

CITY OF BRIDGEPORT, CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year
July 1, 2007 to June 30, 2008**

Prepared By:
DEPARTMENT OF FINANCE

MICHAEL E. FEENEY
Chief Financial Officer

CITY OF BRIDGEPORT, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section



CITY OF BRIDGEPORT
CHIEF FINANCIAL OFFICER

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Bridgeport, Connecticut 06604
Telephone (203) 576-7251 Fax (203) 576-7067

BILL FINCH
Mayor

MICHAEL E. FEENEY
Chief Financial
Officer

January 26, 2009

Honorable Bill Finch, Mayor
Members of the City Council
Citizens of Bridgeport

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2008.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blum, Shapiro & Company, P.C., has issued an unqualified (clean) opinion on the City of Bridgeport, Connecticut's financial statements for the year ended June 30, 2008. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

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 are 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 Exhibit V 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 Bridgeport economy, like the State economy, continues to be impacted by the effects of the national, regional, and statewide recession that started in 2003. The City's unemployment rate has risen for the fiscal year ended June 30, 2008 to a 8.6% annual average from a 6.6% annual average for the fiscal year ended June 30, 2007. The State unemployment rate has shown an increase to a 4.9% annual average for the fiscal year ending June 30, 2008 from an annual average of 4.4% in 2007. The City's taxable base continues to show growth; the October 1, 2006 Grand List increased 4.02%, which represents the fourteenth consecutive year that the grand list has increased. The increase in the Grand List over the last ten years (Grand List October 1, 1997) equates to 124.5%.

Bridgeport had historically been a manufacturing/industrial city that was, for a time, primarily oriented for manufacturing products used in war efforts. The loss of manufacturing jobs on a national level in recent decades has impacted Bridgeport as well. The City's economic development plans have focused on diversification of the local economic base, 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 stabilized and the City's strategy of identifying growth industries such as medical, financial services, construction, and film/media is proving successful. 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, redevelopment and new private investment within the City's industrial corridors continues.

Examples of recent significant public and private investments in Bridgeport are many.

Downtown Bridgeport Development

Downtown Bridgeport is at the nexus of road, rail, transit, and water related transportation infrastructure. Its location and existing assets provide the opportunity for Bridgeport to become the transit-oriented development hub of Fairfield County. With spiraling housing costs in western Fairfield County, particularly the other urban centers of Stamford and Norwalk, and the high incidence of traffic congestion on Interstate-95 and the Merritt Parkway, Bridgeport is increasingly an option for residents and businesses seeking a cost effective and convenient location to live and work. As an ideal location for permanent workforce housing for the region, the City of Bridgeport is positioning its downtown to be an important asset in the sustained growth of the Fairfield County economy.

The downtown central business district has been the recipient of significant public sector investment over the last few years, a result of the City's focus on creating amenities and conveniences through intermodal transportation, entertainment and cultural facilities, and a growing middle income residential base.

The State of Connecticut's *Juvenile Court Complex* is complete. The new \$40 Million complex will allow the integration of the Family and Juvenile Courts into an attractive, centralized facility that is anticipated to stimulate new private investment in the area. The complex is sited on the location of the City's blighted and obsolete former Public Works garage, which was never compatible with other central business district activities and had previously discouraged private investment in Bridgeport's downtown for more than 40 years.

The City had previously completed the construction of a \$17 million *Bridgeport ITC Garage* (Intermodal Transportation Center). This 900-car commuter parking facility helps link the various modes of transportation (Amtrak, Metro North, water ferries, airport limousines, inter- and intra-city buses and taxis) with downtown Bridgeport and the region. It also serves as additional event parking for the Ballpark at Harboryard and the Arena at Harboryard at night and on weekends. The garage was funded through Federal and State grants intended to reduce highway congestion. The City has secured the additional funding to add two more parking decks and approximately 500 spaces to the garage. The installation of the new decks is scheduled to begin in early 2009. The garage addition is the latest in a line of improvements to Downtown Bridgeport's transportation infrastructure: The construction of an enclosed, elevated pedestrian walkway system connecting the ITC Garage to the Metro North rail platform was completed in May 2008. A new state-of-the-art 17 bay bus terminal operated by the Greater Bridgeport Transit Agency was opened and commenced revenue operations in September 2007. It also connects to the rail platform and transit garage via overhead walkways.

The State of Connecticut is currently completing a \$55 Million expansion of *Housatonic Community College*, doubling the size of the downtown facility. Portions of the new space have been placed into service for the current semester, with the project scheduled for completion in January 2009. The college's current enrollment of 4,800 students is an all-time high, and the consistently strong growth in student enrollment at the college has provided added life to Bridgeport's downtown.

Even with a slowdown of the national economy, significant private investment continues to occur in Downtown Bridgeport.

The ***Bridgeport Holiday Inn*** is currently undergoing a \$10 Million renovation, scheduled for completion in mid 2009. The renovation is proceeding in tandem with more than \$40 Million of other private investment occurring within a block's distance of the hotel.

Urban Green Builders has completed the residential portion of the \$30 Million adaptive reuse project in the former ***Citytrust*** office building. More than 85% of the 118 units of rental housing have been occupied, largely by tenants that make a daily commute on Metro North, via the train station within two blocks of the project. In addition, ***Citibank*** has opened a 3,000 square foot branch operation in the building, the bank's first presence in Downtown Bridgeport in nearly 20 years. Urban Green has had a similar experience in its residential leasing for other downtown projects, including its residential conversion of an office building at ***144 Golden Hill Street***. The \$20 Million historic restoration of the ***Arcade Hotel*** also continues to progress, with residential and retail occupancy expected in early 2009.

The Lofts 881 adaptive reuse project was completed in the summer of 2008. The project, a conversion of an obsolete and vacant medical office building to 38 residential condominiums and retail space, was undertaken at a cost of approximately \$7 Million. As of September 2008, twenty of the residential units in the project have either been sold or are under contract.

Started in 2005, the ***Bijou Square Redevelopment Project*** consists of the renovation of four historic buildings along Fairfield Avenue in downtown Bridgeport. One of the properties houses the oldest movie theatre in the nation. The developer is the Kuchma Corporation, a local building-contracting firm, which has partnered with several New York based investors. As of September 2008, more than 10,000 square feet of restaurant, retail and office space has been renovated and occupied within the development. ***Two Boots Pizzeria***, a New York based chain, opened their first restaurant outside of New York City in Bijou Square in December of 2007.

Additionally, renovation is underway on another 6,500 square feet of office space, the 8,000 square foot historic movie house, which is already rented, and the 11,500 square foot ballroom above the movie house. In 2007, ***Antinozzi and Associates***, a 30 person architectural firm, relocated to the project from another Fairfield County community.

A new phase of Bijou Square, the construction of a 150,000 square foot mixed-use building began in the fall of 2007, and is expected to be completed in 2009. The \$25 Million project will create 84 residential condominiums and nearly 10,000 square feet of ground floor retail space, and constitutes the largest privately developed new construction project in downtown Bridgeport since the late 1980s, further evidence of the reemergence of the City's core as a place to invest.

Like the Citytrust and Arcade Hotel projects undertaken by Urban Green, the Bijou Square project benefited from the use of the federal New Market Tax Credit (NMTC) program. As of the end of 2007, the City of Bridgeport has seen 3 private real estate projects make use of the NMTC program, rivaling any other comparably sized community in the country, and making Bridgeport one of only four cities in the State of Connecticut to utilize this financing tool (New London, Stamford, and Hartford each have had one project benefit from the NMTC program).

Kolmar Group, a multinational energy trading company, opened a downtown Bridgeport office in 2007, occupying approximately 8,000 square feet in 10 Middle Street. The company currently employs 25 in its Bridgeport office. In addition, **Clean Diesel Technologies**, a NASDAQ traded company, signed a lease for 6,000 square feet of office space in 10 Middle Street. These companies, like **Antinozzi**, offer recent evidence of downtown Bridgeport's increasing desirability as a location for small to medium sized white collar employers.

Industrial Development and Energy Projects

The City of Bridgeport has seen significant new industrial and commercial investment in recent years, including the expansion of several businesses and the construction of new business facilities. Some of the projects that exemplify this investment:

In 2005, **Carr's Ice Cream** opened its new \$1,400,000 cold storage warehouse on State Street in the West End on a portion of a previously remediated Brownfield site. Tolland, CT based **Dari-Farms** acquired Carr's in 2007, and is currently negotiating the acquisition of additional property in order to double its building footprint.

A-1 Truck Accessories completed construction of its new 17,000 square-foot, \$1.6 Million facility on Howard Avenue in the West End in January of 2008. Housing two small businesses, the high bay assembly facility has also proven particularly attractive for movie production. **Disney Movie Studios**, working with the City's Office of Film, has shot two productions in the building in the last 12 months.

AKDO Intertrade, a major importer and distributor of marble, tile, granite and other high end stone products has moved into a new 115,000 square foot showroom, office and warehouse on the former Bryant Electric site in the City's West End/State Street Corridor. Construction of this facility began and was completed in 2006. TD Banknorth provided the financing for this \$8.5 million project.

United Rentals, the largest equipment rental company in the world, commenced construction on a 40,000 square foot facility in the City in 2007. The project is expected to be completed in mid 2009, intended to be the company's largest facility in New England, and will house equipment that is expected to generate more than \$300,000 annually in personal property taxes. The project is being developed on what was formerly the long dormant Bridgeport Brass property, a brownfield site that has been idle since 1980.

All-Phase Construction, a fabricator and installer of steel and iron building components, including stairs, railings and banisters, is currently constructing 55,000 square feet of modern manufacturing space in the **Seaview Industrial Park**. The project is expected to be completed by the summer of 2009. The industrial park project is a notable example of the City's ongoing efforts to remediate brownfields and pursue infill industrial development in appropriate neighborhood settings.

Derecktor Shipyards is a shipbuilding and repair facility that occupies 23 acres of waterfront property leased from the Bridgeport Port Authority, in the eastern end of the City. In its first year of Bridgeport operations in 2001, Derecktor created 130 full-time jobs. Full-time employment now exceeds 220, with an additional 130 contract employees working on projects at the Bridgeport facility. In 2003, Derecktor installed a \$2.5 million, 600-ton travel lift that is the second largest operating apparatus of its kind in the world, and largest in the western

hemisphere. The travel lift has been a major contributor to the annual growth of the company's repair business. Derecktor has established itself as an industry leader in the construction of water taxis, high-speed ferries and other specialty and luxury crafts. In the spring of 2008, the company received local land use approvals for the construction of three new buildings on its property, part of a \$30 Million capital expansion it plans to pursue in Bridgeport that will allow it to capture a growing customer market and fulfill current contracts.

The Clearlight Group, of Wilton, CT, received zoning approval in July 2008 to construct **Clearlight Digital Studios** on Seaview Avenue in the City's East End neighborhood. The \$7.5 Million, 67,000 square foot facility is intended to be the most advanced soundstage facility in the Northeast, designed to serve the needs of the burgeoning Connecticut film industry. The project is expected to be under construction in early 2009.

The **Singer Electric Substation** and **Middletown to Norwalk 345KV Power Line** projects, undertaken by United Illuminating and Connecticut Light and Power, represent fully (property) taxable investments of well in excess of \$100 Million in the City of Bridgeport. Both of the projects were completed and activated in December 2008 and will help to assure that Bridgeport and Fairfield County have the energy infrastructure to support economic stability and growth.

North East Builders Supply and Home Centers continues the environmental clean up of a five acre former metal junkyard at 1558 Barnum Avenue in the East End. Remediation activities began in the spring of 2007 and are expected to be completed by the summer of 2009. \$2.3 Million of US EPA funding is being utilized to subsidize the remediation. Following the completion of the remediation stage, it is expected that approximately 75,000-100,000 square feet of commercial/industrial space will be constructed; approximately 30,000 square feet of industrial warehouse space is currently (1/09) under construction on the site.

As a result of the City's innovative efforts to solve the urban Brownfield problem of contaminated sites, the City received recognition from the Federal Environmental Protection Agency and was lauded as one of three original national demonstration sites for environmental cleanup as it relates to economic development. The City has received numerous grant awards from the US EPA, and national recognition for its work in brownfields reclamation. The City continues to be at the forefront of national brownfields reclamation efforts and is considered to be a model municipal program for the rest of the country.

In 2007, the State of Connecticut certified 13 companies that had relocated to Bridgeport during the year for the State-sponsored Urban Jobs property tax incentive program. The participating companies have brought 124 new jobs to Bridgeport. In 2008, the State of Connecticut certified 8 additional new companies that had relocated to Bridgeport under the Urban Jobs program.

Medical Sector and Senior Living Projects

As the center for hospital care in Eastern Fairfield County, Bridgeport's health care industry continues to grow. **Bridgeport Hospital**, an employer of 2,600 people, has announced plans to invest \$70 Million in capitol improvements to its 800,000 square foot complex.

St. Vincent's Medical Center, which employs more than 2,000, commenced construction in 2007 on a \$140 Million expansion project, intended to add approximately 90,000 square feet to its emergency facilities, and establish a home for the hospital's new cancer center. The project is scheduled for completion in 2009.

The Watermark at 3030 Park, a senior living and assisted living center, is currently undergoing a \$40 Million expansion and rehabilitation project, which is expected to be completed in early 2009. The property had been tax exempt and subject to a minimal payment in lieu of taxes under prior ownership until recently, but will pay approximately \$860,000 annually to the City under a payment in lieu of taxes agreement approved by the Bridgeport City Council in 2006.

Steel Point

After nearly a decade of land assembly activities, the City completed its land acquisition on the peninsula in the summer of 2007. City Council approval was obtained for a Development and Acquisition Agreement in November 2007. A notable feature of the agreement is a provision that guarantees ever increasing property tax revenue to the City immediately after the real estate is transferred to the developer. The City and developer, Bridgeport Landing Development, LLC, continue to pursue the required state and local permits and regulatory approvals for the Steel Point project. The project's developer, a joint venture of RCI Marine of Miami, Florida and Mid-Town Equities, LLC of New York, New York, has planned a mixed-use, 24/7 residential urban community containing retail space, residential units, as well, as an office/conference center, hotel and marina.

For more information on current development activity in the city of Bridgeport, please see the City's web site at: www.ci.bridgeport.ct.us, scroll down on the left side to "Hot Topics" and click on "Bridgeport Development".

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 on a short-term basis, during the year, in temporary, legally permitted investments. Money market investments managed by TD Banknorth, US Bank and People's United Bank 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 in the amount of approximately \$393,050,000 with a \$250,000 deductible. The Sikorsky Memorial Airport is insured for a \$100,000,000 general liability policy with a hangers-keeper liability deductible of \$1,000 on any one occurrence. 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 company to oversee its workers' compensation and heart and hypertension claims.

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 act as 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 and 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, 2008 was \$77.3 million, which represents 28.4 percent of the total City payroll of \$271.8 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, 2008, the City's payroll for employees covered under this plan was \$110.6, which represents 43.2 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

Pension plans ii and iii above are funded on an actuarial basis. 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 with no new enrollments having 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, 2007. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easy to read and well-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 ten 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 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 and professional manner in which our independent auditors, Blum, Shapiro & Company, P.C., conducted the audit.

The cover photograph is a shot of the new Jettie S. Tisdale School located at 250 Hollister Avenue in the City's East End. Jettie S. Tisdale School is one in a series of new schools opened to replace the City's aging school buildings. Construction on the 105,000 square-foot building started in October 2006 and was dedicated on June 8, 2008.

Jettie S. Tisdale School is a pre-Kindergarten through eighth grade neighborhood school that embraces the mission of the Bridgeport Public Schools and its supporting community to graduate and encourage all students to enter high school and become college ready and prepared to succeed in life. More than 600 students are assigned to Tisdale School, and it has room to accommodate more students if and when the need arises. The school is equipped with all the latest technology and amenities students need to succeed.

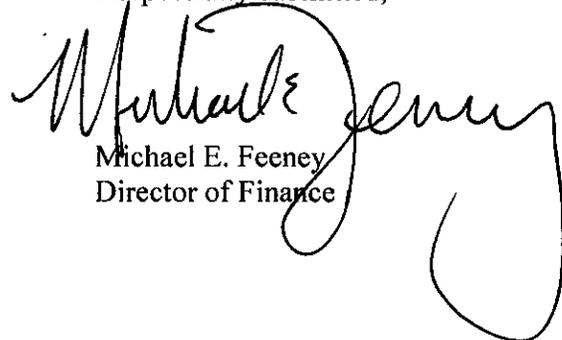
The late Jettie S. Tisdale was a schoolteacher and principal for more than forty years in Bridgeport and Virginia. She served eight Bridgeport schools, teaching science in two schools, continuing as a guidance counselor at two schools and then ascended to the position of principal at four elementary schools throughout her career. Ms. Tisdale was also an entrepreneur serving as president of a Bridgeport-based manufacturer of sportswear and as owner of Developer's Realty Company as a licensed real estate broker and realtor.

Ms. Tisdale retired from the school system in 2002 and died of heart failure in May 2004.

The cover photograph was taken by Joseph S. Sopko, a programmer in the City's Information Technology Systems Department, assisted by Anthony Palumbo, Director of the In-Plant Print Shop.

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

Respectfully submitted,



Michael E. Feeny
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, 2007

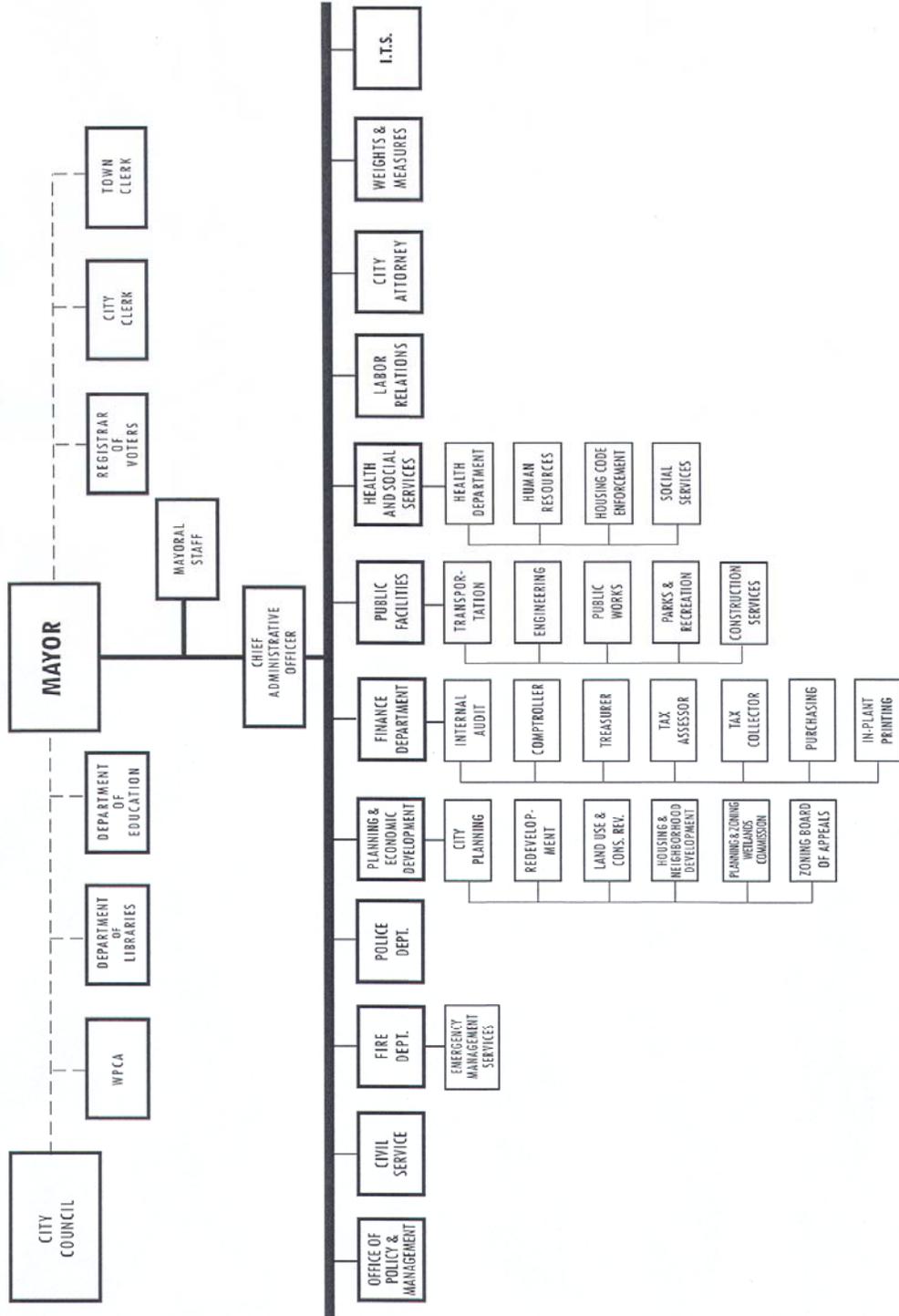
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

CITY OF BRIDGEPORT TABLE OF ORGANIZATION



CITY OF BRIDGEPORT, CONNECTICUT

LIST OF PRINCIPAL OFFICERS

As of June 30, 2008

Office	Name	Manner of Selection and Term
Mayor	Bill Finch	Elected - 4 Year Term
City Clerk	Fleeta C. Hudson	Elected - 4 Year Term
Town Clerk	Alma Maya	Elected - 4 Year Term
Chief Administrative Officer	Andrew Nunn	Appointed by Mayor
Director of Finance	Michael E. Feeney	Appointed by Mayor
Deputy Director of Finance/Comptroller	Dawn Norton	Appointed by Director of Finance (Appt. November 2008)
Treasurer	Joseph Jambriska, Jr.	Appointed by Mayor
City Attorney	Mark Anastasi	Appointed by Mayor
Director of Office of Policy and Management	Thomas Sherwood	Appointed by Mayor
School Superintendent	John J. Ramos, Sr., E.D.D.	Board of Education

Financial Section



Independent Auditors' Report

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, 2008, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2009 on our consideration of the City of Bridgeport, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management discussion and analysis on pages 3 through 15 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 budgetary detail, 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.

Blum, Shapiro & Company, P.C.

January 26, 2009

City of Bridgeport, Connecticut
Management's Discussion and Analysis
June 30, 2008

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, 2008. 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 assets of the City exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$196,233,033. Total net assets for Governmental Activities at fiscal year-end were \$120,567,012 and total net assets for Business-Type Activities were \$75,666,021. The unrestricted net deficit at June 30, 2008 was \$(226,258,570).
- ◆ On a government-wide basis, during the year, the City's net assets increased by \$78,903,553 from \$117,329,480 to \$196,233,033, due primarily to approximately \$77 million in capital grants received for school construction projects. Net assets increased by \$75,664,635 for Governmental Activities and by \$3,238,918 for Business-Type Activities. Government-wide expenses were \$653.8 million, while revenues were \$729.4 million.
- ◆ At the close of the year, the City's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$97.7 million, a decrease of \$39.4 million from the prior fiscal year. Of the total fund balance as of June 30, 2008, \$(16.4) million represents the combined unreserved fund balance in the general fund, special revenue funds, capital projects fund and permanent trust fund. Of this balance, only \$10.6 million and \$3,126, which represents the positive unreserved fund balance in the general fund and permanent trust fund is available for spending at the City's discretion.
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund alone was \$10.6 million, a decrease of \$18.6 million from the prior fiscal year. As of June 30, 2008, the General Fund's unreserved fund balance was \$10.6 million. Unreserved general fund fund balance at year-end represents 3.98% of total general fund expenditures (\$266 million).
- ◆ The City's total debt decreased by \$30 million during the current fiscal year.

