1,332,336	182,230	856,951	153,984	8,861
-	-	-	1,000,000	-	-	-
-	-	-	1,000,000	-	-	-
2,715,027	5,512,764	1,332,336	1,182,230	856,951	153,984	8,861
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,715,027	5,512,764	1,332,336	428,956	1,101,569	-	-
-	-	-	470,000	-	-	-
-	-	-	344,729	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	150,334	1,345
2,715,027	5,512,764	1,332,336	1,243,685	1,101,569	150,334	1,345
-	-	-	-	-	-	-
2,715,027	5,512,764	1,332,336	1,243,685	1,101,569	150,334	1,345
-	-	-	(61,455)	(244,618)	3,650	7,516
32,600	2,553	-	255,226	(278,038)	700,994	245,041
$ 32,600	$ 2,553	$ -	$ 193,771	$ (522,656)	$ 704,644	$ 252,557

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS), Continued
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2002

	Special Revenue		Capital Projects	
	Parks and Recreation	Health Insurance Reserve	Education and Library	Health and Sanitation
REVENUES				
Intergovernmental	$ -	$ -	$ 1,774,295	$ 15,721
Interest	77	21,418	-	-
Other	410	-	-	-
Total revenues	487	21,418	1,774,295	15,721
OTHER FINANCING SOURCES				
Proceeds from notes payable	-	-	-	-
Total other financing sources	-	-	-	-
Total revenues and other financing sources	487	21,418	1,774,295	15,721
EXPENDITURES				
Conservation of health	-	-	-	-
Education	-	-	-	-
Special services	-	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	1,774,295	-
General government	1,075	-	-	-
Total expenditures	1,075	-	1,774,295	-
OTHER FINANCING USES				
Transfers out	-	-	-	-
Total expenditures and other financing uses	1,075	-	1,774,295	-
Revenues and other financing sources over (under) expenditures and other financing uses	(588)	21,418	-	15,721
FUND BALANCES (DEFICITS), beginning	6,223	886,484	1,369,988	1,119,974
FUND BALANCES (DEFICITS), ending	$ 5,635	$ 907,902	$ 1,369,988	$ 1,135,695

Capital Projects							
Highway and Parking	General Government	Parks and Recreation	Municipal Airport	Capital Reduction	Bond Issue	School Bond Issue	1997 Bond Issue
$ -	$ -	$ 8,942	$ -	$ 1,301	$ -	$ -	$ 23,004
1,990	-	-	5,276	28,321	8,672	12,865	50,341
-	-	30,000	-	804	-	-	-
1,990	-	38,942	5,276	30,426	8,672	12,865	73,345
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,990	-	38,942	5,276	30,426	8,672	12,865	73,345
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	5,709	87	23,197	-	241,483
-	-	-	-	-	-	-	-
-	-	-	5,709	87	23,197	-	241,483
-	-	-	-	-	-	-	1,500,000
-	-	-	5,709	87	23,197	-	1,741,483
1,990	-	38,942	(433)	30,339	(14,525)	12,865	(1,668,138)
81,314	1,890	483,775	360,039	1,707,279	392,219	725,397	2,151,431
$ 83,304	$ 1,890	$ 522,717	$ 359,606	$ 1,737,618	$ 377,694	$ 738,262	$ 483,293

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS), Continued
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2002

	Permanent Trusts		
	Library	Education	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	$ -	$ -	$ 64,418,172
Interest	16,393	(533)	273,457
Other	-	-	3,579,776
Total revenues	16,393	(533)	68,271,405
OTHER FINANCING SOURCES			
Proceeds from notes payable	-	-	1,000,000
Total other financing sources	-	-	1,000,000
Total revenues and other financing sources	16,393	(533)	69,271,405
EXPENDITURES			
Conservation of health	-	-	6,021,039
Education	-	-	42,212,783
Special services	-	-	18,411,356
Debt service:			
Principal retirements	-	-	470,000
Interest and other charges	-	-	344,729
Capital outlay	-	-	2,044,771
General government	-	-	152,754
Total expenditures	-	-	69,657,432
OTHER FINANCING USES			
Transfers out	-	-	5,808,228
Total expenditures and other financing uses	-	-	75,465,660
Revenues and other financing sources over (under) expenditures and other financing uses	16,393	(533)	(6,194,255)
FUND BALANCES (DEFICITS), beginning	461,848	108,609	28,065,636
FUND BALANCES (DEFICITS), ending	$ 478,241	$ 108,076	$ 21,871,381

Fiduciary Funds

Fiduciary Funds

Fiduciary funds are used to account for assets held by the government in a trustee capacity and includes Pension Trusts.

Pension Trust Funds – utilize the accrual basis of accounting, and are used for the accumulation of resources to be used for retirement benefits. The investments are held by independent trustees pursuant to the funds' trust agreements. The trustees have discretionary authority and responsibility for the management, control and investment of the assets held by them. The City's Pension Trust Funds are as follows:

Public Safety Plan A Investment and Pension Trust – is used to account for the accumulation of resources for pension benefit payments to qualified City police and firefighters employed before establishing the B plans.

Police Retirement Plan B – is used to account for the accumulation of resources for pension benefit payments to qualified City police hired after June 4, 1981.

Firefighters' Retirement Plan B – is used to account for the accumulation of resources for pension benefit payments to qualified City firefighters hired after January 1, 1984.