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 and a statistical section as well as the basic financial statements. The statistical section provides comparisons of selected information beginning with fiscal year 1999.

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. Over time, increases or decreases in net assets 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 City's net assets 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 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 and Statement of Activities) can be found on Exhibits I and II 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 types 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 Fund, and the Capital 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 Nonmajor Governmental Funds. Nonmajor governmental funds for the City include the Education Grant Fund, the Health and Sanitation Fund, the Community Development Fund, the Other Programs Fund, the Social Services Fund, the Community Development Block Grant Fund, the Housing Opportunities Aids Fund, the Home Program Fund, the Section 108 Loan Guarantee Fund, the Development Administration State Grant Fund, the Library Fund, the Education Fund, the Parks and Recreation Fund, all of which are considered 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 Trust Funds consist of the Library Fund and the Education Fund. Individual fund data for each of these nonmajor governmental funds is provided in the combining balance sheets on Exhibit B-1 and in the combining statement of revenues, expenditures and changes in fund balance on Exhibit B-2.

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 Exhibit V.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on Exhibits III and IV of this report.

Proprietary funds. The City of Bridgeport maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City of Bridgeport uses an enterprise fund to account for its Water Pollution Control Authority. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City of Bridgeport's various functions. The City of Bridgeport uses an internal service fund to account for its health insurance system. Because this service predominantly benefits governmental functions rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

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 Exhibits VI - VIII 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 Exhibits IX and X 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 28-66 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 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 assets exceeded its liabilities by \$196,233,033 at June 30, 2008. This is an increase of \$78,903,553 from last year's net assets of \$117,329,480.

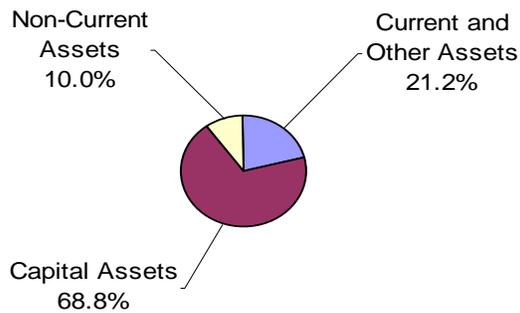
CITY OF BRIDGEPORT, CONNECTICUT

NET ASSETS

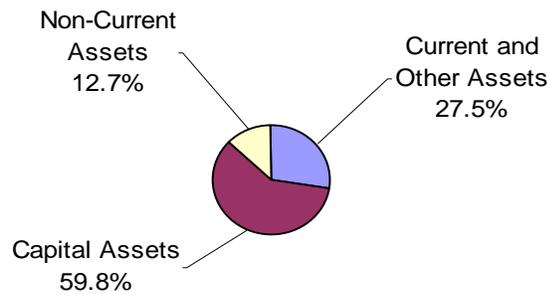
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 219,221	\$ 274,028	\$ 2,905	\$ 2,903	\$ 222,126	\$ 276,931
Noncurrent	103,790	126,392	1,290	582	105,080	126,974
Capital assets	710,634	596,116	126,522	126,279	837,156	722,395
Total assets	<u>1,033,645</u>	<u>996,536</u>	<u>130,717</u>	<u>129,764</u>	<u>1,164,362</u>	<u>1,126,300</u>
Other liabilities	142,422	166,593	7,300	7,295	149,722	173,888
Long-term debt outstanding	768,956	785,041	47,751	50,042	816,707	835,083
Total liabilities	<u>911,378</u>	<u>951,634</u>	<u>55,051</u>	<u>57,337</u>	<u>966,429</u>	<u>1,008,971</u>
Net assets:						
Invested in capital assets net of related debt	344,231	209,091	73,809	71,648	418,040	280,739
Restricted	3,161	3,161	1,291	582	4,452	3,743
Unrestricted	<u>(226,825)</u>	<u>(167,350)</u>	<u>566</u>	<u>197</u>	<u>(226,259)</u>	<u>(167,153)</u>
Total net assets	<u>\$ 120,567</u>	<u>\$ 44,902</u>	<u>\$ 75,666</u>	<u>\$ 72,427</u>	<u>\$ 196,233</u>	<u>\$ 117,329</u>

**City of Bridgeport Asset Composition
6/30/2008**



**City of Bridgeport Asset Composition
6/30/2007**



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

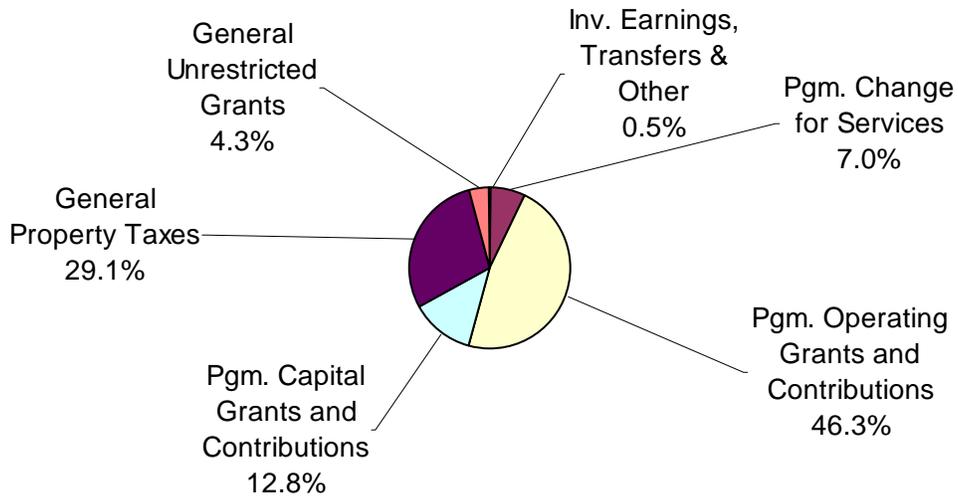
The portion of the City's net assets of \$418,040,000 reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), net of any outstanding debt related to these assets. The City uses these capital assets to provide services to citizens; consequently, these 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, \$4,452,000, represents resources that are subject to external restrictions on how they may be used. Unrestricted net deficits of \$(226,258,570) 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 a net outstanding balance of \$317,825,000. On a government-wide basis, during the year, the City's net assets increased by \$78,903,553 from \$117,329,480 to \$196,233,033. Net assets increased by \$75,664,635 for Governmental Activities and net assets increased by \$3,239,918 for Business-Type Activities. Government-wide expenses were \$653.8 million, while revenues were \$729.4 million. The increase in net assets can primarily be explained by the increase in grant revenue associated with capital projects.

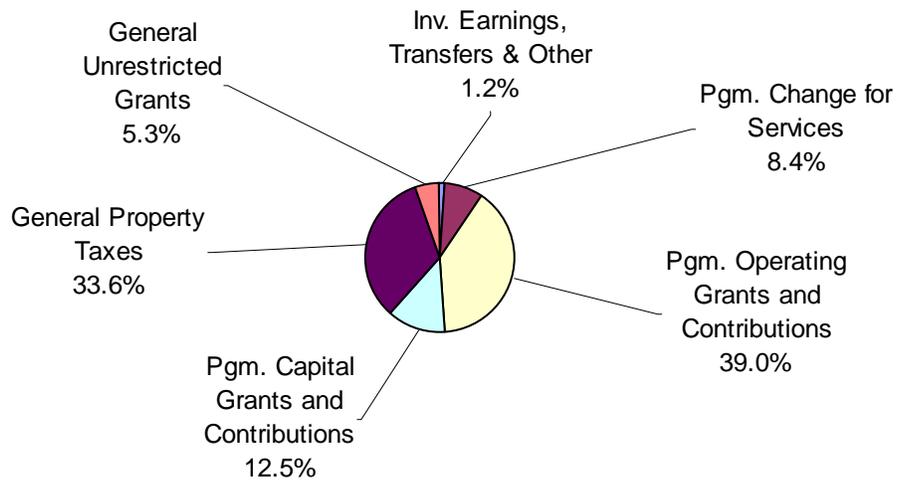
CITY OF BRIDGEPORT, CONNECTICUT
CHANGES IN NET ASSETS
(In Thousands)

	Governmental Activities		Proprietary Activities		Total Government-Wide	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 25,910	\$ 32,004	\$ 27,539	\$ 24,438	\$ 53,449	\$ 56,442
Operating grants and contributions	352,005	262,565			352,005	262,565
Capital grants and contributions	95,537	83,377	1,158	1,156	96,695	84,533
General revenues:						
Property taxes	220,435	226,472			220,435	226,472
Grants not restricted to specific programs	31,463	35,589			31,463	35,589
Unrestricted investment earnings	4,116	8,198			4,116	8,198
Total revenues	<u>729,466</u>	<u>648,205</u>	<u>28,697</u>	<u>25,594</u>	<u>758,163</u>	<u>673,799</u>
Expenses:						
General government	86,824	56,002			86,824	56,002
Protection of person and property	83,787	84,119			83,787	84,119
Conservation of health, charities and hospitals	18,590	20,437			18,590	20,437
Public facilities, parks and recreation	29,265	40,320			29,265	40,320
Operations			25,458	23,880	25,458	23,880
Education	364,901	316,003			364,901	316,003
Interest on long-term debt	40,053	40,704			40,053	40,704
Special services	30,381	25,037			30,381	25,037
Total expenses	<u>653,801</u>	<u>582,622</u>	<u>25,458</u>	<u>23,880</u>	<u>679,259</u>	<u>606,502</u>
Change in net assets	75,665	65,583	3,239	1,714	78,904	67,297
Net Assets, beginning	<u>44,902</u>	<u>(20,681)</u>	<u>72,427</u>	<u>70,713</u>	<u>117,329</u>	<u>50,032</u>
Net Assets, Ending	<u>\$ 120,567</u>	<u>\$ 44,902</u>	<u>\$ 75,666</u>	<u>\$ 72,427</u>	<u>\$ 196,233</u>	<u>\$ 117,329</u>

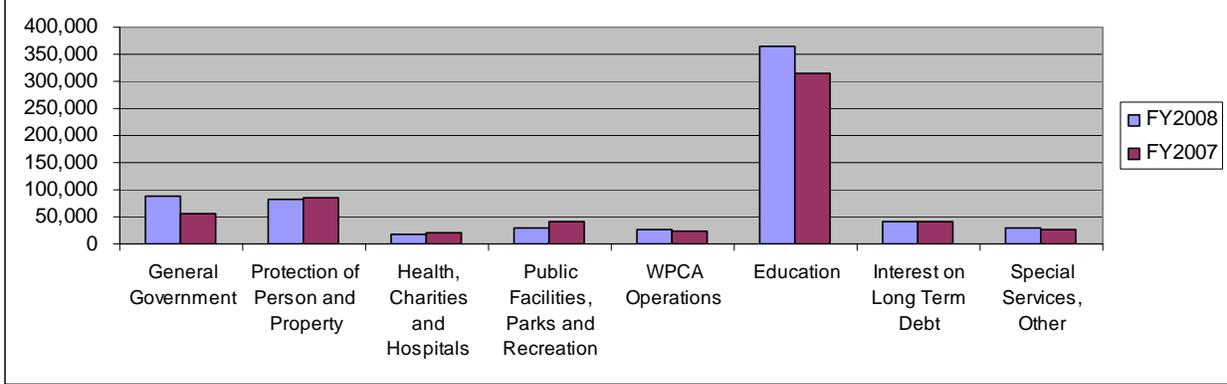
**City of Bridgeport
FY08 Revenues**



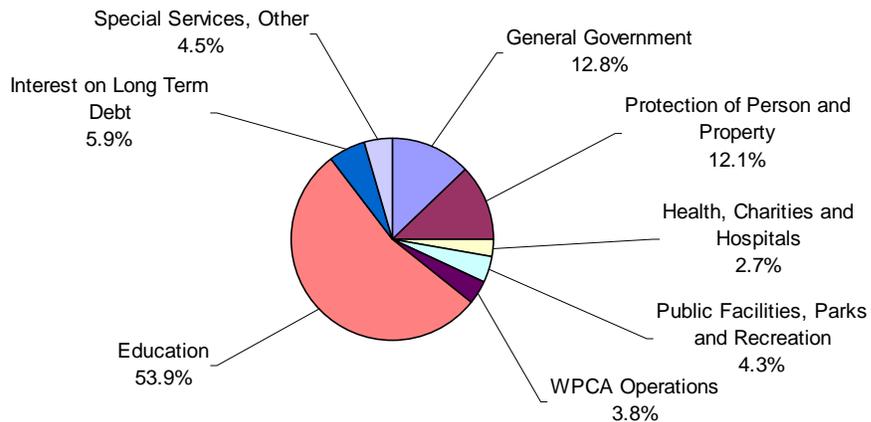
**City of Bridgeport
FY07 Revenues**



City of Bridgeport Primary Government Expenditures FY08 and FY07 (in millions)



City of Bridgeport Expenses-Primary Government - June 30, 2008



Bridgeport’s net assets increased by \$78,903,553 during the fiscal year, with the net assets of Governmental Activities increasing by \$75,664,635 million, and net assets of Business-Type Activities increasing by \$3,238,918. The increase in net assets represents the degree to which increases in revenues have outpaced ongoing expenditures.

Governmental Activities

Program revenues represented 66.1% of total revenues, followed by property taxes at 29.1%, and other unrestricted grants and investment earnings at 4.8%.

Major revenue factors included:

- ◆ Property tax revenues recorded for fiscal year 2008 reflect the incremental increase in the grand list and increased collection efforts.
- ◆ Investment earnings increased in the general fund from \$2,028,011 in the prior fiscal year to \$2,102,063 million for the fiscal year ended June 30, 2008. The \$74,052 increase can be explained through minor interest rates received and the realization of income when adjusting investments to market.
- ◆ Capital grants and contributions increased in the General Fund from \$64,067,911 in the prior fiscal year to \$87,193,304 for the fiscal year ended June 30, 2008.

For Governmental Activities, 53.9% of the City's expenditures relate to education; 12.1% relate to public safety; 4.5% relate to special services; 5.9% relate to interest payments on long-term debt; 4.3% relate to public facilities, parks and recreation; 3.8% related to WPCA operations; 12.8% relate to general government; and 2.7% relate to health and welfare.

Major expenditure factors include:

- ◆ Employee benefit costs rose between 5% and 10% due to rising health insurance costs.
- ◆ During the 2007-2008 budget process, discretionary expenses held stable.
- ◆ Police Overtime increased due to national security alerts and public safety concerns.
- ◆ Governmental activities increased the City's net assets by \$81,448,000.

Business-Type Activities

Water Pollution Control Authority (WPCA) revenue for charges for services went from \$24.4 million in fiscal year 2007 to \$25.4 million in fiscal year 2008.

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 City'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 \$97.8 million, a decrease of \$39.4 million from the prior year. Due to the deficit nature of the total combined unreserved fund balance, only 10.8% of this total amount (which is the \$10.6 million General Fund unreserved fund balance) constitutes unreserved fund balance that is available for spending at the City'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) \$113.5 million to liquidate contracts and purchase orders of the prior period; 2) \$661,212 for endowments.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved (and total) fund balance of the General Fund was \$10.6 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. Unreserved (and total) fund balance represents 3.98% of total General Fund expenditures. For fiscal year ended June 30, 2008 there were no amounts reserved for General Fund encumbrances.

The Capital Bond Issue Fund has a total fund balance of \$77 million down from \$97 million in the prior year. The change in fund balance can be explained by the timing of resources into and out of this fund for ongoing capital projects.

The Other Governmental Funds have a total fund balance of \$7.6 million, down from \$10.2 million in the prior year.

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 \$75.7 million, as compared to \$72.5 million in the prior year.

The unrestricted net assets of the Water Pollution Control Authority were \$566 thousand. The Water Pollution Control Authority experienced operating revenues of \$227.5 million from user fees. There was a total net gain for the WPCA of \$3.1 million before capital contributions of \$1.1 million. The change in net assets for the fiscal year ended June 30, 2008 was \$3.2 million.

General Fund Budgetary Highlights

The difference between the original budget and final amended budget for revenues and other financing sources was \$8.1 million. The additional larger appropriations approved during the year are summarized below.

- ◆ The Education Department's budget was increased by \$8.1 million, due to additional State revenue that the City received in fiscal year 2008.
- ◆ General government budget was decreased by \$1.38 million primarily due to decreases in supportive contributions to outlying agencies.
- ◆ Protection of person and property was increased by \$1.3 million to fund increased overtime expenses.
- ◆ Public facilities increased by \$.54 million, as a result of increased cost of utilities.

During the year, actual revenues and other financing sources on a budgetary basis were \$457 million. This was approximately \$12.5 million under the modified budgetary estimate. Actual tax revenues were \$180 thousand under budget. Overall, actual intergovernmental revenue was \$9.5 million under budgetary estimates primarily due to less than anticipated revenues granted to the city through various state programs coupled with a failed land disposition agreement. In addition, investment income was \$586 thousand less than the \$1.8 million that had been budgeted. Assignments under the Town Clerk was also \$2.1 million less than the \$4.3 million budgeted due to the reduction of fees associated with property transfers. Some of these underperforming revenues were offset by other revenue categories that came in over the budgeted amount. Building Department revenues tracked \$1.15 million over the budget due to

the expansion at St. Vincents Hospital. Police Department revenues were also ahead of schedule by \$1.4 million primarily attributed to outside overtime and the 345KV line.

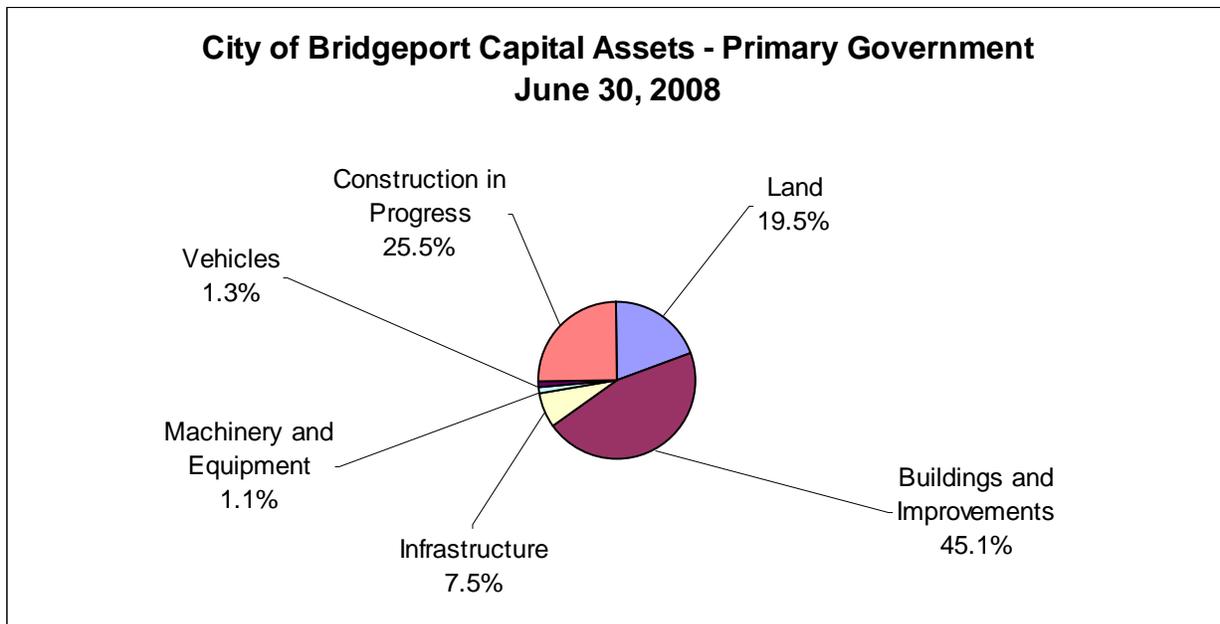
Actual expenditures on a budgetary basis and other financing uses totaled \$476.3 million, which were more than actual revenues and other financing sources on a budgetary basis by \$18.7 million.

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, 2008, amounted to \$837,156 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 \$114.7 million.

CITY OF BRIDGEPORT, CONNECTICUT
CAPITAL ASSETS (Net of Depreciation)
(In Thousands)

	Governmental Activities		Proprietary Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Land	\$ 138,852	\$ 132,575	\$	\$	\$ 138,852	\$ 132,575
Buildings and improvements	320,276	265,117	62,540	64,673	382,816	329,790
Infrastructure	53,549	44,092			53,549	44,092
Equipment, distribution and collection systems	7,666	7,679	59,443	55,445	67,109	63,124
Vehicles	9,199	10,237	376	148	9,575	10,385
Construction in progress	181,092	136,416	4,163	6,013	185,255	142,429
Total	\$ 710,634	\$ 596,116	\$ 126,522	\$ 126,279	\$ 837,156	\$ 722,395



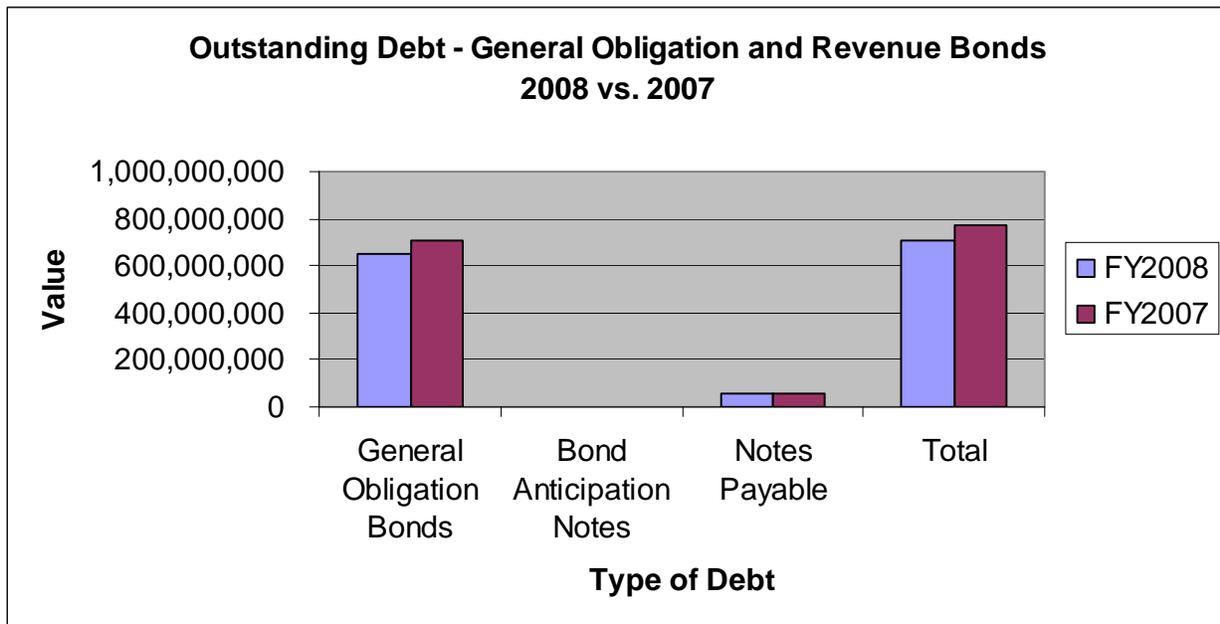
Major capital asset events during the current fiscal year included the following:

- ◆ Construction, 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.
- ◆ Acquisition of parcels for ongoing city development projects.