Janitors' and Engineers' Retirement Plan – is used to account for the accumulation of resources for pension benefit payments to qualified City janitors and engineers.

CITY OF BRIDGEPORT, CONNECTICUT

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2002

	Pension Trust Funds				
	Public Safety Investment and Pension Trust Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Totals
ASSETS					
Cash and cash equivalents	$ 3,840,072	$ 10,279,092	$ 6,090,413	$ 3,434	$ 20,213,011
Investments, at fair value					
U.S. Government and Agency Bonds	20,981,823	3,968,627	5,533,365	-	30,483,815
Corporate Bonds	89,775,034	6,668,596	1,864,265	-	98,307,895
Corporate Stocks	78,832,496	18,582,394	15,385,226	-	112,800,116
Mutual Funds - Fixed Income	14,805,678	-	-	-	14,805,678
Mutual Funds - Equities	62,460,404	5,636,258	1,790,264	-	69,886,926
International Bonds	1,634,926	-	-	-	1,634,926
Total investments	268,490,361	34,855,875	24,573,120	-	327,919,356
Due from other funds	209,773	-	-	-	209,773
Contributions receivable	425,080	871,887	320,118	-	1,617,085
Net Assets Held in Trust for Pension Benefits	$ 272,965,286	$ 46,006,854	$ 30,983,651	$ 3,434	$ 349,959,225

CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF CHANGES IN PLAN NET ASSETS
June 30, 2002

		Pension Trust Funds			
	Public Safety Plan A Investment and Pension Trust	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Totals
Additions					
Contributions					
Employer	$ 222,973	$ 1,551,307	$ 624,764	$ 990,935	$ 3,389,979
Plan members	422,322	1,162,958	747,041	-	2,332,321
Annuity proceeds	5,342,615	-	-	-	5,342,615
Total contributions	5,987,910	2,714,265	1,371,805	990,935	11,064,915
Investment Income (Losses)					
Net depreciation in fair value of investments	(31,285,875)	(4,553,633)	(4,761,606)	-	(40,601,114)
Interest and dividends	9,197,727	1,223,067	874,453	-	11,295,247
	(22,088,148)	(3,330,566)	(3,887,153)	-	(29,305,867)
Less Investment Expenses:					
Investment management fees	(1,190,311)	(218,087)	(238,972)	-	(1,647,370)
	(23,278,459)	(3,548,653)	(4,126,125)	-	(30,953,237)
Total additions (reductions)	(17,290,549)	(834,388)	(2,754,320)	990,935	(19,888,322)
Deductions					
Benefits	31,721,789	996,423	507,002	990,935	34,216,149
Total deductions	31,721,789	996,423	507,002	990,935	34,216,149
Net (decrease)	(49,012,338)	(1,830,811)	(3,261,322)	-	(54,104,471)
Net Assets Held in Trust for Pension Benefits					
Beginning of year	321,977,624	47,837,665	34,244,974	3,433	404,063,696
End of year	$ 272,965,286	$ 46,006,854	$ 30,983,652	$ 3,433	$ 349,959,225

Capital Assets Used in the Operation of Governmental Funds

CITY OF BRIDGEPORT, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - SCHEDULE BY SOURCE
June 30, 2002

Governmental funds capital assets:	
Land	$ 80,405,513
Buildings and improvements	216,229,338
Machinery and equipment	10,947,882
Infrastructure	93,374,966
Vehicles	21,879,507
Construction in progress	92,579,419
Total governmental funds capital assets	$ 515,416,625

Investments in governmental funds capital assets by source:	
Capital Projects Funds	$ 292,885,720
General Fund	176,852,206
Tax Foreclosed Property	4,553,759
Economic Development	3,058,210
Donated Property	2,773,302
Other Special Revenue Funds	35,293,428
Total governmental funds capital assets	$ 515,416,625

CITY OF BRIDGEPORT, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2002

Function and Activity	Land	Buildings	Furniture and Equipment	Vehicles	Infrastructure	Totals
General Government						
Mayor	$ -	$ -	$ -	$ 49,111	$ -	$ 49,111
Office of Police/Management	-	-	49,269	-	-	49,269
Finance	-	-	-	22,373	-	22,373
Tax Assessor	-	-	-	37,488	-	37,488
Tax Collector	2,510,963	2,073,759	-	-	-	4,584,722
Information Technology Services	-	-	2,785,034	-	-	2,785,034
Print Shop	-	-	167,915	13,297	-	181,212
Barnum Institute	-	448,869	-	-	-	448,869
Klein Memorial Auditorium	55,415	2,995,245	-	-	-	3,050,660
Archives and Records	-	-	29,680	-	-	29,680
City Attorney	-	-	-	15,000	-	15,000
Sikorsky Memorial Airport	4,908,731	1,561,972	662,624	812,000	-	7,945,327
Harbor Master	-	-	127,695	16,109	-	143,804
Railroad Station	472,585	1,106,985	-	-	-	1,579,570
Offstreet Parking	517,816	-	-	-	-	517,816
Building Department	-	-	-	88,976	-	88,976
Planning and Development	49,606,533	7,801,316	11,676	15,000	-	57,434,525
Fair Housing	240,000	-	-	-	-	240,000
Zoning Commission	-	-	-	26,271	-	26,271
Total general government	58,312,043	15,988,146	3,833,893	1,095,625	-	79,229,707
Protection of Person and Property						
Police	91,850	3,955,029	1,096,806	4,890,438	-	10,034,123
Fire	599,819	5,394,223	421,613	5,506,221	-	11,921,876
Total protection of person and property	691,669	9,349,252	1,518,419	10,396,659	-	21,955,999
Conservation of Health						
Administration	-	-	46,000	25,793	-	71,793
Communicable diseases	-	-	-	12,496	-	12,496
Clinics	-	13,122	-	-	-	13,122
Laboratories	-	-	75,000	-	-	75,000
Environmental Health	-	-	-	90,082	-	90,082
Housing Code Enforcement	-	-	-	131,061	-	131,061
Women, Infants and Children	-	-	-	28,996	-	28,996
Social Services	-	-	250,000	12,496	-	262,496
Youth Services	-	-	-	13,297	-	13,297
Total conservation of health	-	13,122	371,000	314,221	-	698,343

CITY OF BRIDGEPORT, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - SCHEDULE BY FUNCTION AND ACTIVITY, Continued
June 30, 2002

Function and Activity	Land	Buildings	Furniture and Equipment	Vehicles	Infrastructure	Totals
Public Facilities						
Director of Public Facilities	-	-	-	39,891	-	39,891
Miscellaneous	14,285	-	-	388,800	-	403,085
City Yard	-	-	-	23,375	-	23,375
Municipal Garage	-	1,149,441	-	-	-	1,149,441
Maintenance Department	-	-	159,026	320,267	-	479,293
Roadways and Maintenance	-	-	2,100,388	2,953,257	93,374,966	98,428,611
Ash and Garbage	-	-	-	2,031,836	-	2,031,836
Recycling	-	-	-	977,975	-	977,975
City Hall	170,597	12,043,238	-	-	-	12,213,835
Humane Affairs Bulding	192,343	3,617,898	-	-	-	3,810,241
Senior Citizens Building	30,000	395,246	-	-	-	425,246
Hall of Records	600,000	579,998	-	-	-	1,179,998
Transfer Station	849,745	902,329	70,950	21,431	-	1,844,455
City Engineer	-	-	-	45,267	-	45,267
Construction Mgmt. Services	-	-	-	25,793	-	25,793
Total public facilities	1,856,970	18,688,150	2,330,364	6,827,892	93,374,966	123,078,342
Education						
Administration	5,202,896	152,973,518	799,658	987,659	-	159,963,731
Instruction	-	-	-	724,400	-	724,400
Support Services	-	-	-	309,036	-	309,036
Pupil Services	-	-	-	19,444	-	19,444
Total education	5,202,896	152,973,518	799,658	2,040,539	-	161,016,611
Parks and Recreation						
Parks Administration	14,214,110	14,465,782	1,366,630	693,126	-	30,739,648
Park Checkpoints	-	-	-	23,375	-	23,375
	14,214,110	14,465,782	1,366,630	716,501	-	30,763,023
Library	127,825	4,751,368	217,337	13,539	-	5,110,069
Nutrition Center	-	-	510,582	474,530	-	985,112
Total fixed assets placed in use	80,405,513	216,229,338	10,947,883	21,879,506	93,374,966	422,837,206
Construction in Progress	1,216,351	91,363,068	-	-	-	92,579,419
Total governmental funds capital assets	$ 81,621,864	$ 307,592,406	$ 10,947,883	$ 21,879,506	$ 93,374,966	$ 515,416,625

CITY OF BRIDGEPORT, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
Year Ended June 30, 2002

	Governmental Funds Capital Assets July 1, 2001 (Restated)	Additions	Disposals	Transfers	Governmental Funds Capital Assets Balance June 30, 2002
General Government					
Mayor	$ 49,111	$ -	$ -	$ -	$ 49,111
Office of Police/Management	65,529	-	-	(16,260)	49,269
Finance	22,373	-	-	-	22,373
Tax Assessor	37,488	-	-	-	37,488
Tax Collector	4,607,197	-	(22,475)	-	4,584,722
Information Technology Services	1,688,820	1,096,214	-	-	2,785,034
Print Shop	181,212	-	-	-	181,212
Barnum Institute	448,869	-	-	-	448,869
Klein Memorial Auditorium	2,880,116	-	-	170,544	3,050,660
Archives and Records	29,680	-	-	-	29,680
City Attorney	15,000	-	-	-	15,000
Sikorsky Memorial Airport	7,945,327	-	-	-	7,945,327
Harbor Master	143,804	-	-	-	143,804
Railroad Station	1,579,570	-	-	-	1,579,570
Offstreet Parking	517,816	-	-	-	517,816
Building Department	122,976	-	-	(34,000)	88,976
Planning and Development	48,653,614	8,793,611	(12,700)	-	57,434,525
Fair Housing	240,000	-	-	-	240,000
Zoning Commission	26,271	-	-	-	26,271
Total general government	69,254,773	9,889,825	(35,175)	120,284	79,229,707
Protection of Person and Property					
Police	9,614,327	419,796	-	-	10,034,123
Fire	11,844,754	77,122	-	-	11,921,876
Total protection of person and property	21,459,081	496,918	-	-	21,955,999
Conservation of Health					
Administration	71,793	-	-	-	71,793
Communicable diseases	12,496	-	-	-	12,496
Clinics	13,122	-	-	-	13,122
Laboratories	75,000	-	-	-	75,000
Environmental Health	90,082	-	-	-	90,082
Housing Code Enforcement	131,061	-	-	-	131,061
Women, Infants and Children	28,996	-	-	-	28,996
Social Services	291,496	-	-	(29,000)	262,496
Mounted Unit	13,297	-	-	-	13,297
Total conservation of health	727,343	-	-	(29,000)	698,343