Additional information on the City’s capital assets can be found in Note 7 on pages 44-45 of this report.

**CITY OF BRIDGEPORT, CONNECTICUT
OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 684,228,000	\$ 710,460,000	\$ 490,000	\$ 490,000	\$ 684,718,000	\$ 710,950,000
Notes payable	5,649,000	6,335,000	51,222,939	54,341,807	56,871,939	60,676,807
Totals	<u>\$ 689,877,000</u>	<u>\$ 716,795,000</u>	<u>\$ 51,712,939</u>	<u>\$ 54,831,807</u>	<u>\$ 741,589,939</u>	<u>\$ 771,626,807</u>



Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$684,228,000. 100% of this debt is backed by the full faith and credit of the City government. The Water Pollution Control Authority is expected to reimburse the city \$490,000 through user fee charges, the bonds for WPCA capital projects were issued through the city in June 2007.

The City's total debt decreased by \$30 million during fiscal 2008.

Moody's Investors Service, Inc. (Moody's), Standard & Poor's Rating Group (Standard & Poor's) and FitchRatings, 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 assigned the underlying ratings for the City's uninsured general obligation debt as "Baa1", "A-" and "A-", respectively.

The overall statutory debt limit for the City is equal to seven times annual receipts from taxation or \$1.59 billion. As of June 30, 2008, the City recorded long-term debt of \$689.8 million related to Governmental Activities and \$51.7 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 9 on pages 46-48 of this report.

Economic Factors and Next Year's Budgets and Rates

The City, surrounding towns, and the State have not been immune from the effects of the national economic downturn but all are starting to show a small decline in their unemployment rate. As of June 30, 2008, the unemployment rate for the Bridgeport Labor Market Area was 8.6%, up from 6.65% in the prior year. Connecticut's overall unemployment rate increased to 4.35% from 4.30%, compared with the same period for the previous year.

GASB Statements 43 and 45 Requirements

The City is in compliance with the requirements of GASB Statements 43 and 45, which require municipalities and other governmental entities to undertake an actuarial evaluation of their other post-employment benefit (OPEB) plans and include information concerning the valuation of such plans in their financial statements. Currently, the City funds its OPEB costs on a pay-as-you-go basis. For fiscal year ended June 30, 2008, \$29,605,000 was budgeted for OPEB costs. The City has retained an outside actuarial consulting firm to prepare an initial valuation of its OPEB plans. Based on this initial assessment, the City's estimated unfunded Actuarial Accrued Liability for its OPEB plans is \$874,662,000, and the estimated Annual Required Contribution is \$47,314,000 with a net OPEB obligation of \$17,709,000.

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.

Basic Financial Statements

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2008

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 118,242,849	\$ 910,493	\$ 119,153,342
Temporarily restricted cash and cash equivalents	2,500,000		2,500,000
Investments	2,102,063		2,102,063
Receivables, net of allowances for collection losses:			
Property taxes	28,859,906		28,859,906
Sewer user fees and liens		6,334,057	6,334,057
Federal and state governments	53,296,129		53,296,129
Other	8,744,971	1,075,495	9,820,466
Internal balances	5,415,614	(5,415,614)	-
Due from fiduciary fund	59,789		59,789
Total current assets	<u>219,221,321</u>	<u>2,904,431</u>	<u>222,125,752</u>
Noncurrent:			
Temporarily restricted cash and cash equivalents		1,290,387	1,290,387
Deferred charges, net of accumulated amortization	16,590,311		16,590,311
Capital assets not being depreciated	319,943,678	4,163,006	324,106,684
Capital assets being depreciated, net of depreciation	390,690,095	122,359,204	513,049,299
Pension assets	87,200,003		87,200,003
Total noncurrent assets	<u>814,424,087</u>	<u>127,812,597</u>	<u>942,236,684</u>
Total assets	<u>1,033,645,408</u>	<u>130,717,028</u>	<u>1,164,362,436</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	65,378,597	2,338,068	67,716,665
Current maturities of long-term obligations	42,483,508	4,962,269	47,445,777
Claims incurred but not reported	6,594,595		6,594,595
Unearned revenues	14,582,994		14,582,994
Accrued interest payable	15,083,027		15,083,027
Total current liabilities	<u>144,122,721</u>	<u>7,300,337</u>	<u>151,423,058</u>
Noncurrent liabilities:			
Due in more than one year	<u>768,955,675</u>	<u>47,750,670</u>	<u>816,706,345</u>
Total liabilities	<u>913,078,396</u>	<u>55,051,007</u>	<u>968,129,403</u>
Net Assets:			
Investment in capital assets, net of related debt	344,230,733	73,809,271	418,040,004
Restricted for:			
Debt service and capital improvements		1,290,387	1,290,387
Permanent funds, expendable	108,681		108,681
Permanent funds, nonexpendable	552,531		552,531
Self-insured claims	2,500,000		2,500,000
Unrestricted	<u>(226,824,933)</u>	<u>566,363</u>	<u>(226,258,570)</u>
Total Net Assets	<u>\$ 120,567,012</u>	<u>\$ 75,666,021</u>	<u>\$ 196,233,033</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF ACTIVITIES

JUNE 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ (86,823,753)	\$ 8,914,116	\$ 11,467	\$	\$ (77,898,170)	\$	\$ (77,898,170)
Protection of person and property	(83,787,624)	9,856,899			(73,930,725)		(73,930,725)
Conservation of health	(18,589,707)	817,350	14,951,983		(2,820,374)		(2,820,374)
Public facilities	(23,239,850)	2,985,124	1,528,445	8,343,237	(10,383,044)		(10,383,044)
Education	(364,900,855)	1,018,406	309,252,770	87,193,304	32,563,625		32,563,625
Parks and recreation	(6,024,774)	2,318,393			(3,706,381)		(3,706,381)
Special services	(30,381,114)		25,264,404		(5,116,710)		(5,116,710)
Interest on long-term debt	(40,053,878)		995,694		(39,058,184)		(39,058,184)
Total governmental activities	<u>(653,801,555)</u>	<u>25,910,288</u>	<u>352,004,763</u>	<u>95,536,541</u>	<u>(180,349,963)</u>		<u>(180,349,963)</u>
Business-type activities:							
Water Pollution Control Authority	<u>(25,457,947)</u>	<u>27,538,494</u>		<u>1,158,371</u>		<u>3,238,918</u>	<u>3,238,918</u>
Total	<u>\$ (679,259,502)</u>	<u>\$ 53,448,782</u>	<u>\$ 352,004,763</u>	<u>\$ 96,694,912</u>	<u>(180,349,963)</u>	<u>3,238,918</u>	<u>(177,111,045)</u>
			General revenues:				
			Property taxes		220,435,186		220,435,186
			Grants and contributions not restricted to specific programs		31,463,627		31,463,627
			Unrestricted investment earnings		<u>4,115,785</u>		<u>4,115,785</u>
			Total general revenues		<u>256,014,598</u>		<u>256,014,598</u>
			Change in net assets		75,664,635	3,238,918	78,903,553
			Net assets, July 1, 2007, as Restated		<u>44,902,377</u>	<u>72,427,103</u>	<u>117,329,480</u>
			Net Assets, June 30, 2008		<u>\$ 120,567,012</u>	<u>\$ 75,666,021</u>	<u>\$ 196,233,033</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2008

	<u>General</u>	<u>Board of Education</u>	<u>Capital Bond Issue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 21,935,216	\$	\$ 86,830,953	\$ 8,685,348	\$ 117,451,517
Investments				2,102,063	2,102,063
Receivables, net of allowances for collection losses:					
Property taxes	28,859,906				28,859,906
Intergovernmental	37,735,977		83,600	15,476,552	53,296,129
Other	4,252,004		81,358	3,819,433	8,152,795
Due from other funds	<u>20,909,172</u>	<u>2,789,017</u>	<u>9,832,092</u>	<u>7,288,617</u>	<u>40,818,898</u>
Total Assets	<u>\$ 113,692,275</u>	<u>\$ 2,789,017</u>	<u>\$ 96,828,003</u>	<u>\$ 37,372,013</u>	<u>\$ 250,681,308</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 21,535,702	\$	\$ 14,698,910	\$ 7,024,767	\$ 43,259,379
Accrued liabilities	18,056,702		850,936	795,684	19,703,322
Due to other funds	19,928,474		4,495,687	8,330,738	32,754,899
Deferred revenues	<u>43,566,295</u>			<u>13,623,553</u>	<u>57,189,848</u>
Total liabilities	<u>103,087,173</u>	<u>-</u>	<u>20,045,533</u>	<u>29,774,742</u>	<u>152,907,448</u>
Fund balances:					
Reserved for:					
Encumbrances		2,789,017	93,439,553	17,298,967	113,527,537
Reserve for endowments- permanently restricted				661,212	661,212
Unreserved, reported in:					
General fund	10,605,102				10,605,102
Special revenue funds				(14,537,239)	(14,537,239)
Capital projects funds			(16,657,083)	4,138,758	(12,518,325)
Permanent trust funds				35,573	35,573
Total fund balances	<u>10,605,102</u>	<u>2,789,017</u>	<u>76,782,470</u>	<u>7,597,271</u>	<u>97,773,860</u>
Total Liabilities and Fund Balances	<u>\$ 113,692,275</u>	<u>\$ 2,789,017</u>	<u>\$ 96,828,003</u>	<u>\$ 37,372,013</u>	<u>\$ 250,681,308</u>

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2008

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets:

Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because of the following:

Fund balances - total governmental funds	\$ 97,773,860
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 918,806,801	
Less accumulated depreciation	<u>(208,173,028)</u>	
Net capital assets		710,633,773

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:

Net pension asset	87,200,003
Property tax receivables greater than 60 days	13,323,877
Interest receivable on property taxes	14,753,685
Bond issuance costs	16,590,311
Receivable from the state for school construction projects	14,529,292

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.

(7,715,579)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Net pension obligation	(2,184,748)
Bonds and notes payable	(689,877,000)
Interest payable on bonds and notes	(15,083,027)
Compensated absences	(28,081,104)
Landfill closure	(228,588)
Deferred charges on refunding	(12,652,338)
OPEB obligation	(17,709,000)
Claims and judgments	<u>(60,706,405)</u>

Net Assets of Governmental Activities (Exhibit I)	\$ <u><u>120,567,012</u></u>
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The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

	<u>General</u>	<u>Board of Education</u>	<u>Capital Bond Issue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 227,028,207	\$	\$	\$	\$ 227,028,207
Intergovernmental	209,554,648	86,857,919	95,519,533	83,308,156	475,240,256
Fees, permits and licenses	19,942,980				19,942,980
Interest	1,213,956		2,614,981	286,848	4,115,785
Other	6,586,425		846,424	3,689,840	11,122,689
Total revenues	<u>464,326,216</u>	<u>86,857,919</u>	<u>98,980,938</u>	<u>87,284,844</u>	<u>737,449,917</u>
Expenditures:					
Current:					
General government	76,931,974			218,965	77,150,939
Protection of person and property	72,907,644				72,907,644
Conservation of health	12,390,665			6,093,137	18,483,802
Public facilities	27,997,221				27,997,221
Charities and hospitals	184,968				184,968
Education		303,096,034		54,481,073	357,577,107
Parks and recreation	5,675,667				5,675,667
Special services	1,897,346			29,048,600	30,945,946
Debt service:					
Principal retirements	26,232,000				26,232,000
Interest and other charges	41,521,922				41,521,922
Capital outlay			118,106,155	29,876	118,136,031
Total expenditures	<u>265,739,407</u>	<u>303,096,034</u>	<u>118,106,155</u>	<u>89,871,651</u>	<u>776,813,247</u>
Excess (Deficiency) of Revenues over Expenditures	<u>198,586,809</u>	<u>(216,238,115)</u>	<u>(19,125,217)</u>	<u>(2,586,807)</u>	<u>(39,363,330)</u>
Other Financing Sources (Uses):					
Transfers in	1,000,000	218,222,813			219,222,813
Transfers out	(218,222,813)		(1,000,000)		(219,222,813)
Total other financing sources (uses)	<u>(217,222,813)</u>	<u>218,222,813</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(18,636,004)	1,984,698	(20,125,217)	(2,586,807)	(39,363,330)
Fund Balances at Beginning of Year, as Restated	<u>29,241,106</u>	<u>804,319</u>	<u>96,907,687</u>	<u>10,184,078</u>	<u>137,137,190</u>
Fund Balances at End of Year	<u>\$ 10,605,102</u>	<u>\$ 2,789,017</u>	<u>\$ 76,782,470</u>	<u>\$ 7,597,271</u>	<u>\$ 97,773,860</u>

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

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

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (39,363,330)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	129,094,192
Depreciation expense	(14,028,588)

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 differs from the change in fund balance by the cost of the assets sold.	(547,503)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts	(1,390,706)
Property tax receivable - accrual basis change	(4,977,261)
Property tax interest and lien revenue - accrual basis change	(1,615,760)

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 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 amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond and note principal payments	26,918,000
Capital lease payments	8,247

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 the governmental funds:

Compensated absences	6,383,159
Claims and judgments	(2,670,148)
Accrued interest	2,360,484
Amortization of deferred charge on refunding	(892,440)
OPEB Obligation	(17,709,000)
Net pension expense	(4,051,201)
Landfill post closure care	24,806

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.	(1,878,316)
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Change in Net Assets of Governmental Activities (Exhibit II)	\$ 75,664,635
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The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT

EXHIBIT V

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN UNRESERVED
FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues and Other Financing Sources:				
Property taxes	\$ 227,208,764	\$ 227,208,764	\$ 227,028,207	\$ (180,557)
Intergovernmental	203,233,544	211,367,774	201,899,425	(9,468,349)
Fees, permits and licenses	20,427,075	20,427,075	19,942,980	(484,095)
Interest	1,800,000	1,800,000	1,213,956	(586,044)
Other	8,408,300	8,408,300	6,586,425	(1,821,875)
Transfers in	1,000,000	1,000,000	1,000,000	-
Total revenue and other financing sources	<u>462,077,683</u>	<u>470,211,913</u>	<u>457,670,993</u>	<u>(12,540,920)</u>
Expenditures, Encumbrances and Other				
Financing Uses:				
General government	77,430,718	76,049,573	76,931,974	(882,401)
Protection of person and property	65,059,202	66,262,463	72,907,644	(6,645,181)
Conservation of health	5,265,562	5,318,191	4,735,442	582,749
Public facilities	28,262,900	28,317,423	27,997,221	320,202
Charities and hospitals	199,618	203,238	184,968	18,270
Education	210,349,218	218,483,448	218,222,812	260,636
Parks and recreation	5,606,817	5,672,267	5,675,668	(3,401)
Special services	2,005,208	2,006,870	1,897,346	109,524
Debt service	67,852,430	67,852,430	67,753,922	98,508
Total expenditures, encumbrances and other financing uses	<u>462,031,673</u>	<u>470,165,903</u>	<u>476,306,997</u>	<u>(6,141,094)</u>
Revenue and other financing sources over (under) expenditures, encumbrances and other financing uses	<u>\$ 46,010</u>	<u>\$ 46,010</u>	(18,636,004)	<u>\$ (18,682,014)</u>
Unreserved Fund Balance, July 1, 2007			<u>29,241,106</u>	
Unreserved Fund Balance, June 30, 2008			<u>\$ 10,605,102</u>	

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT

EXHIBIT VI

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2008

	<u>Business-Type Activities Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
Assets:		
Current:		
Cash and cash equivalents	\$ 910,493	\$ 791,332
Receivables, net of allowances for collection losses:		
Unbilled usage charges	6,334,057	
Other receivables	<u>1,075,495</u>	<u>592,176</u>
Total current assets	<u>8,320,045</u>	<u>1,383,508</u>
Noncurrent:		
Restricted cash and cash equivalents	1,290,387	2,500,000
Capital assets not being depreciated	4,163,006	
Capital assets being depreciated, net of accumulated depreciation	<u>122,359,204</u>	
Total noncurrent assets	<u>127,812,597</u>	<u>2,500,000</u>
 Total assets	 <u>136,132,642</u>	 <u>3,883,508</u>
Liabilities:		
Current:		
Current portion of long-term debt	4,962,269	
Accounts payable and accrued expenses	1,520,385	2,415,896
Accrued interest payable	102,960	
Construction contracts payable	710,223	
Due to other funds	5,415,614	2,588,596
Deferred revenue	4,500	
Claims incurred but not reported		<u>6,594,595</u>
Total current liabilities	<u>12,715,951</u>	<u>11,599,087</u>
Noncurrent:		
Long-term debt less current portion	<u>47,750,670</u>	
 Total liabilities	 <u>60,466,621</u>	 <u>11,599,087</u>
Net Assets:		
Invested in capital assets, net of related debt	73,809,271	
Restricted for debt service and capital improvements	1,290,387	
Restricted for self-insured claims		2,500,000
Unrestricted	<u>566,363</u>	<u>(10,215,579)</u>
 Total Net Assets	 <u>\$ 75,666,021</u>	 <u>\$ (7,715,579)</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT

EXHIBIT VII

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS**

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Operating revenues:		
Sewer user fees	\$ 26,228,138	\$
Charges for services		84,195,390
Total operating revenues	<u>26,228,138</u>	<u>84,195,390</u>
Operating expenses:		
Operation and maintenance	17,491,047	
Provision for doubtful accounts	889,488	
Depreciation	6,061,423	
Claims incurred		86,073,706
Total operating expenses	<u>24,441,958</u>	<u>86,073,706</u>
Operating income (loss)	<u>1,786,180</u>	<u>(1,878,316)</u>
Nonoperating revenue (expense):		
Interest income	78,618	
Interest expense	(1,015,989)	
Other income	1,231,738	
Total nonoperating revenue	<u>294,367</u>	<u>-</u>
Income (loss) before capital contributions	2,080,547	(1,878,316)
Capital contributions	<u>1,158,371</u>	<u>-</u>
Change in Net Assets	3,238,918	(1,878,316)
Total Net Assets, July 1, 2007	<u>72,427,103</u>	<u>(5,837,263)</u>
Total Net Assets, June 30, 2008	\$ <u>75,666,021</u>	\$ <u>(7,715,579)</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund
Cash flows from operating activities:		
Receipts from customers and users	\$ 24,631,563	\$
Payments to suppliers	(16,529,205)	
Payments to employees	(631,240)	
Other income	1,231,738	
Cash received from charges for services		85,684,079
Cash paid to vendors and beneficiaries		(85,376,069)
Net cash provided by operating activities	8,702,856	308,010
Cash flows from capital and related financing activities:		
Principal payments on debt	(4,944,387)	
Interest paid on debt	(1,093,670)	
Proceeds from notes payable	2,825,519	
Proceeds received on capital grants	1,158,371	
Purchase of capital assets	(6,226,976)	
Net cash used in capital and related financing activities	(8,281,143)	-
Cash flows from investing activities:		
Interest received on investments	78,618	
Net cash provided by investing activities	78,618	-
Net increase (decrease) in cash and cash equivalents	500,331	308,010
Cash and cash equivalents at beginning of year	1,700,549	2,983,322
Cash and Cash Equivalents at End of Year	\$ 2,200,880	\$ 3,291,332
Reconciliation to Statement of Net Assets:		
Cash and cash equivalents	\$ 910,493	\$ 791,332
Restricted cash and cash equivalents	1,290,387	2,500,000
	\$ 2,200,880	\$ 3,291,332
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ 1,786,180	\$ (1,878,316)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Other income	1,231,738	
Depreciation	6,061,423	
Provision for doubtful accounts	889,488	
Changes in assets and liabilities:		
Increase in accounts receivable and unbilled usage charges	(1,379,381)	
Increase in other receivables	(217,194)	(507,015)
(Increase) decrease in due from other funds	109,082	1,995,704
Decrease in accrued expenses	(167,015)	
Increase in due to other funds	388,535	2,588,596
Decrease in claims payable		(1,110,008)
Decrease in accounts payable		(780,951)
Net Cash Provided by Operating Activities	\$ 8,702,856	\$ 308,010

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2008

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
Assets:		
Cash and cash equivalents	\$ 26,517,502	\$ 321,467
Investments:		
U.S. Government Agency Bonds	3,290,932	
U.S. Government Security Bonds	47,152,910	
Corporate Bonds	17,788,081	
Common Stocks	72,737,151	
Private Hedge Fund	15,009,880	
Mutual Funds - Equities	54,186,244	
Equity Securities	125,427,103	
International Bonds	20,244,147	
Total investments	<u>355,836,448</u>	<u>-</u>
Due from other funds	<u>54,019</u>	<u>-</u>
Contributions receivable	<u>4,414,613</u>	<u>-</u>
Total assets	<u>386,822,582</u>	<u>321,467</u>
Liabilities:		
Due to other funds	113,808	
Other liabilities	6,457	
Due to student groups		321,467
	<u>120,265</u>	<u>321,467</u>
Net Assets	<u>\$ 386,702,317</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Pension Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 12,640,429
Plan members	2,776,503
Annuity proceeds	3,054,632
Total contributions	<u>18,471,564</u>
Investment income (loss):	
Net depreciation in fair value of investments	(9,705,086)
Interest and dividends	12,179,027
	<u>2,473,941</u>
Less investment expenses:	
Investment management fees	<u>(1,009,878)</u>
Net investment income	<u>1,464,063</u>
Total additions	19,935,627
Deductions:	
Benefits	<u>41,203,085</u>
Net decrease	(21,267,458)
Net assets held in trust for pension benefits, beginning of year	<u>407,969,775</u>
Net Assets Held in Trust for Pension Benefits, End of Year	<u>\$ 386,702,317</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 the Codification, Section 2100, have been considered and, as a result, there are no agencies or entities that should be, but are not, combined with the basic financial statements of the City.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) 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 though 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.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are 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. Intergovernmental grants and entitlements 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. Expenditures are generally recorded when a liability is incurred, except for debt service expenditures, and expenditures related to compensated absences and claims and judgments which are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenues when eligibility requirements are met, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the City.

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 Capital Bond Issue Fund accounts for various construction projects that are funded out of proceeds from the capital bond issues and other sources of revenue.

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.

The agency fund accounts for monies held as a custodian for outside groups.

The internal service fund accounts for the revenues and related expenses for the health self-insurance plan for the employees and retirees of the City.

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 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 include the cost of operations and maintenance, 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 City'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 primarily stated at fair value using quoted market prices. The majority of the City's investments are in the General Fund and Pension Trust Funds. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7 investment pool. The fair value of the position in the pool is the same as the value of the pool shares. These investments are stated at amortized cost.

The City also invests in hedge funds, commonly known as alternative investments. The City's investment policy allows for such investments. All assets are carried at fair value based upon the underlying assets of the funds. Losses are incurred only up to the assets invested.

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

In the government-wide and proprietary fund financial statements, capital assets include property, plant, equipment and infrastructure assets. 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 cost. Donated capital assets are recorded at 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 \$1,094,000. Of this amount, \$78,000 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:

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

In the governmental fund financial statements, capital assets are reported as expenditures and no depreciation expense is reported.

Claims and judgments

This liability relates to the City's self-insurance programs. In the government-wide and proprietary fund financial statements, the obligation consists of claims incurred and incurred but not reported for 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. A liability and an expenditure are recognized in the governmental fund financial statements only when payment is due. The liability is typically paid out of the General Fund or the Internal Service Fund for health insurance claims.

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 and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability is typically paid out of the General Fund.

Long-term obligations

In the government-wide financial statements and proprietary 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.

The governmental fund financial statements 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. Annual pension cost expenditures are recognized when they are paid or are expected to be paid with current available resources. The liability is typically paid out of the general fund. The net 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 amount not restricted for any project or other purpose or the deficiency that will need to be provided for from future operations.

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 is not available for appropriation or has been legally segregated for specific purposes.

Unreserved fund balance - indicates that portion of fund equity which is available for appropriation and expenditure in future periods or the deficiency that will require funding from future operations.

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.

2. 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 has 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 \$8,134,230 were adopted during the year ended June 30, 2008. 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 and Board of Education 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 and Board of Education 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 and Board of Education 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 Transfers In	Expenditures and Transfers Out
Balance, GAAP basis fund financial statements	\$ 552,184,135	\$ 568,835,441
State Teachers' Retirement payments made by State Department of Education on behalf of the City, not recognized for budgetary purposes	(81,672,165)	(81,672,165)
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	(7,655,223)	(7,655,223)
Excess cost payments made by State Department of Education on behalf of the City, not recognized for budgetary purposes	(5,185,754)	(5,185,754)
Encumbrances:		
June 30, 2007		(804,319)
June 30, 2008		2,789,017
	\$ 457,670,993	\$ 476,306,997
Balance, Budgetary Basis		

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

During the year ended June 30, 2008, the following line items overexpended their appropriations:

	<u>Final</u> <u>Appropriations</u>	<u>Expenditures,</u> <u>Encumbrances and</u> <u>Other Financing Uses</u>	<u>Balance</u> <u>Overexpended</u>
City attorney	\$ 3,007,063	\$ 4,487,199	\$ (1,480,136)
Registrar of voters	467,569	576,181	(108,612)
Pensions	11,035,782	11,680,571	(644,789)
Fringe benefits	3,462,500	4,000,348	(537,848)
Supportive contributions	713,217	716,915	(3,698)
Chief administrative officer	273,563	273,964	(401)
Police department	43,158,843	47,927,779	(4,768,936)
Fire department	22,995,470	24,910,363	(1,914,893)
Dental hygiene	340,627	343,900	(3,273)
City engineer	425,655	430,379	(4,724)
Landfill operation	67,750	68,096	(346)
Construction management services		721,787	(721,787)
Pupil services	12,319,868	12,785,738	(465,870)
BOE administration	2,690,543	2,692,654	(2,111)
Nutrition center	11,861,207	12,457,547	(596,340)
Recreation	776,594	887,090	(110,496)

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.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute, or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank,” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds

is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

A. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at June 30, 2008:

Deposits:		
Demand accounts	\$	81,740,814
Petty cash		1,200
Cash equivalents:		
State Tax Exempt Proceeds Fund (TEPF)		44,204,461
State Short-Term Investment Fund (STIF)		23,474,286
Financial Investors Trust Portfolio Money Market Fund		<u>361,937</u>
Total Cash and Cash Equivalents	\$	<u>149,782,698</u>

Deposits

At June 30, 2008, the carrying amount of the City deposits was \$81,740,814 and the bank balance was \$82,779,254.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. Of the June 30, 2008 bank balance, \$1,162,572 was covered by federal depository insurance. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk based capital ratio. A minimum of \$8,161,668 based on June 30, 2008 deposits was collateralized (collateral held by the pledging bank's trust department is not in the City's name). The balance of deposits of \$73,455,014 was uninsured and uncollateralized.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2008 the City's cash equivalents amounted to \$68,040,684. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard and Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
State Tax Exempt Proceeds Fund (TEPF)*	
Financial Investors Trust Portfolio Money Market Fund	AAAm

*Not rated

Cash and cash equivalents are restricted for the following uses at June 30, 2008:

Proprietary Fund:	
Self Insurance Programs	\$ 2,500,000
Enterprise Fund:	
Debt Service and Capital Improvements	<u>1,290,387</u>
Total	<u>\$ 3,790,387</u>

B. Investments

The investment and credit risk policies of the City conform to the policies as set forth by the State of Connecticut. The City policy allows investments in the pension funds in the following: 1) equity securities, including exchange-traded and over-the-counter common and preferred stocks, warrants, rights, convertible securities, depository receipts and shares, trust certificates, limited partnership interests, shares of other investment companies and real estate investment trusts and equity participations; 2) securities of certain foreign entities and securities quoted or denominated in foreign currencies; 3) fixed income securities, including bonds, notes, mortgage-related and asset-backed securities, CMOs, convertible securities, Eurodollar and Yankee dollar instruments, preferred stocks and money market instruments subject to approved issuance requirements and credit and diversification restrictions; 4)* fixed income securities that are within approved credit ratings; 5)* unrated securities of the U.S. Treasury and U.S. Government Agencies are permitted; 6)* money market funds and money market instruments of an investment grade commonly held in money market funds such as repurchase agreements, banker's acceptances, and commercial paper; 7)* SEC registered mutual funds and bank and insurance company commingled funds that invest in stocks and bonds; 8)* closed end SEC registered mutual funds that invest within the overall policy of allowable investments; 9) real estate properties determined to be appropriate for investment, including appropriate limited partnerships and real estate investment trusts; 10) futures contracts only when used by the Fund as a hedge against portfolio loss, or if used by an equity index fund as a temporary substitute for investment in equity securities, or if used by a debt index fund as a temporary substitute for investment in debt securities; and 11) notwithstanding other limitations

included herein, assets may be invested in certain hedge fund investments subject to the guidelines set forth in the Supplemental Investment Policy Statement for Hedge Fund Investments that may be adopted by the Trustees. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund.

* Investments in the General Fund are restricted to the investment types marked by an asterisk

The City and the pension funds do not have a custodial credit risk policy for investments.

The pension fund asset allocation parameters are as follows:

Equities	64.0%
Fixed Income	23.5%
Hedge Fund Investments	10.0%
Cash	2.5%

Interest Rate Risk: The City and pension funds have policies to limit their exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools.

Concentrations: The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Custodial Credit Risk: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Investments of the City consist of the following at June 30, 2008:

Investments:

Permanent Trust Fund:

Mutual Funds	\$ 95,956
U.S. Government Securities	492,697 *
	<u>588,653</u>

Special Revenue Fund:

U.S. Government Securities	771,858 *
Mutual Funds	741,552 *
	<u>1,513,410</u>

Pension Trust Funds:

U.S. Government Agencies	3,290,932 *
Corporate Bonds	17,788,081 *
U.S. Government Securities	47,152,910 *
Equity Securities	125,427,103 *
Common and Preferred Stocks	72,737,151 *
Mutual Funds	54,186,244
Private Hedge Fund	15,009,880
International Bonds	20,244,147
	<u>355,836,448</u>

Total Investments	\$ <u>357,938,511</u>
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* These investments are uninsured and unregistered, with securities held by the counterpart trust department or agent, but not in the City's name.

Cash and investments are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and cash equivalents	\$ 119,153,342
Restricted cash and cash equivalents	3,790,387
Investments	2,102,063
	<u>125,045,792</u>

Fiduciary funds:

Cash and cash equivalents	26,838,969
Investments	355,836,448
	<u>382,675,417</u>

Total Cash and Investments	\$ <u>507,721,209</u>
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Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the City's debt type investments to this risk using the segmented time distribution model is as follows:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Type of Investment:					
U.S. Government Agencies	\$ 3,290,932	\$ 447,131	\$ 1,521,311	\$ 1,096,234	\$ 226,256
Pooled Fixed Income	68,040,684	68,040,684			
Corporate Bonds	17,788,081	418,191	6,967,574	8,532,752	1,869,564
U.S. Government Securities	47,152,910	5,496,377	16,584,749	15,912,060	9,159,724
Total	\$ <u>136,272,607</u>	\$ <u>74,402,383</u>	\$ <u>25,073,634</u>	\$ <u>25,541,046</u>	\$ <u>11,255,544</u>

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Corporate Bonds	U.S. Government Agency Obligation	Pooled Fixed Income
AAA	\$ 1,516,231	\$ 3,290,932	\$ 23,836,223
AA+	150,438		
AA	866,936		
AA-	2,026,922		
A+	3,156,512		
A	2,933,242		
A-	2,602,506		
BBB+	2,632,677		
BB+	128,600		
BB	464,518		
BBB	739,631		
BBB-	179,105		
Unrated	390,763		44,204,461
	\$ <u>17,788,081</u>	\$ <u>3,290,932</u>	\$ <u>68,040,684</u>

4. RECEIVABLES - FUND BASIS

Receivables at June 30, 2008 for the City's individual major funds and nonmajor and fiduciary funds in aggregate, including the applicable allowances for collection losses, are as follows:

	<u>General</u>	<u>Capital Bond Issue</u>	<u>Enterprise</u>	<u>Nonmajor and Other Funds</u>	<u>Pension Trust Funds</u>	<u>Totals</u>
Property taxes	\$ 35,903,924	\$	\$	\$	\$	\$ 35,903,924
Interest on property taxes	14,753,685					14,753,685
Contributions					4,414,613	4,414,613
Sewer user fees			10,923,140			10,923,140
Intergovernmental	37,735,977	83,600		15,476,552		53,296,129
Other	4,252,004	81,358	1,075,495	4,411,609		9,820,466
Gross receivables	<u>92,645,590</u>	<u>164,958</u>	<u>11,998,635</u>	<u>19,888,161</u>	<u>4,414,613</u>	<u>129,111,957</u>
Less allowance for collection losses	<u>21,797,703</u>		<u>4,589,083</u>			<u>26,386,786</u>
Net Receivables	<u>\$ 70,847,887</u>	<u>\$ 164,958</u>	<u>\$ 7,409,552</u>	<u>\$ 19,888,161</u>	<u>\$ 4,414,613</u>	<u>\$ 102,725,171</u>

5. INTERFUND ACCOUNTS

As of June 30, 2008, amounts due from and to other funds were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 20,909,172	\$ 19,928,474
BOE Fund	2,789,017	-
Capital Bond Issue Fund	9,832,092	4,495,687
Special revenue funds:		
Education grants	3,599,584	
Health and sanitation		245,116
Community development		359,519
Other programs	2,060,198	
Social services		188,152
Community Development Block Grant		639,189
Housing Opportunities AIDS		100,524
HOME Program		607,642
Section 108 Loan Guarantee		405,996
Development administration state grant		5,512,473
Parks and recreation		40,102
Total special revenue funds	<u>5,659,782</u>	<u>8,098,713</u>
Capital projects funds:		
Education and library		199,025
Health and sanitation	484,401	
Parks and recreation	11,705	
Municipal airport	125,020	
Capital reduction	1,000,000	
Bond issue	5,346	
1997 bond issue	2,363	33,000
Total capital projects funds	<u>1,628,835</u>	<u>232,025</u>
Enterprise funds:		
WPCA	-	5,415,614
Pension trust funds:		
Public Safety Plan A	54,019	113,808
Internal service fund:		
City health insurance	-	2,588,596
Total	<u>\$ 40,872,917</u>	<u>\$ 40,872,917</u>

The balances, as stated above, are the result of the time lag between the dates payments occur between funds for various activities. Such balances are expected to be paid or collected within one year.

Interfund transfers during the year ended June 30, 2008 were as follows:

	Transfers In		
	General Fund	Board of Education	Total
Transfers out:			
General Fund	\$	\$ 218,222,813	\$ 218,222,813
Capital Bond Issue Fund	<u>1,000,000</u>		<u>1,000,000</u>
	<u>\$ 1,000,000</u>	<u>\$ 218,222,813</u>	<u>\$ 219,222,813</u>

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. The Board of Education fund transfer represents unrestricted revenues collected by the General Fund to finance unreimbursed education expenditures.

6. BULK LIEN SALES

During the year ended June 30, 2008, the City executed a bulk sale of property tax liens and collected proceeds of approximately \$4,342,000. 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.

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 132,574,655	\$ 6,824,641	\$ (547,503)	\$	\$ 138,851,793
Construction in progress	136,416,249	87,851,749		(43,176,113)	181,091,885
Total capital assets not being depreciated	<u>268,990,904</u>	<u>94,676,390</u>	<u>(547,503)</u>	<u>(43,176,113)</u>	<u>319,943,678</u>
Capital assets being depreciated:					
Buildings and improvements	358,968,326	20,307,206		43,176,113	422,451,645
Machinery and equipment	19,036,699	827,989			19,864,688
Infrastructure	110,584,812	11,902,796			122,487,608
Vehicles	32,679,371	1,379,811			34,059,182
Total capital assets being depreciated	<u>521,269,208</u>	<u>34,417,802</u>	<u>-</u>	<u>43,176,113</u>	<u>598,863,123</u>
Less accumulated depreciation for:					
Buildings and improvements	93,851,002	8,324,661			102,175,663
Machinery and equipment	11,358,390	840,367			12,198,757
Vehicles	22,441,717	2,417,940			24,859,657
Infrastructure	66,493,331	2,445,620			68,938,951
Total accumulated depreciation	<u>194,144,440</u>	<u>14,028,588</u>	<u>-</u>	<u>-</u>	<u>208,173,028</u>
Total capital assets being depreciated, net	<u>327,124,768</u>	<u>20,389,214</u>	<u>-</u>	<u>43,176,113</u>	<u>390,690,095</u>
Governmental Activities Capital Assets, Net	<u>\$ 596,115,672</u>	<u>\$ 115,065,604</u>	<u>\$ (547,503)</u>	<u>\$ -</u>	<u>\$ 710,633,773</u>

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Disposals/ Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 6,013,182	\$ 3,947,267	\$ (5,797,443)	\$ 4,163,006
Capital assets being depreciated:				
Buildings and improvements	97,843,431	1,817,219	(31,306)	99,629,344
Machinery and equipment	13,333,640	563,543		13,897,183
Distribution and collection systems	59,305,220	5,558,413	(66,602)	64,797,031
Vehicles	2,013,823	313,566		2,327,389
Total capital assets being depreciated	<u>172,496,114</u>	<u>8,252,741</u>	<u>(97,908)</u>	<u>180,650,947</u>
Less accumulated depreciation for:				
Buildings and improvements	33,169,969	3,919,222		37,089,191
Machinery and equipment	7,131,084	734,666		7,865,750
Distribution and collection systems	10,062,941	1,322,979		11,385,920
Vehicles	1,866,326	84,556		1,950,882
Total accumulated depreciation	<u>52,230,320</u>	<u>6,061,423</u>	<u>-</u>	<u>58,291,743</u>
Total capital assets being depreciated, net	<u>120,265,794</u>	<u>2,191,318</u>	<u>(97,908)</u>	<u>122,359,204</u>
Business-Type Activities Capital Assets, Net	<u>\$ 126,278,976</u>	<u>\$ 6,138,585</u>	<u>\$ (5,895,351)</u>	<u>\$ 126,522,210</u>

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

Governmental Activities:	
General government	\$ 2,897,818
Protection of person and property	1,859,242
Conservation of health	16,822
Public facilities, including depreciation of general Infrastructure assets	3,767,790
Education	4,997,916
Parks and recreation	<u>489,000</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>14,028,588</u></u>
 Business-Type Activities:	
WPCA	\$ <u><u>6,061,423</u></u>

8. UNEARNED REVENUE/DEFERRED REVENUE

Governmental funds and governmental activities report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue and deferred revenue reported in the governmental funds and governmental activities were as follows:

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
General Fund:		
Taxes and accrued interest on delinquent property taxes	\$ 28,077,562	\$ 959,441
School construction receivable	14,529,292	
 Nonmajor Funds:		
Grants		<u>13,623,553</u>
 Total Unavailable/Unearned Revenue for Governmental Funds	 \$ <u><u>42,606,854</u></u>	 \$ <u><u>14,582,994</u></u>

9. LONG-TERM DEBT AND SUBSEQUENT EVENT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds and notes payable:					
General obligation bonds	\$ 710,460,000	\$	\$ 26,232,000	\$ 684,228,000	\$ 30,515,000
Notes payable	6,335,000		686,000	5,649,000	662,000
Deferred amounts:					
For issuance premium	13,928,570		1,276,232	12,652,338	1,276,232
Total bonds and notes payable	<u>730,723,570</u>		<u>28,194,232</u>	<u>702,529,338</u>	<u>32,453,232</u>
Capital leases	8,247		8,247	-	
Claims and judgments	58,036,257	46,937,184	44,267,036	60,706,405	3,000,000
Compensated absences	34,464,263	1,761,701	8,144,860	28,081,104	7,020,276
Landfill closure costs	253,394		24,806	228,588	10,000
OPEB obligation		17,709,000		17,709,000	
Net pension obligation	<u>2,322,101</u>		<u>137,353</u>	<u>2,184,748</u>	
Governmental Activity Long-Term Liabilities	<u>\$ 825,807,832</u>	<u>\$ 66,407,885</u>	<u>\$ 80,776,534</u>	<u>\$ 811,439,183</u>	<u>\$ 42,483,508</u>
Business-type activities:					
Bonds and notes payable:					
General obligation bonds	\$ 490,000	\$	\$	\$ 490,000	\$ 40,000
Notes payable	<u>53,341,807</u>	<u>2,825,519</u>	<u>4,944,387</u>	<u>51,222,939</u>	<u>4,922,269</u>
Business-Type Activity Long-Term Liabilities	<u>\$ 53,831,807</u>	<u>\$ 2,825,519</u>	<u>\$ 4,944,387</u>	<u>\$ 51,712,939</u>	<u>\$ 4,962,269</u>

Notes Payable

Notes payable as of June 30, 2008 include the following:

Governmental Activities:

Department of Housing and Urban Development Section 108 Loans, due in varying installments plus interest at 2.00% - 7.64% through 2016	\$ 5,649,000
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Business-Type Activities:

Clean Water Program, due in varying installments, plus interest at 2% through 2021	<u>51,222,939</u>
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Total	<u>\$ 56,871,939</u>
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General Obligation Bonds

As of June 30, 2008, the City had the following general obligation bonds outstanding:

Governmental Activities:		
General purpose, 4.0% to 8.6%	\$	240,510,141
School, 4.0% to 9.5%		125,892,859
Pension, 6.9% to 7.6%		<u>317,825,000</u>
	\$	<u>684,228,000</u>
Business-Type Activities:		
General purpose, 4.0% to 6.0%	\$	<u>490,000</u>

Prior Year's In-Substance Defeasance

In prior years, the City defeased various bond issues. As of June 30, 2008, the amount of defeased debt outstanding but removed from the governmental activities column of the statement of net assets amounted to \$141,170,000.

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

Year Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 31,177,000	\$ 39,576,648	\$ 70,753,648	\$ 4,962,269	\$ 1,007,758	\$ 5,970,027
2010	33,052,000	37,961,876	71,013,876	5,125,407	1,016,412	6,141,819
2011	33,109,000	36,306,695	69,415,695	5,100,962	829,509	5,930,471
2012	31,849,000	34,748,227	66,597,227	4,869,557	717,456	5,587,013
2013	31,902,000	33,066,535	64,968,535	4,762,391	619,589	5,381,980
2014	31,306,000	31,426,791	62,732,791	4,593,888	524,309	5,118,197
2015	32,115,000	29,723,427	61,838,427	4,565,393	431,427	4,996,820
2016	32,784,000	27,965,882	60,749,882	4,532,576	339,084	4,871,660
2017	34,873,000	26,124,150	60,997,150	2,893,175	260,290	3,153,465
2018	33,905,000	24,225,400	58,130,400	2,630,104	204,514	2,834,618
2019	35,955,000	22,264,966	58,219,966	2,415,276	152,520	2,567,796
2020	38,135,000	20,185,363	58,320,363	2,260,448	106,407	2,366,855
2021	31,390,000	18,269,727	49,659,727	723,602	73,547	797,149
2022	33,295,000	16,487,410	49,782,410	658,796	60,035	718,831
2023	29,750,000	14,716,318	44,466,318	648,721	45,892	694,613
2024	31,625,000	12,970,998	44,595,998	472,166	36,693	508,859
2025	29,770,000	11,190,576	40,960,576	457,320	25,820	483,140
2026	29,170,000	9,432,438	38,602,438	381,952	17,265	399,217
2027	26,200,000	7,720,984	33,920,984	275,890	10,586	286,476
2028	24,270,000	5,998,546	30,268,546	242,349	5,241	247,590
2029	26,125,000	4,144,318	30,269,318	117,199	1,434	118,633
2030	28,120,000	2,148,368	30,268,368	23,498	235	23,733
Total	\$ <u>689,877,000</u>	\$ <u>466,655,641</u>	\$ <u>1,156,532,641</u>	\$ <u>52,712,939</u>	\$ <u>6,486,023</u>	\$ <u>59,198,962</u>

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, 2008 was approximately \$2,418,226. Additional principal and interest reimbursements approximating \$19,618,635 are expected to be received through the bonds' maturity dates.

Legal Debt Limit

The City's indebtedness does not exceed the legal debt limitation as provided by Connecticut General Statutes and as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 512,884,233	\$ 312,862,141	\$ 200,022,092
Unfunded Pension Benefit Obligation	683,845,644	407,825,000	276,020,644
Schools	1,025,768,466	179,061,567	846,706,899
Sewers	854,807,055	52,202,939	802,604,116
Urban renewal	740,832,781	5,649,000	735,183,781

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$1,595,639,836. 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	\$ 72,352,000
Unfunded Pension Benefit Obligation	90,000,000
Schools	<u>67,698,000</u>
	<u>\$ 230,050,000</u>

Subsequent Events

On July 1, 2008, the City issued a tax anticipation note in the amount of \$39,000,000 to fund cash flows for operating expenses. The notes matured and were paid in full on August 15, 2008 with an interest rate of 2.3%.

On November 17, 2008, the City issued a tax anticipation note in the amount of \$55,000,000 to fund cash flows for operating expenses. The notes mature on February 16, 2009 with an interest rate of 2.99%.

10. COMMITMENTS AND CONTINGENCIES

The City, its officers and its employees are defendants in a number of lawsuits. The ultimate disposition and fiscal consequences of these lawsuits are not presently determinable. The City Attorney's Office has reviewed the status of the pending litigation and reports that it is the opinion of the City Attorney that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the City, or settlement which would materially adversely affect its financial position, except that adverse judgment in cases described below could have a fiscal impact in the aggregate and in certain circumstances which might be significant.