CITY OF BRIDGEPORT, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY, Continued
Year Ended June 30, 2002

	Governmental Funds Capital Assets July 1, 2001 (Restated)	Additions	Disposals	Transfers	Governmental Funds Capital Assets Balance June 30, 2002
Public Facilities					
Director of Public Facilities	39,891	-	-	-	39,891
Miscellaneous	323,825	-	-	79,260	403,085
City Yard	628,375	-	(605,000)	-	23,375
Municipal Garage	1,149,441	-	-	-	1,149,441
Maintenance Department	479,293	-	-	-	479,293
Roadways and Maintenance	96,761,544	1,802,000	-	(134,933)	98,428,611
Ash and Garbage	2,031,836	-	-	-	2,031,836
Recycling	977,975	-	-	-	977,975
City Hall	10,286,985	1,926,850	-	-	12,213,835
Humane Affairs Building	3,810,241	-	-	-	3,810,241
Senior Citizens Building	425,246	-	-	-	425,246
Hall of Records	1,179,998	-	-	-	1,179,998
Transfer Station	1,844,455	-	-	-	1,844,455
City Engineer	45,267	-	-	-	45,267
Construction Management Services	25,793	-	-	-	25,793
Total public facilities	120,010,165	3,728,850	(605,000)	(55,673)	123,078,342
Education					
Administration	158,698,934	1,264,797	-	-	159,963,731
Instruction	724,400	-	-	-	724,400
Support Services	187,856	121,180	-	-	309,036
Pupil Services	19,444	-	-	-	19,444
Total education	159,630,634	1,385,977	-	-	161,016,611
Parks and Recreation					
Parks Administration	30,169,709	435,006	-	134,933	30,739,648
Park Checkpoints	23,375	-	-	-	23,375
	30,193,084	435,006	-	134,933	30,763,023
Library	5,280,613	-	-	(170,544)	5,110,069
Nutrition Center	813,822	171,290	-	-	985,112
Total fixed assets placed in use	407,369,515	16,107,866	(640,175)	-	422,837,206
Construction in Progress	84,318,850	8,260,569	-	-	92,579,419
Total governmental funds capital assets	$ 491,688,365	$ 24,368,435	$ (640,175)	$ -	$ 515,416,625

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Other Schedules

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CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
Year Ended June 30, 2002

Grand List Year	Balance Uncollected July 1, 2001	Current Levy	Net Adjustments	Transfers to Suspense	Adjusted Taxes Collectible
1986	$ 852,132		$ (835,558)	$ (3,300)	$ 13,274
1987	1,149,460	-	3,223	(11,258)	1,141,425
1988	1,369,350	-	(3,186)	(5,923)	1,360,241
1989	1,708,001	-	599,666	(832,884)	1,474,783
1990	1,900,739	-	547,754	(819,658)	1,628,835
1991	1,997,768	-	545,675	(720,807)	1,822,636
1992	2,138,248	-	392,655	(775,805)	1,755,098
1993	2,232,609	-	213,478	(295,915)	2,150,172
1994	3,210,401	-	139,513	(323,137)	3,026,777
1995	4,671,206	-	(360,566)	(335,163)	3,975,477
1996	5,102,371	-	(652,226)	(51,165)	4,398,980
1997	6,224,495	-	(528,355)	(110,437)	5,585,703
1998	8,930,453	-	(285,152)	(125,050)	8,520,251
1999	13,333,355	-	(224,626)	(157,353)	12,951,376
2000	-	186,511,192	(12,562,302)	(117,295)	173,831,595
	$ 54,820,588	$ 186,511,192	$ (13,010,007)	$ (4,685,150)	$ 223,636,623

Collections				
Taxes	Interest	Lien Fees	Total	Balance Uncollected June 30, 2002
$ 13,274	$ 31,700	$ 43	$ 45,017	$ -
13,135	32,691	-	45,826	1,128,290
26,323	35,544	24	61,891	1,333,918
59,629	42,475	144	102,248	1,415,154
35,992	58,837	240	95,069	1,592,843
39,073	59,650	72	98,795	1,783,563
44,531	59,428	168	104,127	1,710,567
78,315	76,952	250	155,517	2,071,857
181,948	179,133	384	361,465	2,844,829
283,355	268,149	1,248	552,752	3,692,122
280,711	234,213	1,465	516,389	4,118,269
701,551	386,568	2,843	1,090,962	4,884,152
1,669,662	730,338	9,305	2,409,305	6,850,589
4,797,650	965,946	19,120	5,782,716	8,153,726
161,502,431	1,448,135	48,117	162,998,683	12,329,164
$169,727,580	$ 4,609,759	$ 83,423	$ 174,420,762	$ 53,909,043

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Statistical Section

A. GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCE

CITY OF BRIDGEPORT, CONNECTICUT

GENERAL FUND EXPENDITURES AND OTHER FINANCING USES BY FUNCTION
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)