Golden Hill Paugussett Tribe Of Indians, Et. Al. V. Lowell P. Weicker, Jr., Governor of the State of Connecticut Et. Al./Federal Court

In 1992 several individual plaintiffs alleging Indian tribal status as the Golden Hill Paugussett Tribe of Indians (Tribe) filed a civil action in 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, restoration 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 appealed the findings of the BIA. 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 Tribe under all seven mandatory criteria for Federal (tribe status) acknowledgment. Full evaluation by the BIA determined that the Tribe did not satisfy Federal tribal status criteria. In November 2006, U.S. District Court Judge Janet Bond Arterton ruled that the BIA's rejection of the plaintiffs' petition for federal tribal recognition precludes it from pursuing its land claims in court for a substantial number of acres of land in and around the downtown area of the City. Judge Arterton dismissed all of plaintiffs' outstanding land claims. The plaintiffs have appealed to the U.S. 2nd Circuit Court of Appeals. The appeal has been withdrawn without prejudice, and defendants are reasonably confident that plaintiffs' efforts to obtain federal recognition of tribal status have failed and any remaining land claims by plaintiffs should likewise fail.

Personal Injury and Other Actions

There are presently certain major personal injury and other claims and lawsuits that the City is actively defending for which, in the event the City is held liable, the amount of recovery could under certain circumstances total between \$[4] 5 and \$[8] 10 million dollars in the aggregate. Any recovery under such actions will be paid by the City, which is self-insured for such risks.

Steel Point Peninsula Suit - Conroy Development Co.

In the summer of 2001, the City and several elected and appointed officials were named in a suit filed in U.S. District Court by the former preferred developer of the Steel Point Project, Conroy Development Co. (Conroy), seeking damages of approximately \$105 million. Conroy's action is based upon the City's decision to terminate its memorandum of understanding with the developer, as well as claims linked to the 2001 Federal investigation City officials and business entities. Defendants filed a motion to dismiss which was granted by the court on or about September 23, 2003. Plaintiff did not file an amended complaint within the time permitted by the Federal court to do so.

On or about January 14, 2004, Conroy filed a related complaint against the City and various other parties, including the former Bridgeport Mayor, in Connecticut State court. The City and various co-defendants filed motions to dismiss, which were granted in part and denied in part. Trial has concluded with jury verdicts for the defendant City as to all counts. Post verdict motions involving co-defendants are awaiting decision, with judgment to enter thereafter. Plaintiffs' appeals are anticipated to be pending through FY 08-09.

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, which approximated \$1,116,000 during the year ended June 30, 2008, before the subsidy referred to below. 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 \$400,000 was received for the year ended June 30, 2008. The Society retains any revenues from admissions, vending, concessions, other grants or bequests.

WPCA Privatization Agreement

On April 11, 2003, the WPCA entered into a ten-year agreement with an independent contractor (the Contractor) to provide operations, maintenance and management services to its two wastewater treatment facilities and systems.

The WPCA may terminate the agreement in its sole discretion, for its convenience and without cause at any time commencing on the third year anniversary of the commencement date upon one hundred twenty days prior written notice to the Contractor. If the WPCA exercises its convenience termination, the WPCA shall not be liable to the Contractor for any demobilization costs, termination fees or any other costs or expenses except for the portion of the service fee due to the Contractor pursuant to the terms of the agreement through the date of termination, the unamortized capital costs and certain other costs.

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 cost of these improvements is \$177,200,000. As of June 30, 2008, approximately \$154,800,000 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 three 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, 2008, the State is committed to providing the WPCA additional funding in the form of loans and grants of approximately \$5,300,000 and \$2,600,000, 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 110,000 tons per year and to pay a uniform per ton disposal service payment (the service payment). The fee for the fiscal year ended June 30, 2008 was \$76 and \$71.61 per ton for commercial and residential, respectively, with a minimum commitment charge of \$5. The minimum commitment charge is broken down into fixed monthly payments of \$45,833. In the fiscal year ended June 30, 2008, 59,792 tons were delivered. 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.

11. 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 administered 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 7.00% of covered payroll. The City's contributions for the years ending June 30, 2008, 2007 and 2006 were \$5,410,000, \$5,312,000 and \$4,749,000, respectively, equal to the required contributions for each year.

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

State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Section 10.183 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 Connecticut Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% 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 an 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 \$81,672,165 for the year ended June 30, 2008.

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. The costs of administering the plans are paid by each individual plan. 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 and Firefighters' Retirement Plan B are funded on an actuarial basis; the Janitors' and Engineers' Retirement Plan 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 equal to the actuarially determined Normal Cost amounts. The net pension obligation and the contribution requirements are actuarially determined. Plan A 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, 2008, approximately \$2,902,000 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 Plans A's Investment Trust (the "A Trust"). The proceeds and any future investment earnings are to be used to make contributions to the Plan A or to pay benefits on behalf of the Plan. The City can, however, withdraw from the Plan A Trust the greater of: 1) 20% of the amount by which the A Trust assets exceed the present value of accrued Plan benefits (\$360,619,000 based on the July 1, 2006 actuarial valuation) or 2) the amount of the Plan A Trust assets in excess of 110% of the present value of accrued Plan benefits.

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 Plan A at approximately the same funding level as immediately following the bond 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	934	79	38	51
Terminated employees entitled to future benefits	-	6	6	-
Current employees:				
Fully vested	52	383	254	-
Nonvested	-	-	13	-
Total number of participants	<u>986</u>	<u>468</u>	<u>311</u>	<u>51</u>
Benefit provisions	50% of compen- sation plus 2- 1/2% for each year of service in excess of 20 years, maximum 75%	2% of annual salary for each full year of service plus 50% of subsequent compensation increase, maximum 70%	2% of annual salary for each year of service plus 50% of subsequent compensation increase, maximum 70%	2% of 3 year average compensation for each year of service, up to 33 years plus 1% of 3 year compensation thereafter

Provisions of Pension Plans	Public Safety Plan A	Police Plan B	Firefighters' Plan B	Janitors' and Engineers' Retirement Fund
Definition of "Compensation"	Maximum yearly compensation currently being paid to members in the department in the same position that the employee held at the time of retirement	Maximum yearly compensation currently being paid to members in the department in the same position which the employee held at the time of retirement	Maximum yearly compensation currently being paid to members in the department 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	\$8,876,359 (Normal Cost)	\$3,616,732	\$2,156,816	"Pay as you go"
Authority under which benefit provisions established	Contract negotiation	Contract negotiation	Contract negotiation	Contract negotiation
<u>Funding Status and Progress</u>				
Date of actuarial valuation	July 1, 2007	July 1, 2007	July 1, 2007	July 1, 2006
Significant actuarial assumptions				
• Investment rate of return	8.25%	8.25%	8.25%	8.25%
• Projected annual salary increases	3.5%	3.5%	3.5%	N/A
• Inflation	3.0%	3.0%	3.0%	3.5%
• Disability Rate:				
Age 20	.05%	.05%	.05%	None
30	.05%	.05%	.05%	
40	.09%	.09%	.09%	
50	.40%	.40%	.40%	
60	1.74%	1.74%	1.74%	
Actuarial asset valuation method	Asset smoothing plus/minus 20% of the difference between expected actuarial value and market value	Asset smoothing plus/minus 20% of the difference between expected actuarial value and market value	Asset smoothing plus/minus 20% of the difference between expected actuarial value and market value	Market value
Funding Policy	Actuarial, Normal Cost	Actuarial, based on valuation when available	Actuarial, based on valuation when available	"Pay as you go"

Provisions of Pension Plans	Public Safety Plan A	Police Plan B	Firefighters' Plan B	Janitors' and Engineers' Retirement Fund
Actuarial cost method	Entry age normal	Entry age Normal	Entry age normal	Projected unit credit cost
Amortization method	Level payments for unfunded liability	Level payments for unfunded liability	Level payments for remaining unfunded liability	Level Dollar Amount Closed
Period for amortizing any unfunded actuarial liability	30 years	10 years	10 years	30 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	\$ 8,876,359	\$ 897,186
Interest on net pension obligation	(7,085,235)	191,573
Adjustment to annual required contribution	<u>9,670,173</u>	<u>(213,037)</u>
Annual pension cost	9,670,173	875,722
Contributions made	<u>4,550,906</u>	<u>1,013,075</u>
Increase (decrease) in net pension obligation	5,119,267	(137,353)
Net pension obligation (asset), July 1, 2007	<u>(85,881,639)</u>	<u>2,322,101</u>
Net Pension Obligation (Asset), June 30, 2008	<u>\$ (80,762,372)</u>	<u>\$ 2,184,748</u>

	Police Plan B	Firefighters' Plan B
Annual required contribution	\$ 3,616,732	\$ 2,156,816
Interest on net pension obligation	(290,171)	(164,150)
Adjustment to annual required contribution	<u>529,702</u>	<u>299,653</u>
Annual pension cost	3,856,263	2,292,319
Contributions made	<u>4,591,060</u>	<u>2,485,235</u>
Increase in net pension obligation	(737,797)	(192,916)
Net pension obligation (asset), July 1, 2007	<u>(3,517,220)</u>	<u>(1,989,698)</u>
Net Pension Obligation (Asset), June 30, 2008	<u>\$ (4,255,017)</u>	<u>\$ (2,182,614)</u>

TREND INFORMATION

Fiscal Year	Annual Pension Cost (APC) (\$000)	Percentage of APC Contributed	Net Pension Obligation (Asset) (\$000)
Public Safety Plan A			
Plan A:			
2008	\$ 9,670	47.1%	\$ (80,762)
2007	8,825	35.4%	(85,882)
2006	7,174	0.9%	(91,582)
Police Retirement			
Plan B:			
2008	\$ 3,856	119.0%	\$ (4,255)
2007	3,435	92.8%	(3,517)
2006	3,257	91.7%	(1,965)
Firefighters' Retirement			
Plan B:			
2008	\$ 2,292	108.4%	\$ (2,183)
2007	2,018	87.9%	(1,990)
2006	1,772	86.3%	(960)
Janitors' and Engineers' Retirement Plan:			
2008	\$ 876	115.7%	\$ 2,185
2007	876	116.4%	2,322
2006	918	116.2%	2,466

**SCHEDULES OF EMPLOYER CONTRIBUTIONS
(DOLLARS IN THOUSANDS)**

Year Ended June 30,	Public Safety Plan A		Janitors' and Engineers' Retirement Plan	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2008	\$ 8,876	51.3%	\$ 897	112.9%
2007	8,115	38.5%	897	113.7%
2006	6,473	1.1%	939	113.6%
2005	4,645	1.1%	939	112.4%
2004	4,402	3.0%	1,033	98.1%
2003	3,522	1.4%	954	101.8%

Year Ended June 30,	Police Retirement Plan B		Firefighters' Retirement Plan B	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2008	\$ 3,617	126.9%	\$ 2,157	115.2%
2007	3,212	99.2%	1,885	94.0%
2006	3,047	98.0%	1,644	93.1%
2005	2,989	34.2%	1,556	13.0%
2004	2,655	104.0%	1,155	102.4%
2003	2,306	108.2%	1,014	101.3%

**SCHEDULES OF FUNDING PROGRESS
(DOLLARS IN THOUSANDS)**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Under)/ Over Funded AAL (UAAL)/ OAAL	Funded Ratio %	Covered Payroll	(UAAL)/ OAAL as a Percentage of Covered Payroll
Public Safety Plan A						
July 1, 2007	\$ 263,902	\$ 360,619	\$ (96,717)	73.2	\$ 3,617	2,674.1
July 1, 2006	269,319	358,287	(88,968)	75.2	4,326	2,056.7
July 1, 2005	281,397	353,022	(71,625)	80.0	4,569	1,567.5
July 1, 2004	293,358	344,937	(51,579)	85.0	3,890	1,325.9
July 1, 2003	303,816	351,964	(48,148)	86.3	5,538	869.5
July 1, 2002	319,482	358,874	(39,392)	89.0	5,559	708.6
Police Retirement Plan B						
July 1, 2007	\$ 94,546	\$ 105,973	\$ (11,427)	89.2	\$ 22,511	50.8
July 1, 2006	84,683	93,711	(9,029)	90.3	22,296	40.5
July 1, 2005	76,148	84,596	(8,448)	90.0	21,825	38.7
July 1, 2004	68,187	76,263	(8,076)	89.4	22,137	36.5
July 1, 2003	60,903	67,191	(6,288)	90.7	20,733	30.3
July 1, 2002	54,440	58,965	(4,526)	92.3	19,488	23.2
Firefighters' Retirement Plan B						
July 1, 2007	\$ 56,504	\$ 62,960	\$ (6,457)	89.7	\$ 14,364	45.0
July 1, 2006	51,132	56,146	(5,013)	91.1	13,727	36.5
July 1, 2005	46,820	50,187	(3,367)	93.0	13,674	24.6
July 1, 2004	43,037	45,810	(2,773)	94.0	13,631	20.3
July 1, 2003	39,637	39,717	(80)	99.8	12,872	0.6
July 1, 2002	36,919	35,828	1,091	103.0	12,740	-
Janitors' and Engineers' Retirement Plan						
July 1, 2006	\$ 3	\$ 9,870	\$ (9,867)	.03	\$ -	-
July 1, 2005	*	*	*	*	*	*
July 1, 2004	3	10,449	(10,446)	.30	29	36,417.7
July 1, 2003	*	*	*	*	*	*
July 1, 2002	3	10,575	(10,572)	.03	156	-
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	*

* Information not available.

SCHEDULE OF PLAN NET ASSETS
JUNE 30, 2008

	Public Safety Investment and Pension Trust Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Total
Assets					
Cash and cash equivalents	\$ 20,566,725	\$ 1,959,001	\$ 3,988,343	\$ 3,433	\$ 26,517,502
Investments, at fair value					
U.S. Government Agency Bonds		3,192,584	98,348		3,290,932
U.S. Government Security Bonds	29,363,754	15,744,055	2,045,101		47,152,910
Corporate bonds	1,438,044	16,350,037			17,788,081
Common stocks		35,189,292	37,547,859		72,737,151
Private hedge fund	15,009,880				15,009,880
Mutual funds - equities	17,509,294	23,917,438	12,759,512		54,186,244
Equity securities	123,689,386	1,737,717			125,427,103
Alternative investments	20,244,147				20,244,147
Total investments	<u>207,254,505</u>	<u>96,131,123</u>	<u>52,450,820</u>	<u>-</u>	<u>355,836,448</u>
Due from other funds of the City of Bridgeport	<u>54,019</u>				<u>54,019</u>
Contributions receivable	<u>447,240</u>	<u>2,877,256</u>	<u>1,090,117</u>	<u>-</u>	<u>4,414,613</u>
Total assets	<u>228,322,489</u>	<u>100,967,380</u>	<u>57,529,280</u>	<u>3,433</u>	<u>386,822,582</u>
Liabilities					
Due to other funds of the City of Bridgeport	113,808				113,808
Other liabilities	<u>6,457</u>				<u>6,457</u>
Total liabilities	<u>120,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,265</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 228,202,224</u>	<u>\$ 100,967,380</u>	<u>\$ 57,529,280</u>	<u>\$ 3,433</u>	<u>\$ 386,702,317</u>

**SCHEDULE OF CHANGES IN
PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

	Public Safety Investment and Pension Trust Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Total
Additions:					
Contributions:					
Employer	\$ 4,551,906	\$ 4,590,213	\$ 2,485,235	\$ 1,013,075	\$ 12,640,429
Plan members	273,971	1,494,885	1,007,647		2,776,503
Annuity proceeds	3,054,632				3,054,632
Total contributions	<u>7,880,509</u>	<u>6,085,098</u>	<u>3,492,882</u>	<u>1,013,075</u>	<u>18,471,564</u>
Investment income:					
Net depreciation in fair value of investments	(3,897,186)	(4,107,589)	(1,700,311)		(9,705,086)
Interest and dividends	6,111,016	4,460,651	1,607,360		12,179,027
	2,213,830	353,062	(92,951)	-	2,473,941
Less investment management fees	(1,009,878)				(1,009,878)
Net investment income	<u>1,203,952</u>	<u>353,062</u>	<u>(92,951)</u>	<u>-</u>	<u>1,464,063</u>
Total additions	9,084,461	6,438,160	3,399,931	1,013,075	19,935,627
Deductions:					
Benefits	<u>35,616,888</u>	<u>2,974,489</u>	<u>1,598,633</u>	<u>1,013,075</u>	<u>41,203,085</u>
Change in net assets	(26,532,427)	3,463,671	1,801,298	-	(21,267,458)
Net assets held in trust for pension benefits, beginning of year	<u>254,734,651</u>	<u>97,503,709</u>	<u>55,727,982</u>	<u>3,433</u>	<u>407,969,775</u>
Net Assets Held in Trust for Pension Benefits, Beginning of Year	<u>\$ 228,202,224</u>	<u>\$ 100,967,380</u>	<u>\$ 57,529,280</u>	<u>\$ 3,433</u>	<u>\$ 386,702,317</u>

12. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The City, in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The plan covers City, Board of Education, Police and Fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The City does not issue separate stand alone financial statements for the plan.

At July 1, 2007 plan membership consisted of the following:

Number of members:	
Active	4,352
Retired members	<u>3,478</u>
 Total Participants	 <u><u>7,830</u></u>

B. Funding Policy

The City currently pays for postemployment health care benefits on a pay-as-you go basis. As of June 30, 2008 the City has not established a trust fund to irrevocably segregate assets to fund the liability associated with the post employment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Eligibility:

- City employees can retire on or after reaching the earlier of 25 years of service or age 55 and completing 15 years of service.
- Board of Education (non-teachers) employees can retire the earlier of 25 years of service or age 55 and 15 years of service.
- Board of Education (teachers) employees can retire the earlier of 35 years of service or age 60 and 25 years of service.
- If an employee is a police or fire employee, attainment of age 45 and 25 years.

Medical Benefit:

- Medical coverage continues for the lifetime of the retiree.
- Substitute Teachers, Part-time employees and Crossing Guards are not eligible for coverage.
- The eligible retirees pay a percentage of the cost of coverage calculated at the time of retirement. The percentage, based on group, is shown below.

<u>Group</u>	<u>Level</u>	<u>Retiree Contribution Varies with Actives</u>
AFSCME	12%	No
NAGE	12%	No
Social Workers*	12%	No
Unaffiliated	12%	No
Appointed	12%	No
BCSA	12%	No
Elected	12%	No
BCAS	30%	Yes
BEA	60%	Yes
Building Trades	12%	Yes
Attorneys	12%	Yes
Hygienists	12%	Yes
LIUNA	12%	Yes
Nurses	12%	Yes
Printers	12%	Yes
Teamsters	12%	Yes
Firefighters*	12%	No
Police	12%	Partial

*Assumed from current negotiations, currently Social Workers are at 2.5% and Firefighters pay \$7.80/month.

- Spousal coverage is available for life of the retiree, based on the percentages above.

Annual OPEB Cost and Net OPEB Obligations

The City of Bridgeport's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (asset):

Annual required contribution (ARC)	\$ 47,314,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost (expense)	47,314,000
Contributions made	<u>29,605,000</u>
Increase in net OPEB obligation	17,709,000
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB Obligation, End of Year	<u>\$ 17,709,000</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal year ending June 30, 2008 is presented below. Data is only presented for the fiscal year ending June 30, 2008 due to this being the year of implementation.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2008	\$ 47,314,000	\$ 29,605,000	63%	\$ 17,709,000

As of July 1, 2007, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$874,662, and the actuarial value of the assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$874,662.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Underfunded AAL (OAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>OAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
7/1/2007	\$ -	\$ 874,662	\$ 874,662	0.0%	N/A	N/A

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

13. 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 \$228,500 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, 2008. 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 nonhazardous waste portion of the landfill is not subject to any federal, state or local laws and regulations requiring closure or postclosure care.

14. 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 governmental activities of the government-wide statements.

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 4,200 active employees and 3,600 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 Internal Service 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.

Reconciliation of Liabilities

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:

A reconciliation of changes in the aggregate liabilities for claims for the current year and the prior fiscal year is as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2007	\$ 50,070,000	\$ 95,669,180	\$ 79,998,320	\$ 65,740,860
2008	65,740,860	88,167,399	86,607,259	67,301,000

The current portion of claims incurred but not reported is \$9,594,595 as of June 30, 2008, which relates to Group Health Insurance Claims of \$6,594,595 and \$3,000,000 of general liability and workmen's compensation claims and is reported in the Internal Service Fund. The remaining liability for general liability and workmen's compensation claims of \$57,706,405 is recorded as long-term obligations.

15. FUND DEFICITS

The following funds have fund deficits as of June 30, 2008:

Special Revenue:	
Health and Sanitation	\$ (843,107)
Community Development	(668,787)
Social Services	(308,157)
HOME Program	(365,638)
Community Development Block Grant	(1,163,556)
Proprietary:	
Internal service	(7,715,579)

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

16. FEDERAL INVESTIGATIONS

During 2001, the City learned that certain persons and business entities were subjects of a federal criminal investigation. Nine individuals, including a former employee of the City, and a business entity pleaded guilty to various charges arising out of this investigation and the former mayor was convicted by a federal jury. These guilty pleas and convictions should not have a material adverse impact on the City's financial statements. The City Attorney understands that grand jury proceedings continue. However, because of the nature of grand jury activities, little is known about the focus and extent of its ongoing activities.

17. RESTATEMENT

Net assets as of July 1, 2007 and fund balance of the Capital Bond Issue Fund at July 1, 2007 have been restated in the amount of \$844,485. This restatement is the result of properly reflecting accounts payable at June 30, 2007.

Supplementary Information

General Fund

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND
BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues and Other Financing Sources:				
Property taxes:				
Current taxes	\$ 211,783,764	\$ 211,783,764	\$ 215,714,209	\$ 3,930,445
Interest - current	1,850,000	1,850,000	2,193,505	343,505
Arrears - principal	9,700,000	9,700,000	5,711,995	(3,988,005)
Arrears - interest	3,700,000	3,700,000	3,209,985	(490,015)
Lien fees	175,000	175,000	198,513	23,513
Total property taxes	<u>227,208,764</u>	<u>227,208,764</u>	<u>227,028,207</u>	<u>(180,557)</u>
Intergovernmental:				
Elderly exemption refund	777,000	777,000	764,616	(12,384)
Elderly freeze program	45,000	45,000	43,771	(1,229)
DCA tax abatement	139,000	139,000	126,527	(12,473)
Distressed municipalities	206,294	206,294	350,328	144,034
Education cost sharing	147,107,433	155,241,663	154,828,867	(412,796)
School construction refunds	2,529,478	2,529,478	2,480,619	(48,859)
Debt service reimbursement - interest			18,465	18,465
Debt service reimbursement - principal	4,500,000	4,500,000		(4,500,000)
Transportation - nonpublic			443,836	443,836
Transportation - public	3,163,801	3,163,801	2,692,573	(471,228)
Aid to non-public schools	255,433	255,433	198,820	(56,613)
Town aid roads	740,114	740,114	682,021	(58,093)
Legally blind	150,000	150,000	347,188	197,188
PILOT	2,675,000	2,675,000	2,592,146	(82,854)
Miscellaneous PILOTs	3,347,208	3,347,208	925,990	(2,421,218)
PILOT/entitlements state aid	3,006,600	3,006,600	2,738,087	(268,513)
Tax exempt colleges and hospitals	12,565,041	12,565,041	11,748,633	(816,408)
Breakfast program:				
State	162,479	162,479	165,169	2,690
Federal	1,988,772	1,988,772	2,049,199	60,427
Nutrition Center:				
Federal	7,813,892	7,813,892	7,713,085	(100,807)
State	169,613	169,613	154,497	(15,116)
Mashantucket Pequot funds	10,576,386	10,576,386	9,626,555	(949,831)
Manufacturing Machinery & Equipment	915,000	915,000	808,433	(106,567)
Beardsley Zoo subsidy	400,000	400,000	400,000	-
Total intergovernmental	<u>203,233,544</u>	<u>211,367,774</u>	<u>201,899,425</u>	<u>(9,468,349)</u>
Fees, permits and licenses:				
Parks and recreation:				
Golf course revenues	1,800,000	1,800,000	1,570,883	(229,117)
Wonderland of Ice	104,553	104,553	36,000	(68,553)
Kennedy Stadium	24,000	24,000	21,000	(3,000)
Leases/W.I.C.C.	10,500	10,500	10,500	-
Flea market/ballfield	15,500	15,500	40,850	25,350
Miscellaneous			600	600
Parking stickers	160,000	160,000	184,185	24,185
Apartment rental	1,500	1,500	1,500	-
Fairchild Wheeler restaurant	50,000	50,000	52,875	2,875
City concessions	500	500		(500)
Total parks and recreation	<u>2,166,553</u>	<u>2,166,553</u>	<u>1,918,393</u>	<u>(248,160)</u>

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Building Department:				
Building permits	\$ 2,507,950	\$ 2,507,950	\$ 3,665,359	\$ 1,157,409
Sign permits	8,800	8,800	12,808	4,008
Certificate of occupancy fees	500	500	405	(95)
Total building department	<u>2,517,250</u>	<u>2,517,250</u>	<u>3,678,572</u>	<u>1,161,322</u>
Police Department:				
Traffic violations	1,350,000	1,350,000	833,674	(516,326)
Photocopy fees	50,000	50,000	36,267	(13,733)
Outside overtime	2,225,000	2,225,000	3,903,063	1,678,063
Overtime surcharge	604,000	604,000	1,030,615	426,615
Reclaimed dog fees			1,979	1,979
Vendor annual registration fees	30,000	30,000	16,450	(13,550)
Police reports	300	300		(300)
Towing fines	150,000	150,000	107,872	(42,128)
Alarms	52,000	52,000	27,885	(24,115)
Ordinance violations	4,000	4,000		(4,000)
Block party permits	8,000	8,000	6,815	(1,185)
Total police department	<u>4,473,300</u>	<u>4,473,300</u>	<u>5,964,620</u>	<u>1,491,320</u>
Public facilities:				
Dump license fees	23,000	23,000	18,200	(4,800)
Commercial dump fees	250,000	250,000	76,711	(173,289)
Street excavation license	49,500	49,500	62,875	13,375
Public facility enforcement	17,000	17,000	23,580	6,580
Sewer permits	2,000	2,000	1,270	(730)
CRRRA host revenue	290,000	290,000	290,000	-
Sidewalk repairs	300	300		(300)
State conservation	500	500	7,298	6,798
Bluefish parking			8,210	8,210
Congress Plaza			(18,301)	(18,301)
Annual rent	746,030	746,030	383,978	(362,052)
PILOT	300,000	300,000	297,614	(2,386)
Parking meters	347,000	347,000	428,542	81,542
Engineering map sales	4,500	4,500	7,173	2,673
Contractors license	10,000	10,000	12,425	2,425
Vendor registration license	250,000	250,000	271,774	21,774
Parking	130,000	130,000	30,395	(99,605)
Zoning appeals fees	20,301	20,301	29,950	9,649
Tavern zoning permits	85,700	85,700	116,946	31,246
Total public facilities	<u>2,525,831</u>	<u>2,525,831</u>	<u>2,048,640</u>	<u>(477,191)</u>
Finance:				
Comptroller Copies/Books/Miscellaneous	555,000	555,000	121,714	(433,286)
Comptroller Court Fine/CARC	6,000	6,000	296,170	290,170
Information Technology Services	250	250	7,415	7,165
Total finance	<u>561,250</u>	<u>561,250</u>	<u>425,299</u>	<u>(135,951)</u>
Civil service:				
Label/Admin fees	-	-	72	72

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Town Clerk:				
Dog licenses	\$ 20,000	\$ 20,000	\$ 3,940	\$ (16,060)
Fishing licenses	23,000	23,000	10,976	(12,024)
Combination licenses	1,000	1,000	1,097	97
Hunting licenses	2,500	2,500	3,436	936
Liquor licenses	700	700	879	179
Town Fund	30,000	30,000		(30,000)
Notaries/late fees	2,500	2,500	3,186	686
Farm fund	35,000	35,000	21,772	(13,228)
Assignments	4,300,000	4,300,000	2,249,206	(2,050,794)
Certification	1,250,000	1,250,000	748,475	(501,525)
Total town clerk	<u>5,664,700</u>	<u>5,664,700</u>	<u>3,042,967</u>	<u>(2,621,733)</u>
Health Department:				
Vital statistics	223,500	223,500	351,728	128,228
Clinic programs	54,000	54,000	34,449	(19,551)
Business license	296,500	296,500	238,430	(58,070)
Copies	1,000	1,000		(1,000)
Housing code	60,530	60,530	71,213	10,683
Total health department	<u>635,530</u>	<u>635,530</u>	<u>695,820</u>	<u>60,290</u>
Education and Nutrition Center:				
Cafeteria	504,566	504,566	787,004	282,438
School based health	200,000	200,000	231,402	31,402
Total Education and Nutrition Center	<u>704,566</u>	<u>704,566</u>	<u>1,018,406</u>	<u>313,840</u>
Sikorsky Airport:				
Airport fees	88,000	88,000	72,954	(15,046)
Shared revenue	136,000	136,000	150,789	14,789
Airport leases	820,140	820,140	712,741	(107,399)
Total Sikorsky Airport	<u>1,044,140</u>	<u>1,044,140</u>	<u>936,484</u>	<u>(107,656)</u>
Fire Department:				
Firewatch reimbursement	77,050	77,050	143,191	66,141
Copies	200	200	1,416	1,216
Permit	54,205	54,205	67,420	13,215
Tank installation	2,500	2,500	1,680	(820)
Total fire department	<u>133,955</u>	<u>133,955</u>	<u>213,707</u>	<u>79,752</u>
Total fees, permits and licenses	<u>20,427,075</u>	<u>20,427,075</u>	<u>19,942,980</u>	<u>(484,095)</u>
Interest	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,213,956</u>	<u>(586,044)</u>

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Other:				
Property rentals	\$ 40,000	\$ 40,000	\$ 6,140	\$ (33,860)
Telephone access lines	400,000	400,000	616,822	216,822
O.T.B. income	750,000	750,000	661,745	(88,255)
State Bingo	200	200	102	(98)
Comptroller reimbursement	330,000	330,000	371,899	41,899
Lien reimbursement			(8,750)	(8,750)
Medicare part D reimbursement	707,000	707,000	882,976	175,976
Percent of profit	75,000	75,000		(75,000)
WPCA revenues	660,000	660,000	462,078	(197,922)
Weights and measures	84,000	84,000	70,355	(13,645)
Sale of City-owned property	5,136,000	5,136,000	3,305,977	(1,830,023)
Health and social reimbursement	141,000	141,000	121,458	(19,542)
Foreclosure cost recovery	50,000	50,000	53,148	3,148
Restitution			33,675	33,675
Books and maps sale	100	100		(100)
Comptroller miscellaneous revenue	35,000	35,000	8,800	(26,200)
Total other	<u>8,408,300</u>	<u>8,408,300</u>	<u>6,586,425</u>	<u>(1,821,875)</u>
Total revenues	<u>461,077,683</u>	<u>469,211,913</u>	<u>456,670,993</u>	<u>(12,540,920)</u>
Other financing sources:				
Transfers in	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total revenues and other financing sources	<u>462,077,683</u>	<u>470,211,913</u>	<u>457,670,993</u>	<u>(12,540,920)</u>
Expenditures, encumbrances and other financing uses:				
General government:				
Central grants office	344,441	349,961	308,107	41,854
Mayor's office	633,850	633,850	596,448	37,402
Civil service commission	1,018,152	1,072,594	819,392	253,202
Benefits administration	38,463,071	38,482,050	38,259,997	222,053
City attorney	2,992,035	3,007,063	4,487,199	(1,480,136)
City clerk and city council	302,096	308,124	301,570	6,554
City Wide Membership	92,000	92,000	92,000	-
Registrar of voters	464,825	467,569	576,181	(108,612)
Legislative department	335,436	335,436	153,466	181,970
Libraries	4,099,131	4,099,131	4,093,949	5,182
Office of policy and management	437,798	441,767	437,000	4,767
Archives and records	98,955	98,955	83,911	15,044
Pensions	11,035,782	11,035,782	11,680,571	(644,789)
Fringe benefits	3,462,500	3,462,500	4,000,348	(537,848)
Town Clerk	593,937	616,783	585,770	31,013
Supportive contributions	2,392,808	713,217	716,915	(3,698)
Chief administrative officer	269,594	273,563	273,964	(401)
Finance department	364,594	455,987	419,654	36,333
Comptroller's office	1,163,398	1,171,502	1,162,173	9,329
Treasurer's office	304,200	304,200	158,807	145,393

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
General government (continued):				
Tax assessor	\$ 2,123,421	\$ 2,133,471	\$ 1,609,840	\$ 523,631
Information technology services	3,381,843	3,382,117	3,265,895	116,222
Tax collector	1,305,026	1,306,435	1,162,917	143,518
Purchasing	477,831	481,028	389,685	91,343
Print shop	714,563	733,617	730,758	2,859
Labor relations	533,431	564,871	551,463	13,408
Employee org. & development	22,500	22,500	12,071	10,429
Ethics commission	3,500	3,500	1,923	1,577
Total general government	<u>77,430,718</u>	<u>76,049,573</u>	<u>76,931,974</u>	<u>(882,401)</u>
Protection of person and property:				
Police department	43,023,356	43,158,843	47,927,779	(4,768,936)
Fire department	21,927,696	22,995,470	24,910,363	(1,914,893)
Weights and measures	108,150	108,150	69,502	38,648
Total protection of person and property	<u>65,059,202</u>	<u>66,262,463</u>	<u>72,907,644</u>	<u>(6,645,181)</u>
Conservation of health:				
Office and administrative	85,943	85,943	69,329	16,614
Registrar of vital statistics	192,692	192,692	183,852	8,840
Communicable diseases	313,891	315,084	209,947	105,137
School based health	1,446,157	1,461,885	1,331,460	130,425
Dental hygiene	336,565	340,627	343,900	(3,273)
Environmental health	442,485	459,922	404,117	55,805
Health clinics	273,184	273,184	175,252	97,932
Housing code enforcement	201,556	201,872	191,016	10,856
Lead poisoning	8,000	8,000	4,696	3,304
School nursing	1,965,089	1,978,982	1,821,873	157,109
Total conservation of health	<u>5,265,562</u>	<u>5,318,191</u>	<u>4,735,442</u>	<u>582,749</u>
Public facilities:				
City Engineer	422,174	425,655	430,379	(4,724)
Zoning Commission	453,049	459,981	354,722	105,259
Zoning Board of Appeals	59,411	62,420	58,552	3,868
Building Department	963,712	978,780	856,453	122,327
Harbor Master	65,260	65,260	60,240	5,020
Transfer station	2,140,319	2,140,319	1,759,021	381,298
Sanitation	6,412,674	6,412,674	6,226,671	186,003
Landfill operation	67,750	67,750	68,096	(346)
Roadway maintenance	2,380,487	2,380,487	2,322,753	57,734
Planning and development	1,707,010	1,711,055	1,593,463	117,592
Public facilities administration	942,652	955,636	906,371	49,265
Sikorsky Airport	1,048,509	1,048,509	1,048,027	482
Municipal garage	1,671,777	1,678,781	1,661,118	17,663
Maintenance	9,928,116	9,930,116	9,929,568	548
Construction management services			721,787	(721,787)
Total public facilities	<u>28,262,900</u>	<u>28,317,423</u>	<u>27,997,221</u>	<u>320,202</u>
Charities and hospitals:				
Social services	<u>199,618</u>	<u>203,238</u>	<u>184,968</u>	<u>18,270</u>

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Education:				
Instruction	\$ 144,492,194	\$ 147,434,350	\$ 147,004,999	\$ 429,351
Pupil services	11,077,238	12,319,868	12,785,738	(465,870)
BOE administration	2,242,240	2,690,543	2,692,654	(2,111)
Support services	39,544,044	42,760,811	41,865,381	895,430
School improvement initiatives	1,132,295	1,416,669	1,416,494	175
Nutrition center	11,861,207	11,861,207	12,457,547	(596,340)
Total education	<u>210,349,218</u>	<u>218,483,448</u>	<u>218,222,813</u>	<u>260,635</u>
Parks and recreation:				
Recreation	762,743	776,594	887,090	(110,496)
Parks and recreation administration	326,083	332,300	268,157	64,143
Parks	2,229,001	2,229,001	2,228,708	293
Fairchild Wheeler	1,130,454	1,175,836	1,175,817	19
Beardsley zoo	1,158,536	1,158,536	1,115,895	42,641
Total parks and recreation	<u>5,606,817</u>	<u>5,672,267</u>	<u>5,675,667</u>	<u>(3,400)</u>
Special services:				
Youth services	1,418,452	1,418,452	1,410,774	7,678
Human services	172,762	173,279	147,173	26,106
Department on aging	238,903	238,903	214,357	24,546
Office for disabilities	67,195	67,195	51,652	15,543
Parent aid program	47,000	47,960	17,516	30,444
Veterans affairs	60,896	61,081	55,874	5,207
Total special services	<u>2,005,208</u>	<u>2,006,870</u>	<u>1,897,346</u>	<u>109,524</u>
Debt service	<u>67,852,430</u>	<u>67,852,430</u>	<u>67,753,922</u>	<u>98,508</u>
Total expenditures, encumbrances and other financing uses	<u>462,031,673</u>	<u>470,165,903</u>	<u>476,306,997</u>	<u>(6,141,094)</u>
Revenues and other financing sources over expenditures, encumbrances and other financing uses	<u>\$ 46,010</u>	<u>\$ 46,010</u>	(18,636,004)	<u>\$ (18,682,014)</u>
Unreserved fund balance, July 1, 2007			<u>29,241,106</u>	
Unreserved Fund Balance, June 30, 2008			<u>\$ 10,605,102</u>	

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.

Other Programs Fund - is used to account 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.

Housing Opportunities AIDS - is used to account for the U.S. Department of Housing and Urban Development (HUD) grant used for such activities as devising long-term strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS).

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.

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

EXHIBIT B-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2008

Special Revenue Funds

	Education Grants	Health and Sanitation	Community Development	Other Programs	Social Services	Community Development Block Grant	Housing Opportunities AIDS	HOME Program
ASSETS								
Cash and cash equivalents	\$ 22,579	\$ 140,305	\$	\$ 484,690	\$	\$ 77,201	\$ 100,314	\$ 306,332
Investments								
Receivables:								
Intergovernmental	6,650,980			1,942,403	479,011		116,127	
Other				3,241,911				577,522
Due from other funds	3,859,984			2,262,513				
Total Assets	<u>\$ 10,533,543</u>	<u>\$ 140,305</u>	<u>\$ -</u>	<u>\$ 7,931,517</u>	<u>\$ 479,011</u>	<u>\$ 77,201</u>	<u>\$ 216,441</u>	<u>\$ 883,854</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ 2,085,568	\$ 310,335	\$ 309,268	\$ 1,458,149	\$ 210,187	\$ 210,626	\$ 115,917	\$ 58,687
Accrued liabilities	312,158	65,507		7,071	14,365	390,942		5,641
Due to other funds		245,116	359,519	653,035	390,467	639,189	100,524	607,642
Unearned revenues	7,374,114	362,454		4,109,804	172,149			577,522
Total liabilities	<u>9,771,840</u>	<u>983,412</u>	<u>668,787</u>	<u>6,228,059</u>	<u>787,168</u>	<u>1,240,757</u>	<u>216,441</u>	<u>1,249,492</u>
Fund balance:								
Reserved for endowments - permanently restricted								
Reserved for encumbrances	101,549	601,940	172,676	6,583,344	182,367	632,906	286,857	1,599,007
Unreserved and undesignated	660,154	(1,445,047)	(841,463)	(4,879,886)	(490,524)	(1,796,462)	(286,857)	(1,964,645)
Total fund balance	<u>761,703</u>	<u>(843,107)</u>	<u>(668,787)</u>	<u>1,703,458</u>	<u>(308,157)</u>	<u>(1,163,556)</u>	<u>-</u>	<u>(365,638)</u>
Total Liabilities and Fund Balance	<u>\$ 10,533,543</u>	<u>\$ 140,305</u>	<u>\$ -</u>	<u>\$ 7,931,517</u>	<u>\$ 479,011</u>	<u>\$ 77,201</u>	<u>\$ 216,441</u>	<u>\$ 883,854</u>

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

EXHIBIT B-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2008

	Special Revenue Funds					Capital Projects				
	Section 108	Development				Education	Health	Highway	General	
	Loan	Administration	Library	Education	Parks and	and	and	and	Government	
	Guarantee	State Grant			Recreation	Library	Sanitation	Parking		
ASSETS										
Cash and cash equivalents	\$ 914,690	\$ 1,369,055	\$ 170,169	\$ 253,810	\$ 1,722,265	\$ 32,448	\$ 710,513	\$ 100,011	\$ 1,890	
Investments			1,513,410							
Receivables:										
Intergovernmental	459,737	5,480,996				214,234				
Other										
Due from other funds							484,401			
Total Assets	<u>\$ 1,374,427</u>	<u>\$ 6,850,051</u>	<u>\$ 1,683,579</u>	<u>\$ 253,810</u>	<u>\$ 1,722,265</u>	<u>\$ 246,682</u>	<u>\$ 1,194,914</u>	<u>\$ 100,011</u>	<u>\$ 1,890</u>	
LIABILITIES AND FUND BALANCE										
Liabilities:										
Accounts payable	\$ 27	\$ 558,127	\$	\$	\$ 1,678,031	\$	\$	\$	\$	
Accrued liabilities										
Due to other funds	405,996	5,512,473			40,102	199,025				
Unearned revenues		276,095								
Total liabilities	<u>406,023</u>	<u>6,346,695</u>	<u>-</u>	<u>-</u>	<u>1,718,133</u>	<u>199,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance:										
Reserved for endowments - permanently restricted										
Reserved for encumbrances	114,332	6,791,419			39					
Unreserved and undesignated	854,072	(6,288,063)	1,683,579	253,810	4,093	47,657	1,194,914	100,011	1,890	
Total fund balance	<u>968,404</u>	<u>503,356</u>	<u>1,683,579</u>	<u>253,810</u>	<u>4,132</u>	<u>47,657</u>	<u>1,194,914</u>	<u>100,011</u>	<u>1,890</u>	
Total Liabilities and Fund Balance	<u>\$ 1,374,427</u>	<u>\$ 6,850,051</u>	<u>\$ 1,683,579</u>	<u>\$ 253,810</u>	<u>\$ 1,722,265</u>	<u>\$ 246,682</u>	<u>\$ 1,194,914</u>	<u>\$ 100,011</u>	<u>\$ 1,890</u>	

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

EXHIBIT B-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2008

	Capital Projects						Permanent Trusts		Interfund Eliminations	Total Nonmajor Governmental Funds
	Parks and Recreation	Municipal Airport	Capital Reduction	Bond Issue	School Bond Issue	1997 Bond Issue	Library	Education		
ASSETS										
Cash and cash equivalents	\$ 492,323	\$ 194,104	\$ 1,051,262	\$ 249,812	\$ 70,744	\$ 112,699	\$ -	\$ 108,132	\$ -	\$ 8,685,348
Investments							588,653			2,102,063
Receivables:										
Intergovernmental		90,874	18,786	400		23,004				15,476,552
Other										3,819,433
Due from other funds	11,705	125,020	1,392,635	5,346		2,363		(855,350)		7,288,617
Total Assets	<u>\$ 504,028</u>	<u>\$ 409,998</u>	<u>\$ 2,462,683</u>	<u>\$ 255,558</u>	<u>\$ 70,744</u>	<u>\$ 138,066</u>	<u>\$ 588,653</u>	<u>\$ 108,132</u>	<u>\$ (855,350)</u>	<u>\$ 37,372,013</u>
LIABILITIES AND FUND BALANCE										
Liabilities:										
Accounts payable	\$ -	\$ 23,136	\$ -	\$ 1,398	\$ -	\$ 5,311	\$ -	\$ -	\$ -	\$ 7,024,767
Accrued liabilities										795,684
Due to other funds						33,000		(855,350)		8,330,738
Unearned revenues			751,415							13,623,553
Total liabilities	<u>-</u>	<u>23,136</u>	<u>751,415</u>	<u>1,398</u>	<u>-</u>	<u>38,311</u>	<u>-</u>	<u>-</u>	<u>(855,350)</u>	<u>29,774,742</u>
Fund balance:										
Reserved for endowments - permanently restricted							552,531	108,681		661,212
Reserved for encumbrances			214,875			17,656				17,298,967
Unreserved and undesignated	504,028	386,862	1,496,393	254,160	70,744	82,099	36,122	(549)		(10,362,908)
Total fund balance	<u>504,028</u>	<u>386,862</u>	<u>1,711,268</u>	<u>254,160</u>	<u>70,744</u>	<u>99,755</u>	<u>588,653</u>	<u>108,132</u>	<u>-</u>	<u>7,597,271</u>
Total Liabilities and Fund Balance	<u>\$ 504,028</u>	<u>\$ 409,998</u>	<u>\$ 2,462,683</u>	<u>\$ 255,558</u>	<u>\$ 70,744</u>	<u>\$ 138,066</u>	<u>\$ 588,653</u>	<u>\$ 108,132</u>	<u>\$ (855,350)</u>	<u>\$ 37,372,013</u>

CITY OF BRIDGEPORT, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

76

	Special Revenue							
	Education Grants	Health and Sanitation	Community Development	Other Programs	Social Services	Community Development Block Grant	Housing Opportunities AIDS	HOME Program
Revenues:								
Intergovernmental	\$ 54,125,170	\$ 6,741,454	\$ 1,327,371	\$ 11,081,953	\$ 927,929	\$ 2,763,189	\$ 450,879	\$ 1,850,162
Interest				3,239		22,028		5,575
Other	23,635	555,306	89,815	635,946	1,441,573			499,960
Total revenues	<u>54,148,805</u>	<u>7,296,760</u>	<u>1,417,186</u>	<u>11,721,138</u>	<u>2,369,502</u>	<u>2,785,217</u>	<u>450,879</u>	<u>2,355,697</u>
Expenditures:								
Conservation of health		6,093,137						
Education	54,467,680							
Special services			2,320,588	13,412,912	2,394,868	4,555,069	450,879	1,679,468
Capital outlay								
General government								
Total expenditures	<u>54,467,680</u>	<u>6,093,137</u>	<u>2,320,588</u>	<u>13,412,912</u>	<u>2,394,868</u>	<u>4,555,069</u>	<u>450,879</u>	<u>1,679,468</u>
Excess (deficiency) of revenues over expenditures	(318,875)	1,203,623	(903,402)	(1,691,774)	(25,366)	(1,769,852)	-	676,229
Fund Balance at Beginning of Year	<u>1,080,578</u>	<u>(2,046,730)</u>	<u>234,615</u>	<u>3,395,232</u>	<u>(282,791)</u>	<u>606,296</u>	<u>-</u>	<u>(1,041,867)</u>
Fund Balance at End of Year	<u>\$ 761,703</u>	<u>\$ (843,107)</u>	<u>\$ (668,787)</u>	<u>\$ 1,703,458</u>	<u>\$ (308,157)</u>	<u>\$ (1,163,556)</u>	<u>\$ -</u>	<u>\$ (365,638)</u>