Fiscal Year	General Government	Protection of Person and Property	Conservation of Health	Public Facilities	Charities and Hospitals	Education/ Transfers	Parks and Recreation
1993	$ 85,749	$ 44,063	$ 3,015	$ 14,071	$ 29,913	$ 108,536	$ 2,362
1994	88,087	45,474	3,394	14,603	22,202	121,545	2,464
1995	80,019	46,601	3,705	15,381	22,734	128,148	2,573
1996	83,297	47,471	3,894	17,086	12,174	136,119	2,113
1997	91,626	52,403	4,284	16,220	8,795	136,642	3,193
1998	97,303	53,893	4,545	19,330	1,791	138,390	3,523
1999	94,522	57,340	4,812	20,323	221	145,080	4,827
2000	98,913	59,422	5,194	19,432	174	145,315	4,775
2001 **	93,378*	62,191	5,226	18,251	223	148,952	4,453
2002	93,542	61,494	5,592	16,580	222	162,216	5,731

Expenditures and other financing uses are presented on a GAAP basis. Transfers and capital outlay are included in the function representing their ultimate purpose for comparison purposes.

* Note: As of July 1, 2000, the City had an unfunded pension liability for Police and Firefighters Pension Plans "A". The Plans "A" were previously a general government function to accommodate the "pay as you go" method of financing. On August 28, 2000, General Obligation Taxable Pension Bonds, 2000 Series B, were issued to replace a substantial portion of the unfunded pension liability. In Fiscal year 2000-2001, interest payments of $11,066,795 were classified as a debt service function, rather than general government function.

** Excludes one-time expenditures of $350,000,000 for contribution to pension plans and issue costs from general obligation bond proceeds.

Source: City of Bridgeport Finance Department.

Special Services	Sikorsky Airport	Debt Service	Total
$ 194	$ 745	$ 26,255	$314,903
1,888	885	19,640	320,182
1,118	1,058	23,433	324,770
1,169	1,032	26,867	331,222
1,140	1,051	21,837	337,191
1,308	1,099	24,879	346,061
1,313	1,110	24,833	354,381
1,420	1,070	26,579	362,294
1,786	1,088	41,986*	377,534
1,866	1,061	62,328	410,632

CITY OF BRIDGEPORT, CONNECTICUT

GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)

Fiscal Year	Taxes	Intergovern-mental	Sikorsky Airport	Nutrition Center	Miscellaneous	Total
1993	$ 153,342	$ 136,698	$ 1,052	$ 5,307	$ 16,321	$ 312,720
1994	154,516	147,633	910	5,193	18,188	326,440
1995	157,168	149,025	1,181	5,288	16,178	328,840
1996	161,839	149,811	1,091	5,003	17,016	334,760
1997	162,550	150,756	1,147	4,409	19,451	338,313
1998	158,756	159,373	1,111	5,521	21,203	345,964
1999	153,310	172,652	1,122	6,007	19,303	352,394
2000	154,144	177,271	896	6,177	19,880	358,368
2001	157,275	182,502	947	6,889	20,216	367,829
2002	176,476	196,370	671	7,587	12,397	393,501

Source: City of Bridgeport Finance Department.

CITY OF BRIDGEPORT, CONNECTICUT

GENERAL FUND BALANCE COMPARED TO GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands)

Fiscal Year Ending June 30,	Undesignated Fund Balance	Expenditures and Other Financing Uses	Undesignated Fund Balance as a Percentage of Expenditures	Unreserved Fund Balance	Unreserved Fund Balance as a Percentage of Expenditures
1993	$ 17,515	$ 314,903	5.6%	$ 17,515	5.6%
1994	21,578	320,185	6.7%	21,578	6.7%
1995	26,278	324,770	8.1%	26,278	8.1%
1996	36,043	331,222	10.9%	36,043	10.9%
1997	34,224	337,191	10.1%	39,724	11.8%
1998	35,344	346,061	10.2%	41,851	12.1%
1999	39,390	354,381	11.1%	46,015	13.0%
2000	45,082	362,294	12.4%	48,428	13.4%
2001	25,929	377,534*	6.9%	48,429	12.8%
2002	n/a**	410,632	n/a**	38,571	9.4%

** Note: GASB 34 presentations do not demonstrate designations of fund balance.

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* Excludes one-time expenditures of $350,000,000 for contribution to pension plans and issue costs from general obligation bond proceeds.

Source: City of Bridgeport Finance Department.

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B. PROPERTY VALUES AND TAXES

CITY OF BRIDGEPORT, CONNECTICUT

PROPERTY TAX RATES, LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Mill Rate	Net Taxable Grand List	Total Budgeted Tax Levy	Tax Levy Receivable at End of Fiscal Year
1993	67.8	$ 2,285,128,129	$ 152,200,922	$ 23,100,752
1994	67.8	2,277,403,103	152,581,937	20,605,064
1995	67.8	2,287,638,477	153,392,556	9,115,000
1996	67.8	2,327,768,854	159,309,273	9,690,846
1997	67.5	2,366,391,682	160,272,279	14,353,644
1998	66.5	2,401,232,146	161,572,205	11,220,970
1999	65.5	2,420,308,038	160,731,151	11,782,136
2000	65.0	2,497,394,118	162,330,617	13,941,906
2001	65.0	2,592,797,593	168,531,843	13,333,354
2002	65.0	2,795,967,563	181,737,892	12,329,164

Note: The City of Bridgeport, Connecticut is not subject to property taxes of overlapping governments.

Source: City of Bridgeport Tax Collector.

CITY OF BRIDGEPORT, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Net Taxable Grand List	Estimated Full Value
1993	$ 2,285,128,139	$ 3,264,468,770
1994	2,277,403,103	3,253,433,004
1995	2,287,638,477	3,268,054,967
1996	2,327,768,854	3,325,384,077
1997	2,366,391,682	3,380,559,546
1998	2,401,232,146	3,430,331,637
1999	2,420,308,038	3,457,582,911
2000	2,497,394,118	3,567,705,883
2001	2,592,797,593	3,703,996,561
2002	2,795,967,563	3,994,239,376

Source: City of Bridgeport Tax Assessor's Office

CITY OF BRIDGEPORT, CONNECTICUT

PRINCIPAL TAXPAYERS
June 30, 2002

Name	Nature of Business	Net Taxable Valuation (1)	Percent of Net Taxable Grand List (1)
Bridgeport Energy [2]	Utility	$ 88,561,694	2.35%
People's Bank	Bank	73,061,343	1.93%
WISVEST	Utility	56,589,781	1.50%
United Illuminating Co.	Utility	41,485,892	1.10%
AT & T	Utility	31,637,973	0.84%
Bridgeport Hydraulic Co. (Aquarion)	Utility	25,627,761	0.68%
So. Connecticut Gas Co.	Utility	18,706,196	0.50%
Southern New England Telephone	Utility	16,974,429	0.45%
1000 Lafayette	Office Building	16,019,885	0.42%
General Electric	Industrial Building	14,956,858	0.40%
	Total	$ 383,621,812	10.16%

Source: City of Bridgeport Tax Assessor's Office.

(1) Based on a 10/1/00 net taxable Grand List of $2,795,967,563.
(2) Currently on Payment in Lieu of Taxes program.

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CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands)

		Property Values							
Fiscal Year	Grand List Year	Residential	Commercial	Industrial	Land	Utilities and Personal Property	Motor Vehicle	Exemptions	Total
1993	1991	$ 1,222,632	$ 163,580	$ 139,974	$ 19,029	$ 325,884	$ 174,289	$ 60,465	$ 1,984,923
1994	1992	1,223,754	166,922	139,061	18,892	325,953	169,770	64,356	1,979,996
1995	1993	1,220,383	467,321	139,715	16,424	310,869	198,588	65,662	2,287,638
1996	1994	1,219,447	463,813	142,658	16,017	344,589	210,699	69,454	2,327,769
1997	1995	1,208,096	454,806	142,188	16,232	365,148	241,242	61,320	2,366,392
1998	1996	1,217,030	476,888	139,682	17,493	370,110	250,817	70,788	2,401,232
1999	1997	1,218,207	488,413	137,841	18,335	379,095	255,535	77,118	2,420,308
2000	1998	1,218,738	502,271	135,142	18,115	434,976	264,687	76,865	2,497,064
2001	1999	1,218,829	496,302	126,073	18,370	525,162	285,838	77,777	2,592,797
2002	2000	1,376,877	527,328	126,404	22,873	513,383	310,875	81,773	2,795,967

Source: City of Bridgeport Tax Assessor's Office and Sheshunoff Information Services, Inc.

Construction		Bank
Number of Units	Values	Deposits
400	$ 19,508	$ 2,104,759
410	71,261	2,156,476
410	27,446	1,870,616
433	26,866	1,973,147
447	38,502	1,916,292
516	76,042	1,938,860
455	21,373	1,916,760
461	42,246	1,744,393
465	64,671	1,829,477
398	59,185	1,666,897

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C. LONG-TERM DEBT

CITY OF BRIDGEPORT, CONNECTICUT

COMPUTATION OF LEGAL DEBT LIMIT
June 30, 2002

(Amounts Expressed in Thousands)

The City's debt limitation under Connecticut General Statutes, Section 7-374(b) as of June 30, 2002 is as follows (amounts are expressed in thousands):

Total tax revenue (including interest and lien fees) for the year ended June 30, 2002	$174,421
Reimbursement for revenue loss:	
Tax relief - elderly	143
Base for debt limitation computation	$174,564

The Connecticut General Statutes provide that the total authorized debt of the City shall not exceed seven times the above base, or $1.222 billion, nor shall the total authorized particular purpose debt exceed the individual debt limitations reflected in the table below:

COMPUTATION OF REMAINING DEBT LIMITATION

	General Purpose	Unfunded Pension Benefit Obligation	Schools	Sewers	Urban Renewal
Debt limitation:					
2¼	$ 392,769	$ -	$ -	$ -	$ -
3	-	523,692	-	-	-
4½	-	-	785,538	-	-
3¾	-	-	-	654,615	-
3¼	-	-	-	-	567,333
Total debt limitation	392,769	523,692	785,538	654,615	567,333
Indebtedness:					
Net bonds and BANS payable	250,453	346,290	28,969	528	
Bonds authorized but not issued	44,063	90,000	75,360	-	-
Debt limitation in excess of outstanding debt	$ 98,253	$ 87,402	$ 681,209	$ 654,087	$ 567,333