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CITY OF BRIDGEPORT, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

77

	Special Revenue					Capital Projects			
	Section 108 Loan Guarantee	Development Administration State Grant	Library	Education	Parks and Recreation	Education and Library	Health and Sanitation	Highway and Parking	General Government
Revenues:									
Intergovernmental	\$	\$ 4,028,582	\$ 11,467	\$	\$	\$	\$	\$	\$
Interest	1,441		84,706	8,099	21		22,944	3,376	
Other	165,359	1,686	185,247		74,305				
Total revenues	<u>166,800</u>	<u>4,030,268</u>	<u>281,420</u>	<u>8,099</u>	<u>74,326</u>	<u>-</u>	<u>22,944</u>	<u>3,376</u>	<u>-</u>
Expenditures:									
Conservation of health									
Education				9,350					
Special services	111,893	4,122,923							
Capital outlay									
General government			195,213		714				
Total expenditures	<u>111,893</u>	<u>4,122,923</u>	<u>195,213</u>	<u>9,350</u>	<u>714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	54,907	(92,655)	86,207	(1,251)	73,612	-	22,944	3,376	-
Fund Balance at Beginning of Year	<u>913,497</u>	<u>596,011</u>	<u>1,597,372</u>	<u>255,061</u>	<u>(69,480)</u>	<u>47,657</u>	<u>1,171,970</u>	<u>96,635</u>	<u>1,890</u>
Fund Balance at End of Year	<u>\$ 968,404</u>	<u>\$ 503,356</u>	<u>\$ 1,683,579</u>	<u>\$ 253,810</u>	<u>\$ 4,132</u>	<u>\$ 47,657</u>	<u>\$ 1,194,914</u>	<u>\$ 100,011</u>	<u>\$ 1,890</u>

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CITY OF BRIDGEPORT, CONNECTICUT

EXHIBIT B-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

78

	Capital Projects					Permanent Trusts		Interfund Eliminations	Total Nonmajor Governmental Funds
	Parks and Recreation	Municipal Airport	Capital Reduction	Bond Issue	School Bond Issue	1997 Bond Issue	Library		
Revenues:									
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$	\$ 83,308,156
Interest	20,464	12,555	37,912	8,195	2,505	2,760	47,565	3,463	286,848
Other	10,904	184				5,920			3,689,840
Total revenues	<u>31,368</u>	<u>12,739</u>	<u>37,912</u>	<u>8,195</u>	<u>2,505</u>	<u>8,680</u>	<u>47,565</u>	<u>3,463</u>	<u>87,284,844</u>
Expenditures:									
Conservation of health									6,093,137
Education								4,043	54,481,073
Special services									29,048,600
Capital outlay	29,876								29,876
General government			8,500				14,538		218,965
Total expenditures	<u>29,876</u>	<u>-</u>	<u>8,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,538</u>	<u>4,043</u>	<u>89,871,651</u>
Excess (deficiency) of revenues over expenditures	1,492	12,739	29,412	8,195	2,505	8,680	33,027	(580)	(2,586,807)
Fund Balance at Beginning of Year	<u>502,536</u>	<u>374,123</u>	<u>1,681,856</u>	<u>245,965</u>	<u>68,239</u>	<u>91,075</u>	<u>555,626</u>	<u>108,712</u>	<u>10,184,078</u>
Fund Balance at End of Year	<u><u>\$ 504,028</u></u>	<u><u>\$ 386,862</u></u>	<u><u>\$ 1,711,268</u></u>	<u><u>\$ 254,160</u></u>	<u><u>\$ 70,744</u></u>	<u><u>\$ 99,755</u></u>	<u><u>\$ 588,653</u></u>	<u><u>\$ 108,132</u></u>	<u><u>\$ 7,597,271</u></u>

Fiduciary Fund

FIDUCIARY FUND

Fiduciary Funds are used to account for assets held in a trustee capacity for others, and include Agency Funds.

Agency Funds - Agency funds are custodial in nature (assets equal liabilities). The City's one Agency Fund is listed below:

Student Activities Fund

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
Student Activities Fund				
Assets:				
Cash and cash equivalents	\$ 292,244	\$ 1,303,832	\$ (1,274,609)	\$ 321,467
Liabilities:				
Due to student groups	\$ 292,244	\$ 1,303,832	\$ (1,274,609)	\$ 321,467

**Capital Assets Used in the
Operation of Governmental Funds**

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS-
SCHEDULE BY SOURCE**

JUNE 30, 2008

Governmental funds capital assets:

Land	\$ 138,851,793
Buildings	422,451,645
Furniture and equipment	19,864,688
Infrastructure	122,487,608
Vehicles	34,059,182
Construction in progress	<u>181,091,885</u>
Total	\$ <u>918,806,801</u>

Investment in governmental funds capital assets by source:

Capital Projects Funds	\$ 509,411,985
General Fund	176,996,012
Tax Foreclosed Property	9,499,706
Economic Development	3,058,210
Donated Property	2,773,300
Other Special Revenue Funds	<u>217,067,588</u>
Total	\$ <u>918,806,801</u>

CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
BY FUNCTION AND ACTIVITY

JUNE 30, 2008

	<u>Land</u>	<u>Buildings</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Totals</u>
General Government						
City Clerk	\$	\$	\$	\$	\$	-
Mayor				124,881		124,881
Chief Administrator						-
Office of Policy/Management			49,269	19,817		69,086
Registrar of Voters						-
Finance				37,693		37,693
Tax Assessor				37,488		37,488
Tax Collector	8,492,560	1,743,175				10,235,735
Treasurers						-
Information Technology Services			2,800,978			2,800,978
Print Shop			167,915	13,297		181,212
Labor Relations						-
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				30,320		30,320
Sikorsky Memorial Airport	4,908,731	1,561,972	682,724	1,121,596		8,275,023
Harbor Master			178,706	42,591		221,297
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	75,846,294	102,240,164	4,993,920	92,224		183,172,603
Fair Housing	240,000					240,000
Zoning Commission				12,496		12,496
Employee & Organizational Development						-
Bus Station		22,743,812				22,743,812
Purchasing				15,320		15,320
City Hall Committee						-
Total general government	<u>90,533,401</u>	<u>132,840,222</u>	<u>8,903,192</u>	<u>1,636,699</u>	<u>-</u>	<u>233,913,515</u>
Protection of Person and Property						
Police	91,850	3,955,029	1,953,479	9,077,646		15,078,004
Dog Warden	2,700,000					2,700,000
Fire	599,819	5,570,274	811,880	8,394,245		15,376,218
Building Department						-
Weights and Measures				18,863		18,863
Total protection of person and property	<u>3,391,669</u>	<u>9,525,303</u>	<u>2,765,359</u>	<u>17,490,754</u>	<u>-</u>	<u>33,173,085</u>
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

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
BY FUNCTION AND ACTIVITY (CONTINUED)

JUNE 30, 2008

	<u>Land</u>	<u>Buildings</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Totals</u>
Conservation of Health, Continued						
Environmental Health	\$	\$	\$	\$ 102,590	\$	\$ 102,590
Housing Code Enforcement				143,569		143,569
Women, Infants and Children				28,996		28,996
Social Services			250,000	12,496		262,496
Relief of Outside Poor						-
Human Resources						-
Youth Services				13,297		13,297
Mounted unit						-
School Based Health						-
Office for Persons with Disabilities						-
Community Dental Clinic						-
Department of Aging				49,715		49,715
Total conservation of health	<u>-</u>	<u>13,122</u>	<u>371,000</u>	<u>388,952</u>	<u>-</u>	<u>773,074</u>
Public Facilities						
Director of Public Facilities	3,775,000			117,284		3,892,284
Miscellaneous	14,285		112,824	412,710		539,819
City Yard				23,375		23,375
Municipal Garage		1,149,441				1,149,441
Maintenance Department			159,026	352,649		511,675
Roadways and Maintenance		34,995	1,995,638	3,602,071	122,487,608	128,120,312
Ash and Garbage			10,000	3,599,916		3,609,916
Recycling				1,282,994		1,282,994
City Hall	170,597	12,066,271	123,720			12,360,588
Humane Affairs Building	192,343	3,617,898				3,810,241
Senior Citizens Building	30,000	395,246	24,460			449,706
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				77,649		77,649
Construction Management Services				25,793		25,793
Total public facilities	<u>5,631,970</u>	<u>18,746,178</u>	<u>2,496,618</u>	<u>9,515,872</u>	<u>122,487,608</u>	<u>158,878,246</u>
Education						
Administration	23,722,630	241,293,187	2,042,927	1,387,613		268,446,357
Instruction				795,138		795,138
Support Services			11,660	677,407		689,067
Pupil Services				19,444		19,444
Total education	<u>23,722,630</u>	<u>241,293,187</u>	<u>2,054,587</u>	<u>2,879,602</u>	<u>-</u>	<u>269,950,006</u>
Parks and Recreation						
Parks Administration	15,444,298	14,851,143	2,234,474	1,348,528		33,878,443
Fairchild Wheeler		197,057	297,054			494,111
Park Checkpoints				23,375		23,375
Total parks and recreation	<u>15,444,298</u>	<u>15,048,200</u>	<u>2,531,528</u>	<u>1,371,903</u>	<u>-</u>	<u>34,395,929</u>
Library						
	<u>127,825</u>	<u>4,985,433</u>	<u>86,000</u>	<u>30,787</u>	<u>-</u>	<u>5,230,045</u>

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
BY FUNCTION AND ACTIVITY (CONTINUED)

JUNE 30, 2008

	<u>Land</u>	<u>Buildings</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Totals</u>
Nutrition Center	\$ -	\$ -	\$ 656,404	\$ 744,612	\$ -	\$ 1,401,016
Miscellaneous						
BSA-Block Grant	-	-	-	-	-	-
Total fixed assets placed in use	138,851,793	422,451,645	19,864,688	34,059,181	122,487,608	737,714,916
Construction in Progress	-	181,091,885	-	-	-	181,091,885
Total general fixed assets	<u>\$ 138,851,793</u>	<u>\$ 603,543,530</u>	<u>\$ 19,864,688</u>	<u>\$ 34,059,181</u>	<u>\$ 122,487,608</u>	<u>\$ 918,806,801</u>

CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES BY FUNCTION

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2008</u>
General Government					
City Clerk	\$	\$	\$	\$	\$ -
Mayor	100,653	24,228			124,881
Chief Administrator					-
Office of Policy/Management	69,086				69,086
Registrar of Voters					-
Finance	22,373	15,320			37,693
Tax Assessor	37,488				37,488
Tax Collector	9,624,215	1,159,022	547,503		10,235,734
Treasurers					-
Information Technology Services	2,785,034	15,944			2,800,978
Print Shop	181,212				181,212
Labor Relations					-
Barnum Institute	448,869				448,869
Klein Memorial Auditorium	3,050,660				3,050,660
Archives and Records	29,680				29,680
City Attorney	15,000	15,320			30,320
Sikorsky Memorial Airport	8,275,023	105,992			8,381,015
Harbor Master	221,297				221,297
Railroad Station	1,579,570				1,579,570
Offstreet Parking	517,816				517,816
Building Department	88,976				88,976
Planning and Development	174,658,526	8,514,077			183,172,603
Fair Housing	240,000				240,000
Zoning Commission	12,496				12,496
Bus Terminal				22,743,812	22,743,812
Zoning Board of Appeals					-
Purchasing		15,320			15,320
City Hall Committee					-
Total general government	<u>201,957,974</u>	<u>9,865,223</u>	<u>547,503</u>	<u>22,743,812</u>	<u>234,019,506</u>
Protection of Person and Property					
Police	14,295,004	783,000			15,078,004
Dog Warden	2,700,000				2,700,000
Fire	15,201,974	174,244			15,376,218
Building Department					-
Weights and Measures	18,863				18,863
Total protection of person and property	<u>32,215,841</u>	<u>957,244</u>	<u>-</u>	<u>-</u>	<u>33,173,085</u>

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES BY FUNCTION (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2008</u>
Conservation of Health					
Administration	\$ 71,793	\$ 12,508	\$	\$	\$ 84,301
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	12,508			143,569
Women, Infants and Children	28,996				28,996
Social Services	262,496				262,496
Relief of Outside Poor					-
Human Resources					-
Mounted Unit	13,297				13,297
School Based Health					-
Office for Persons with Disabilities					-
Dental Hygiene					-
Community Dental Clinic					-
Department of Aging	49,715				49,715
Total conservation of health	<u>748,058</u>	<u>25,016</u>	<u>-</u>	<u>-</u>	<u>773,074</u>
Public Facilities					
Director of Public Facilities	3,892,284				3,892,284
Miscellaneous	539,819				539,819
City Yard	23,375				23,375
Municipal Garage	1,149,441				1,149,441
Maintenance Department	511,675				511,675
Roadways and Maintenance	115,855,341	8,392,624			124,247,965
Ash and Garbage	3,609,916				3,609,916
Recycling	1,282,994				1,282,994
City Hall	12,360,588				12,360,588
Humane Affairs Building	3,810,241				3,810,241
Senior Citizens Building	449,706				449,706
Hall of Records	1,179,998				1,179,998
Transfer Station	1,844,455				1,844,455
City Engineer	77,649				77,649
Construction Management Services	25,793				25,793
Total public facilities	<u>146,613,275</u>	<u>8,392,624</u>	<u>-</u>	<u>-</u>	<u>155,005,899</u>

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES BY FUNCTION (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2008</u>
Education					
Administration	\$ 231,089,307	\$ 16,924,749	\$ -	\$ 20,432,301	\$ 268,446,357
Instruction	795,138				795,138
Support Services	689,067				689,067
Pupil Services	19,444				19,444
Total education	<u>232,592,956</u>	<u>16,924,749</u>	<u>-</u>	<u>20,432,301</u>	<u>269,950,006</u>
Parks and Recreation					
Parks Administration	33,045,584	4,332,859			37,378,443
Fairchild Wheeler	223,990	536,477			760,467
Park Checkpoints	23,375				23,375
	<u>33,292,949</u>	<u>4,869,336</u>	<u>-</u>	<u>-</u>	<u>38,162,285</u>
Library	<u>5,109,489</u>	<u>120,556</u>			<u>5,230,045</u>
Nutrition Center	<u>1,313,321</u>	<u>87,695</u>	<u>-</u>	<u>-</u>	<u>1,401,016</u>
Miscellaneous					
BJA-Block Grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fixed assets placed in use	<u>653,843,863</u>	<u>41,242,443</u>	<u>547,503</u>	<u>43,176,113</u>	<u>737,714,916</u>
Construction in Progress	<u>136,416,249</u>	<u>87,851,749</u>	<u>-</u>	<u>(43,176,113)</u>	<u>181,091,885</u>
Total General Fixed Assets	<u>\$ 790,260,112</u>	<u>\$ 129,094,192</u>	<u>\$ 547,503</u>	<u>\$ -</u>	<u>\$ 918,806,801</u>

Other Schedules

CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2008

Grand List Year	Balance Uncollected July 1, 2007	Current Levy	Net Adjustments	Transfers to Suspende	Adjusted Taxes Collectible	Collections				Balance Uncollected June 30, 2008
						Taxes	Interest	Lien Fees	Total	
1992	\$ 1,302,169		\$ (1,277,892)	\$ (351)	\$ 23,926	\$ 23,926	\$ 60,567	\$ 344	\$ 84,837	
1993	1,334,605		(5,039)	(120)	1,329,446	21,942	46,463	375	68,780	1,307,504
1994	1,458,095		(65,692)	(911)	1,391,492	24,082	46,899	349	71,330	1,367,410
1995	1,886,219		(133,626)	(1,249)	1,751,344	61,191	114,862	337	176,390	1,690,153
1996	2,072,492		(143,614)	(2,497)	1,926,381	67,402	121,587	751	189,740	1,858,979
1997	2,229,488		(202,209)	(2,915)	2,024,364	122,399	189,350	889	312,638	1,901,965
1998	2,454,435		(272,167)	(3,136)	2,179,132	196,714	292,123	1,289	490,126	1,982,418
1999	2,802,031		(210,865)	(4,519)	2,586,647	206,724	270,670	1,694	479,088	2,379,923
2000	2,762,366		(209,595)	(6,077)	2,546,694	267,672	256,252	2,405	526,329	2,279,022
2001	3,330,070		(169,897)	(5,591)	3,154,582	404,897	353,970	3,078	761,945	2,749,685
2002	3,410,858		(326,703)	(3,260)	3,080,895	458,304	329,564	4,478	792,346	2,622,591
2003	3,034,820		(696,615)	(1,467)	2,336,738	145,276	89,785	5,845	240,906	2,191,462
2004	4,425,557		(625,230)	(3,816)	3,796,511	772,660	330,063	12,295	1,115,018	3,023,851
2005	8,469,350		(667,709)	(5,259)	7,796,382	3,816,892	707,829	65,688	4,590,409	3,979,490
2006		225,730,995	(3,429,780)	(19,049)	222,282,166	215,712,695	2,193,505	98,695	218,004,895	6,569,471
	<u>\$ 40,972,555</u>	<u>\$ 225,730,995</u>	<u>\$ (8,436,633)</u>	<u>\$ (60,217)</u>	<u>\$ 258,206,700</u>	<u>\$ 222,302,776</u>	<u>\$ 5,403,489</u>	<u>\$ 198,512</u>	<u>\$ 227,904,777</u>	<u>\$ 35,903,924</u>

Statistical Section

Statistical Section

This part of the City of Bridgeport, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page numbers.

CITY OF BRIDGEPORT, CONNECTICUT

TABLE 1

NET ASSETS BY COMPONENT

LAST FIVE FISCAL YEARS

(Accrual Basis of Accounting)

	FISCAL YEAR				
	2008	2007	2006	2005	2004
Governmental Activities:					
Invested in capital assets, net of related debt	\$ 344,230,733	\$ 209,090,671	\$ 127,514,772	\$ 108,362,879	\$ 65,794,648
Restricted	3,161,212	3,161,212	3,161,212	3,207,234	3,155,609
Unrestricted	(226,824,933)	(168,193,991)	(151,356,989)	(175,841,584)	(143,011,902)
Total Governmental Activities Net Assets	120,567,012	44,057,892	(20,681,005)	(64,271,471)	(74,061,645)
Business-type activities:					
Invested in capital assets, net of related debt	73,809,271	71,647,808	70,239,858	69,306,606	66,678,436
Restricted	1,290,387	582,299	1,005,237	2,513,522	
Unrestricted	566,363	196,996	(531,792)	(2,669,623)	(7,977,022)
Total Business-Type Activities Net Assets	75,666,021	72,427,103	70,713,303	69,150,505	58,701,414
Primary Government:					
Invested in capital assets, net of related debt	418,040,004	280,738,479	197,754,630	177,669,485	132,473,084
Restricted	4,451,599	3,743,511	4,166,449	5,720,756	3,155,609
Unrestricted	(226,258,570)	(167,996,995)	(151,888,781)	(178,511,207)	(150,988,924)
Total Primary Government Net Assets	\$ 196,233,033	\$ 116,484,995	\$ 50,032,298	\$ 4,879,034	\$ (15,360,231)

NOTE: GASB Statement No. 34 Implemented in Fiscal Year 2002

CITY OF BRIDGEPORT, CONNECTICUT

TABLE 2

CHANGES IN NET ASSETS

LAST FIVE FISCAL YEARS

(Accrual Basis of Accounting)

	FISCAL YEAR				
	2008	2007	2006	2005	2004
Expenses:					
Governmental activities:					
General government	\$ 86,823,753	\$ 40,345,741	\$ 41,722,180	\$ 38,157,661	\$ 35,479,327
Protection of person and property	83,787,624	84,118,885	84,409,628	94,461,547	91,839,086
Conservation of health	18,589,707	20,437,426	18,690,534	19,301,232	11,974,813
Public facilities	23,239,850	33,603,711	23,565,756	28,882,305	35,646,905
Education	364,900,855	316,003,326	275,174,924	271,053,265	280,498,182
Parks and recreation	6,024,774	6,716,385	6,583,851	6,521,261	6,616,402
Special services	30,381,114	41,536,847	23,419,505	20,221,443	18,290,399
Interest on long-term debt	40,053,878	40,704,065	41,900,200	40,832,426	41,527,846
Total governmental activities expenses	<u>653,801,555</u>	<u>583,466,386</u>	<u>515,466,578</u>	<u>519,431,140</u>	<u>521,872,960</u>
Business-type activities:					
Water Pollution Control Authority	<u>25,457,947</u>	<u>23,879,708</u>	<u>22,869,459</u>	<u>22,115,101</u>	<u>20,959,181</u>
68 Total primary government expenses	<u>679,259,502</u>	<u>607,346,094</u>	<u>538,336,037</u>	<u>541,546,241</u>	<u>542,832,141</u>
Program revenue:					
Governmental activities:					
Charges for services:					
General government	8,914,116	11,067,469	23,874,846	20,788,251	32,370,459
Protection of person and property	9,856,899	4,905,692	4,476,760	4,533,724	5,163,250
Conservation of health	817,350	1,991,980	2,155,194	1,529,848	1,570,304
Public facilities	2,985,124	10,182,342	6,647,338	6,697,358	6,266,939
Education	1,018,406	1,276,551	1,423,341	654,426	1,297,255
Parks and recreation	2,318,393	1,518,799	1,726,183	1,902,781	1,945,085
Special services		1,061,769	178,938	1,012,749	1,918,834
Operating grants and contributions:					
General government	11,467		14,992	5,093	2,525,000
Protection of person and property		5,698,748	4,380,797	4,302,286	2,679,253
Conservation of health	14,951,983				
Public facilities	1,528,445				
Education	309,252,770	215,343,447	210,955,679	217,758,757	212,719,622
Parks and recreation					
Special services	25,282,869	41,522,707	20,301,961	12,504,646	12,584,405
Capital grants and contributions:					
General government					
Education	87,193,304	64,067,911	36,550,562	20,973,871	13,108,097
Public facilities	8,343,237	16,809,428			
Protection of person and property		2,500,000			
Total governmental activities program revenue	<u>472,474,363</u>	<u>377,946,843</u>	<u>312,686,591</u>	<u>292,663,790</u>	<u>294,148,503</u>

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT
CHANGES IN NET ASSETS (CONTINUED)

LAST FIVE FISCAL YEARS
(Accrual Basis of Accounting)