CITY OF BRIDGEPORT, CONNECTICUT

RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population	Assessed Value of Grand List ($000)	Outstanding Bonded Debt ($000)	Debt as a Percent of Assessed Value of Grand List	Net Bonded Debt Per Capita
1993	141,686	$ 2,285,128	$ 182,665	7.99%	$ 1,289
1994	141,686	2,277,403	171,485	7.53%	1,210
1995	141,686	2,287,638	160,020	6.99%	1,129
1996	141,686	2,327,769	159,045	6.83%	1,123
1997	141,686	2,366,392	186,025	7.86%	1,313
1998	141,686	2,401,232	195,905	8.16%	1,383
1999	141,686	2,420,308	203,660	8.41%	1,437
2000	137,425	2,497,394	261,190	10.46%	1,901
2001	139,529	2,592,798	606,220 *	23.38% *	4,345
2002	139,529	2,795,967	653,200	23.36%	4,681

***** Note: Includes $350,000,000 Taxable Pension Bond Issue of August 28, 2000, Series B.

Source: Bureau of Census, U.S. Department of Commerce; Connecticut Department of Public Health Services, City of Bridgeport Finance Department and Tax Assessor's Office.

CITY OF BRIDGEPORT, CONNECTICUT

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
1993	$ 10,674,528	$15,055,482	$ 25,730,010	$ 314,903,258	8.17%
1994	11,051,369	13,833,742	24,885,111	320,185,120	7.77%
1995	11,320,918	13,092,179	24,413,097	324,770,515	7.52%
1996	15,678,645	12,380,172	28,058,817	331,222,089	8.47%
1997	11,396,286	10,440,650	21,836,936	337,191,365	6.48%
1998	12,496,389	12,382,589	24,878,978	346,061,479	7.19%
1999	12,547,008	12,283,969	24,830,977	354,381,017	7.01%
2000	14,451,588	12,129,515	26,581,103	371,842,809	7.15%
2001	14,881,280	27,522,132*	42,403,412*	377,534,472**	11.23%
2002	19,157,839	43,985,039	63,142,878	410,632,254	15.38%

* Note: As of July 1, 2000, the City had an unfunded pension liability for Police and Firefighters Pension Plans "A". The Plans "A" were previously a general government function to accommodate the "pay as you go" method of financing. On August 28, 2000, General Obligation Taxable Pension Bonds, 2000 Series B, were issued to replace a substantial portion of the unfunded pension liability. In Fiscal Year 2000-2001, interest payments of $11,066,795 were classified as a debt service function, rather than general government function.

** Excludes one-time expenditures of $350,000,000 for contribution to pension plans and issue costs from general obligation bonds.

Source: City of Bridgeport Finance Department.

CITY OF BRIDGEPORT, CONNECTICUT

DEBT STATEMENT
June 30, 2002

Debt Statement:	
General Obligation Debt:	
General Purpose Bonds Payable	$ 234,912,966
Bond Anticipation Notes Payable	15,540,000
School Bonds	55,928,683
Sewer	528,352
Pension Obligation Bonds ("POB")	346,290,000
Total General Obligation Debt	653,200,001
Notes Payable:	
Fire Equipment Notes Payable	260,100
HUD Section 108 Loans	6,559,000
Total Notes Payable	6,819,100
Total Debt	660,019,101
Less: School Construction Grants Receivable[1] - Principal Portion Only	26,960,096
HUD Section 108 Loans	6,559,000
	33,519,096
Total Overall Net Debt	$ 626,500,005

Note: The City of Bridgeport, Connecticut is not subject to the debt of overlapping governments.

[1] School construction grants are receivable in substantially equal installments over the life of outstanding school bonds, obtained from Office of Policy and Management, State of Connecticut.

CITY OF BRIDGEPORT, CONNECTICUT

CURRENT DEBT RATIOS
June 30, 2002

CURRENT DEBT RATIOS
(Pro Forma)

Population [2]	139,529
Net Taxable Grand List (10/1/00)	$ 2,795,967,563
Estimated Full Value (70%)	$ 3,994,239,376
Equalized Net Taxable Grand List (1996)[1]	$ 4,029,058,187
Personal Income per Capita [3]	$ 20,302

	Including POB		Excluding POB	
	Total Debt	Total Net Debt	Total Debt	Total Net Debt
Per Capita	$ 4,730	$ 4,490	$ 2,248	$ 2,008
Ratio to Net Taxable Grand List	23.61%	22.41%	11.22%	10.02%
Ratio to Estimated Full Value	16.52%	15.69%	7.85%	7.02%
Ratio to Equalized Grand List	16.38%	15.55%	7.79%	6.95%
Debt per Capita to Personal Income per Capita	23.30%	22.12%	11.08%	9.89%

Source:

[1] Office of Policy and Management, State of Connecticut

[2] Connecticut Department of Public Health Services

[3] Department of Economic and Community Development, State of Connecticut (1999)

D. DEMOGRAPHIC DATA

CITY OF BRIDGEPORT, CONNECTICUT

DEMOGRAPHIC DATA
June 30, 2002

POPULATION AND DENSITY

Historical

Year	Population	% Increase (Decrease)	Density
1940	146,900	0.2%	7,580
1950	158,709	8.0%	8,189
1960	156,748	-1.2%	8,088
1970	156,542	-0.1%	8,078
1980	142,546	-8.9%	7,355
1990	141,686	-0.6%	7,311
2000	139,529	-1.5%	7,200

Density based on 19.38 square miles.

Source: U.S. Department of Commerce, Bureau of Census

AGE DISTRIBUTION OF POPULATION

	City of Bridgeport		State of Connecticut	
Age	2000	Percent	2000	Percent
Under 5	11,397	8.2%	223,344	6.5%
5-19	32,640	23.4%	702,358	20.6%
20-34	33,354	23.9%	639,211	18.7%
35-54	35,929	25.8%	1,064,856	31.2%
55-64	10,197	7.3%	308,613	9.0%
65 and over	16,012	11.5%	476,183	14.0%
Total	139,529	100.0%	3,405,565	100.0%

Median Age	2000	1990
City of Bridgeport	31.4	31.1
Fairfield County	37.3	35.5
State of Connecticut	37.4	34.4

Source: U.S. Department of Commerce, Bureau of Census

CITY OF BRIDGEPORT, CONNECTICUT

DEMOGRAPHIC DATA, Continued
June 30, 2002

INCOME DISTRIBUTION

	City of Bridgeport		State of Connecticut	
	Families	Percent	Families	Percent
$0 - $9,999	4,896	14.1%	43,451	5.0%
$10,000 - $24,999	7,879	22.6%	116,726	13.4%
$25,000 - $49,999	12,153	34.9%	284,502	32.6%
$50,000 - $74,999	6,730	19.3%	227,054	26.0%
$75,000 - $99,999	2,123	6.1%	100,097	11.5%
$100,000 - $149,999	855	2.5%	61,355	7.0%
$140,000 and over	183	0.5%	39,026	4.5%
	34,819	100.0%	872,211	100.0%

Source: U.S. Department of Commerce, Bureau of Census, Census of Population and Housing, 1990.

INCOME LEVELS

	City of Bridgeport	State of Connecticut
Per Capita Income, 1999	$ 20,302	$ 29,709
Median Family Income 1989	$ 33,090	$ 49,199
Median Household Income 1999	$ 54,313	$ 78,164
Percent below poverty level 1989	17.1%	6.8%

Source: U.S. Department of Commerce, Bureau of Census, Census of Population and Housing, 1990 and 2000 and Census Bureau and Claritas, Inc.

CITY OF BRIDGEPORT, CONNECTICUT

DEMOGRAPHIC DATA, Continued
June 30, 2002

EMPLOYMENT DATA

	City of Bridgeport		Percentage Unemployed		
Period	Employed	Unemployed	City of Bridgeport	Bridgeport Area Market	State of Connecticut
2002	55,515	3,845	6.5%	4.5%	3.5%
2001	57,127	2,415	4.1%	2.7%	2.2%
2000	57,999	2,953	4.8%	3.2%	2.5%
1999	57,195	3,467	5.7%	3.5%	2.8%
1998	57,027	4,379	7.1%	4.8%	4.1%
1997	56,181	5,698	9.2%	6.3%	5.4%
1996	54,460	6,023	10.0%	6.7%	5.7%
1995	54,679	5,601	9.3%	6.4%	5.5%
1994	57,004	5,489	8.8%	6.2%	5.6%
1993	58,604	6,160	9.5%	7.1%	6.2%

Source: U.S. Department of Labor and Employment Security Division, Labor Department, State of Connecticut.

E. MISCELLANEOUS STATISTICS

CITY OF BRIDGEPORT, CONNECTICUT

NUMBER AND VALUE OF BUILDING PERMITS
June 30, 2002

Fiscal Year Ended	Residential		Non-residential		Other		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1993	168	5,905,075	232	13,602,894	1,274	8,597,516	1,674	28,105,485
1994	169	24,093,536	241	47,167,527	1,242	19,294,346	1,652	90,555,409
1995	150	4,915,251	261	22,530,570	1,588	14,622,722	1,999	42,068,543
1996	189	6,498,885	244	20,367,211	1,534	12,972,884	1,967	39,838,980
1997	195	7,866,866	252	30,635,232	1,690	16,718,368	2,137	55,220,466
1998	297	14,970,169	219	61,072,018	1,797	17,073,715	2,313	93,115,902
1999	237	5,347,782	195	16,025,438	1,883	17,898,831	2,315	39,272,051
2000	244	9,068,214	217	33,177,489	1,785	18,397,451	2,246	60,643,154
2001	146	8,196,769	319	26,334,089	1,732	30,140,121	2,197	64,670,979
2002	253	6,368,346	145	34,369,087	1,895	18,447,228	2,293	59,184,661

Source: Building Official, City of Bridgeport.

CITY OF BRIDGEPORT, CONNECTICUT

GENERAL CITY STATISTICS
June 30, 2002

Date of Incorporation	1836	
Form of Government	Mayor/City Council	
Area in square miles	19.38	

Number of City facilities and services

Culture and Recreation:		
Playgrounds	16	
Parks	41	
Park acreage	1,330	
Golf courses	2	
Swimming pools	3	
Tennis courts	24	
Museums	2	
Zoo	1	
Fire Protection:		
Number of stations	8	
Number of fire personnel and officers	399	*
Equipment (pieces)	21	
Police Protection:		
Number of stations	3	
Number of Police Officer Sector Terminals (POST)	5	
Number of police personnel and officers	574	*
Number of divisions	11	
Sewerage System:		
Miles of sanitary sewers	240	
Number of sewer wells	55,050	
Number of treatment plants	2	
Education:		
Number of elementary schools	30	
Number of elementary school instructors	1,244	
Number of secondary schools	3	
Number of secondary school instructors	385	
Number of colleges	2	

* Staffing includes both sworn and civilian employees.