		FISCAL YEAR				
		2007	2006	2005	2004	2003
Business-type activities:						
Charges for services:						
Water Pollution Control Authority		\$ 27,538,494	\$ 24,437,184	\$ 22,715,548	\$ 27,855,870	\$ 19,272,070
Capital grants and contributions:						
Water Pollution Control Authority		1,158,371	1,156,324	1,557,806	937,936	544,524
Total business-type activities program revenues		<u>28,696,865</u>	<u>25,593,508</u>	<u>24,273,354</u>	<u>28,793,806</u>	<u>19,816,594</u>
Total primary government program revenues		<u>501,171,228</u>	<u>403,540,351</u>	<u>336,959,945</u>	<u>321,457,596</u>	<u>313,965,097</u>
Net (expense) revenue:						
Governmental activities		(181,327,192)	(205,519,543)	(202,779,987)	(226,767,350)	(227,724,457)
Business-type activities		3,238,918	1,713,800	1,403,895	6,678,705	(1,142,587)
Total primary government net expense		<u>(178,088,274)</u>	<u>(203,805,743)</u>	<u>(201,376,092)</u>	<u>(220,088,645)</u>	<u>(228,867,044)</u>
06 General Revenues and Other Changes in Net Assets:						
Governmental activities:						
Property taxes		220,435,186	226,471,874	210,007,626	197,001,706	182,701,969
Grants and contributions not restricted to specific programs		32,440,856	35,588,659	32,127,837	35,361,300	31,099,591
Proceeds from sale of City-owned property					1,231,298	(800,638)
Unrestricted investment earnings		4,115,785	8,197,907	4,234,990	2,963,220	491,343
Total governmental activities		<u>256,991,827</u>	<u>270,258,440</u>	<u>246,370,453</u>	<u>236,557,524</u>	<u>213,492,265</u>
Business-type activities:						
Investment earnings				158,903	108,940	92,229
Total primary government		<u>256,991,827</u>	<u>270,258,440</u>	<u>246,529,356</u>	<u>236,666,464</u>	<u>213,584,494</u>
Changes in Net Assets:						
Governmental activities		75,664,635	64,738,897	43,590,466	9,790,174	(14,232,192)
Business-type activities		3,238,918	1,713,800	1,562,798	6,787,645	(1,050,358)
Total Primary Government		<u>\$ 78,903,553</u>	<u>\$ 66,452,697</u>	<u>\$ 45,153,264</u>	<u>\$ 16,577,819</u>	<u>\$ (15,282,550)</u>

CITY OF BRIDGEPORT, CONNECTICUT

TABLE 3

PROGRAM REVENUES BY FUNCTION/PROGRAM

LAST FIVE FISCAL YEARS

(Accrual Basis of Accounting)

Function/Program	FISCAL YEAR				
	2008	2007	2006	2005	2004
Governmental activities:					
General government	\$ 8,925,583	\$ 11,067,469	\$ 23,889,838	\$ 20,793,344	\$ 34,895,459
Protection of person and property	9,856,899	13,104,440	8,857,557	8,836,010	7,842,503
Conservation of health	15,769,333	1,991,980	2,155,194	1,529,848	1,570,304
Public facilities	12,856,806	26,991,770	6,647,338	6,697,358	6,266,939
Education	397,464,480	280,687,909	248,929,582	239,387,054	227,124,974
Parks and recreation	2,318,393	1,518,799	1,726,183	1,902,781	1,945,085
Special services	25,282,869	42,584,476	20,480,899	13,517,395	14,503,239
Total governmental activities	<u>472,474,363</u>	<u>377,946,843</u>	<u>312,686,591</u>	<u>292,663,790</u>	<u>294,148,503</u>
Business-type activities:					
Water Pollution Control Authority	<u>28,696,865</u>	<u>25,593,508</u>	<u>24,273,354</u>	<u>27,855,870</u>	<u>19,272,070</u>
Total Government	<u>\$ 501,171,228</u>	<u>\$ 403,540,351</u>	<u>\$ 336,959,945</u>	<u>\$ 320,519,660</u>	<u>\$ 313,420,573</u>

CITY OF BRIDGEPORT, CONNECTICUT

TABLE 4

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

		FISCAL YEAR									
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund:											
	Reserved	\$ 4,965,927	\$ 2,568,476	\$ 2,657,983	\$ 2,584,394	\$ 2,645,439	\$ 2,727,423	\$ 2,500,000	\$ 4,127,588	\$	\$
	Unreserved	<u>46,015,882</u>	<u>48,428,443</u>	<u>48,429,336</u>	<u>38,571,118</u>	<u>35,304,505</u>	<u>33,004,687</u>	<u>29,800,885</u>	<u>24,686,939</u>	<u>29,241,106</u>	<u>10,605,102</u>
	Total General Fund	<u>\$ 50,981,809</u>	<u>\$ 50,996,919</u>	<u>\$ 51,087,319</u>	<u>\$ 41,155,512</u>	<u>\$ 37,949,944</u>	<u>\$ 35,732,110</u>	<u>\$ 32,300,885</u>	<u>\$ 28,814,527</u>	<u>\$ 29,241,106</u>	<u>\$ 10,605,102</u>
All Other Governmental Funds:											
	Reserved	\$ 28,322,595	\$ 67,927,913	\$ 28,967,081	\$ 26,261,000	\$ 23,112,383	\$ 27,148,738	\$ 142,385,942	\$ 132,000,973	\$ 101,323,449	\$ 114,188,749
NS	Unreserved, reported in:										
	Special revenue funds	(1,110,487)	(9,008,316)	8,734,755	3,621,856	(2,830,148)	1,173,237	(8,817,211)	(19,480,868)	(8,379,055)	(14,537,239)
	Capital projects funds	(24,051,542)	(10,728,512)	4,752,568	34,915,787	21,154,461	43,316,930	(60,633,269)	(13,936,725)	14,104,079	(12,518,325)
	Permanent fund				<u>1,543,518</u>	<u>651,434</u>	<u>655,609</u>	<u>707,234</u>	<u>661,212</u>	<u>3,126</u>	<u>35,573</u>
	Total All Other Governmental Funds	<u>\$ 3,160,566</u>	<u>\$ 48,191,085</u>	<u>\$ 42,454,404</u>	<u>\$ 66,342,161</u>	<u>\$ 42,088,130</u>	<u>\$ 72,294,514</u>	<u>\$ 73,642,696</u>	<u>\$ 99,244,592</u>	<u>\$ 107,051,599</u>	<u>\$ 87,168,758</u>

CITY OF BRIDGEPORT, CONNECTICUT
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

		FISCAL YEAR									
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:											
Property taxes	\$	153,309,614	\$ 154,143,728	\$ 157,275,059	\$ 176,476,368	\$ 187,291,950	\$ 181,841,069	\$ 203,587,418	\$ 218,013,347	\$ 228,593,633	\$ 227,028,207
Intergovernmental		234,933,973	279,419,020	316,517,356	285,687,143	281,913,116	279,402,599	294,084,874	306,711,917	383,345,871	475,240,256
Fees, permits and licenses		12,005,861	12,030,977	10,904,938	11,464,973	12,648,745	16,598,258	19,037,466	20,727,139	20,844,855	19,942,980
Interest		7,295,911	10,161,216	7,833,778	4,347,622	2,810,783	520,946	2,972,578	4,169,012	8,184,000	4,115,785
Other		7,110,498	11,539,709	7,724,250	18,566,662	8,225,325	35,420,447	23,517,173	20,826,665	12,340,020	11,122,689
Total revenues		<u>414,655,857</u>	<u>467,294,650</u>	<u>500,255,381</u>	<u>496,542,768</u>	<u>492,889,919</u>	<u>513,783,319</u>	<u>543,199,509</u>	<u>570,448,080</u>	<u>653,308,379</u>	<u>737,449,917</u>
Expenditures:											
Governmental and community services:											
General government		95,387,728	99,860,361	79,994,831	93,363,879	88,209,395	99,660,481	104,564,452	108,862,558	78,130,009	77,150,939
Protection of person and property		57,340,176	59,421,508	62,190,590	61,494,439	61,706,357	62,224,435	63,846,820	63,669,135	63,938,653	72,907,644
Excess Pension Contribution				343,523,865							
Conservation of health		9,255,934	10,131,608	10,971,897	11,613,075	10,475,853	16,324,964	16,627,932	16,087,863	18,206,936	18,483,802
Public facilities		20,323,215	19,431,610	18,251,266	16,580,433	15,821,862	23,096,673	24,662,002	24,479,831	26,303,916	27,997,221
Charities and hospitals		221,450	173,757	223,479	221,764	14,880	53,021	70,462	90,833		184,968
Education		175,696,345	190,115,805	196,116,242	212,886,352	222,785,775	225,514,687	233,091,242	232,779,256	279,762,589	357,577,107
Parks and recreation		4,827,311	4,774,541	4,452,648	5,730,908	5,576,989	5,044,139	5,655,220	5,818,319	5,969,788	5,675,667
Special services		26,017,378	22,504,312	24,983,022	20,277,255	22,737,145	18,040,700	19,660,655	22,892,503	40,966,303	30,945,946
Debt service:											
Principal retirements		12,547,008	14,567,195	14,881,280	19,157,839	20,603,428	20,965,572	23,526,717	26,435,988	23,579,000	26,232,000
Interest and other charges		12,283,969	12,283,646	33,998,267	45,061,979	42,633,563	41,109,530	43,567,518	46,276,800	41,852,539	41,521,922
Capital outlay		23,294,873	92,084,678	90,482,840	42,884,420	30,284,271	23,040,567	42,681,632	63,239,695	114,737,164	118,136,031
Total expenditures		<u>437,195,387</u>	<u>525,349,021</u>	<u>880,070,227</u>	<u>529,272,343</u>	<u>520,849,518</u>	<u>535,074,769</u>	<u>577,954,652</u>	<u>610,632,781</u>	<u>693,446,897</u>	<u>776,813,247</u>
Excess of revenues over (under) expenditures		<u>(22,539,530)</u>	<u>(58,054,371)</u>	<u>(379,814,846)</u>	<u>(32,729,575)</u>	<u>(27,959,599)</u>	<u>(21,291,450)</u>	<u>(34,755,143)</u>	<u>(40,184,701)</u>	<u>(40,138,518)</u>	<u>(39,363,330)</u>
Other financing sources (uses):											
Transfers in		3,000,000	149,255,380	172,786,340	168,024,318	169,405,906	175,814,614	179,817,106	175,331,870	212,264,417	219,222,813
Transfers out		(3,000,000)	(149,255,380)	(172,786,340)	(173,541,029)	(169,405,906)	(175,814,614)	(179,817,106)	(175,331,870)	(212,264,417)	(219,222,813)
Bonds issued			101,600,000	350,000,000			77,265,000	88,505,000	95,735,000	47,890,000	
Premium (discount) on long-term debt					6,614,810		1,600,083	8,186,165	895,239	482,104	
Payments to escrow agent					(79,331,679)		(29,585,083)	(64,019,065)	(34,330,000)		
Proceeds from notes payable		1,880,000	1,500,000	24,168,565	1,000,000	500,000					
Capital lease					314,471						
Total other financing sources (uses)		<u>1,880,000</u>	<u>103,100,000</u>	<u>374,168,565</u>	<u>44,276,326</u>	<u>500,000</u>	<u>49,280,000</u>	<u>32,672,100</u>	<u>62,300,239</u>	<u>48,372,104</u>	<u>-</u>
Net Changes in Fund Balance	\$	<u>(20,659,530)</u>	<u>45,045,629</u>	<u>(5,646,281)</u>	<u>11,546,751</u>	<u>(27,459,599)</u>	<u>27,988,550</u>	<u>(2,083,043)</u>	<u>22,115,538</u>	<u>8,233,586</u>	<u>(39,363,330)</u>
Debt Service as a Percentage of Noncapital Expenditures											
		<u>6.0%</u>	<u>6.2%</u>	<u>6.2%</u>	<u>13.2%</u>	<u>12.9%</u>	<u>12.1%</u>	<u>12.5%</u>	<u>13.3%</u>	<u>11.5%</u>	<u>10.5%</u>

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CITY OF BRIDGEPORT, CONNECTICUT

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

(Unaudited)

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
1999	\$ 112,736,466	\$ 21,708,881	\$ 15,271,075	\$ 149,716,422
2000	112,996,832	21,996,717	15,668,894	150,662,443
2001	110,734,894	26,109,476	16,740,781	153,585,151
2002	126,088,859	26,969,960	18,724,367	171,783,186
2003	137,294,734	25,856,568	18,937,205	182,088,507
2004	132,425,203	24,949,676	17,098,379	174,473,258
2005	164,534,675	18,108,550	12,072,367	194,715,592
2006	174,424,859	20,446,933	13,770,384	208,642,176
2007	183,690,496	22,352,699	15,270,656	221,313,851
2008	183,892,848	27,243,385	15,891,974	227,028,207
Change 1999-2008	<u>63.12%</u>	<u>25.49%</u>	<u>4.07%</u>	<u>51.64%</u>

Source: City of Bridgeport records. Allocation by Grand List percentage composition.

CITY OF BRIDGEPORT, CONNECTICUT

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(In Thousands)

(Unaudited)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Miscellaneous Land	Personal Property	Motor Vehicle	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Value as a Percentage of Actual Value
1999	\$ 1,218,207	\$ 488,413	\$ 137,841	\$ 18,335	\$ 379,095	\$ 255,535	\$ 2,497,426		65.50	\$ 3,567,751	70.00%
2000	1,218,738	502,271	135,142	18,115	434,976	264,687	2,573,929	3.06%	65.00	3,677,041	70.00%
2001	1,218,829	496,302	126,073	18,370	525,162	285,838	2,670,574	3.75%	65.00	3,815,106	70.00%
2002	1,376,877	527,328	126,404	22,873	513,383	310,875	2,877,740	7.76%	65.00	4,111,057	70.00%
2003	1,577,935	591,635	137,263	30,266	508,476	330,502	3,176,077	10.37%	62.40	4,537,253	70.00%
2004	1,795,669	663,605	146,558	34,857	497,521	340,958	3,479,168	9.54%	55.20	4,970,240	70.00%
2005	3,172,156	977,737	187,791	42,391	517,774	321,204	5,219,053	50.01%	38.99	7,455,790	70.00%
2006	3,182,882	996,112	188,513	41,072	543,985	348,997	5,301,561	1.58%	40.32	7,573,659	70.00%
2007	3,199,609	998,510	188,631	41,104	588,791	372,428	5,389,073	1.65%	42.28	7,698,676	70.00%
2008	3,258,061	1,026,195	171,007	35,280	718,127	397,042	5,605,712	4.02%	41.28	8,008,160	70.00%

Source: City of Bridgeport Tax Assessor's Office

CITY OF BRIDGEPORT, CONNECTICUT

PRINCIPAL PROPERTY TAXPAYERS

2008 and 1999

(Unaudited)

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cingular Wireless LLC	\$ 80,663,062	1	1.50%	\$		
People's United Bank**	59,862,778	2	1.11%	51,334,196	2	2.02%
PSEG Power Connecticut	59,635,809	3	1.11%			
United Illuminating Co. Inc.	52,122,416	4	0.97%	96,450,846	1	3.80%
Bridgeport Energy LLC - Duke Energy	43,260,386	5	0.80%			
Southern Connecticut Gas Co. - Energy EA	29,765,677	6	0.55%	14,235,140	6	0.56%
Watermark 3030 Park LLC**	22,381,306	7	0.42%	14,023,773	8	0.55%
Aquarion Water Co. of CT **	21,081,440	8	0.39%	18,028,950	3	0.71%
Success Village Apts Inc.	18,547,802	9	0.34%			
Bridgeport Lafayette 2005 LLC	15,400,000	10	0.29%			
United Technologies (Sikorsky)				14,704,286	5	0.58%
General Electric Co.				10,607,270	10	0.42%
Emson Research, Inc.				14,153,206	7	0.56%
American Telephone & Telegraph**				11,181,871	9	0.44%
Bridgeport Jai Alai				14,749,316	4	0.58%
TOTAL	\$ 402,720,676		7.48%	\$ 259,468,854		10.22%

** Note: Name change occurred during period.

Source: City of Bridgeport - Assessor's Office

**CITY OF BRIDGEPORT, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS**

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year Ended June 30:	Grand List Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
1999	1997	\$ 155,539,711	\$ 143,757,575	92.42%	\$ 9,552,648	\$ 153,310,223	98.57%
2000	1998	156,976,007	143,034,101	91.12%	11,487,471	154,521,572	98.44%
2001	1999	159,152,733	145,819,379	91.62%	10,531,323	156,350,702	98.24%
2002	2000	173,831,595	161,502,431	92.91%	9,566,798	171,069,229	98.41%
2003	2001	185,623,997	173,420,270	93.43%	8,873,657	182,293,927	98.21%
2004	2002	181,481,765	169,411,397	93.35%	8,659,510	178,070,907	98.12%
2005	2003	197,205,819	189,036,426	95.86%	5,133,573	194,169,999	98.46%
2006	2004	210,375,902	202,659,104	96.33%	3,291,241	205,950,345	97.90%
2007	2005	224,126,241	215,656,891	96.22%	4,489,860	215,656,891	96.22%
2008	2006	222,282,166	215,712,695	97.04%	n/a	215,712,695	97.04%

Source: City of Bridgeport - Tax Collector's Office

CITY OF BRIDGEPORT, CONNECTICUT

TABLE 10

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING BY TYPE

LAST TEN FISCAL YEARS

(In Thousands)

(Unaudited)

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Debt Per Capita	Business-Type Activities			Total Primary Government	Percentage of Per Capita Income	Per Capita
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt			Loan Payable	General Obligation Bonds	Revenue Bonds			
1999	\$ 203,660	\$ -	\$ 203,660	5.89%	\$ 1,437	\$ 67,075	\$ 3,777	\$ -	\$ 274,512	9.10%	\$ 1,473
2000	261,190	-	261,190	7.32%	1,901	70,719	3,335	-	335,244	11.22%	1,985
2001	* 606,220	-	606,220	16.37%	4,345	71,094	2,865	-	680,179	21.80%	4,425
2002	635,295	-	635,295	15.91%	4,553	67,091	2,364	-	704,750	23.30%	4,730
2003	633,270	-	633,270	14.28%	4,539	65,797	1,831	-	700,898	28.13%	4,587
2004	644,870	-	644,870	13.23%	4,622	62,168	1,261	-	708,299	28.63%	4,668
2005	649,685	-	649,685	8.80%	4,656	59,144	652	-	709,481	28.88%	4,709
2006	719,810	-	719,810	9.50%	5,159	51,778	-	-	771,588	33.92%	5,530
2007	772,389	-	772,389	10.01%	5,536	49,552	490	-	822,431	29.03%	5,894
2008	684,228	-	684,228	8.54%	4,904	51,713	490	-	736,431	26.00%	5,278

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

CITY OF BRIDGEPORT, CONNECTICUT

DIRECT GOVERNMENTAL ACTIVITIES DEBT

FOR THE YEAR ENDED JUNE 30, 2008

(Unaudited)

Governmental Unit	Debt Outstanding
General obligation debt	\$ 684,228,000
Less school construction grants receivable - principal portion only	<u>(14,529,292)</u>
Total Direct Debt	<u>\$ 669,698,708</u>

Source: City records.

Note 1: The City is not subject to the debt of overlapping governments.

Note 2: School construction grants are receivable in substantially equal installments over the life of outstanding school bonds, obtained from the Office of Policy and Management, State of Connecticut.

CITY OF BRIDGEPORT, CONNECTICUT

TABLE 12

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

(In Thousands)

(Unaudited)

	FISCAL YEAR									
	1999	2000*	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 1,073,366	\$ 1,076,495	\$ 1,098,125	\$ 1,221,948	\$ 1,310,722	\$ 1,277,556	\$ 1,421,441	\$ 1,514,400	\$ 1,575,702	\$ 1,595,640
Total net debt applicable to limit	<u>203,097</u>	<u>826,706</u>	<u>859,553</u>	<u>835,663</u>	<u>820,848</u>	<u>825,160</u>	<u>892,013</u>	<u>945,365</u>	<u>934,990</u>	<u>957,601</u>
Legal debt margin	<u>\$ 870,269</u>	<u>\$ 249,789</u>	<u>\$ 238,572</u>	<u>\$ 386,285</u>	<u>\$ 489,874</u>	<u>\$ 452,396</u>	<u>\$ 529,428</u>	<u>\$ 569,035</u>	<u>\$ 640,712</u>	<u>\$ 638,039</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>18.92%</u>	<u>76.80%</u>	<u>78.27%</u>	<u>68.39%</u>	<u>62.63%</u>	<u>64.59%</u>	<u>62.75%</u>	<u>62.43%</u>	<u>59.34%</u>	<u>60.01%</u>

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

CITY OF BRIDGEPORT, CONNECTICUT
COMPUTATION OF LEGAL DEBT LIMITATION
JUNE 30, 2008

Total tax collections (including interest and lien fees) for the year ended June 30, 2008					\$ 227,904,777
Reimbursement for revenue loss:					
Tax relief for the elderly					43,771
Base					\$ 227,948,548
Debt Limit					\$ 1,595,639,836
				Unfunded Pension Benefit Obligation	
	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
Debt Limitation					
2-1/4 times base	\$ 512,884,233	\$	\$	\$	\$
4-1/2 times base		1,025,768,466			
3-3/4 times base			854,807,055		
3-1/4 times base				740,832,781	
3 times base					683,845,644
Total debt limitation	512,884,233	1,025,768,466	854,807,055	740,832,781	683,845,644
Debt as Defined by Statute:					
Bonds and notes payable	240,510,141	125,892,859	52,202,939	5,649,000	317,825,000
Bonds authorized but not issued, issue dates not yet established	72,352,000	67,698,000			90,000,000
Less school construction grants		(14,529,292)			
Total indebtedness	312,862,141	179,061,567	52,202,939	5,649,000	407,825,000
Debt Limitation in Excess of Indebtedness	\$ 200,022,092	\$ 846,706,899	\$ 802,604,116	\$ 735,183,781	\$ 276,020,644

CITY OF BRIDGEPORT, CONNECTICUT

PLEDGED-REVENUE COVERAGE

LAST FIVE FISCAL YEARS

(Unaudited)

Water Pollution Control Authority Revenue Bonds

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	n/a	n/a	n/a	n/a	n/a	n/a
2007	n/a	n/a	n/a	n/a	n/a	n/a
2006	n/a	n/a	n/a	n/a	n/a	n/a
2005	n/a	n/a	n/a	n/a	n/a	n/a
2004	n/a	n/a	n/a	n/a	n/a	n/a

n/a: The City does not have any revenue bonds.

CITY OF BRIDGEPORT, CONNECTICUT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

(Unaudited)

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment(*) Rate</u>
1999	141,686	\$ 45,535	\$ 16,161	31.1	22,225	5.7%
2000	139,529	45,535	16,161	31.4	22,321	4.8%
2001	139,529	54,313	20,302	31.4	22,434	4.1%
2002	139,529	54,313	20,302	31.4	22,796	6.5%
2003	139,529	54,313	20,302	31.4	22,757	9.1%
2004	139,529	54,313	20,302	31.4	22,713	8.9%
2005	139,529	54,313	20,302	31.4	22,391	7.8%
2006	139,529	54,313	20,302	31.4	21,934	6.7%
2007	139,529	54,313	20,302	31.4	21,312	6.6%
2008	139,529	54,313	20,302	31.4	20,677	8.6%

CITY OF BRIDGEPORT, CONNECTICUT

PRINCIPAL EMPLOYERS

2008 AND 1999

(Unaudited)

Employer	2008			1999		
	Employees	Rank	Percentage of Total City Employment	Employees*	Rank	Percentage of Total City Employment
People's United Bank	2,416	1	3.77%	1,400	3	2.45%
Bridgeport Hospital, Inc.	2,403	2	3.74%	2,029	1	3.56%
St. Vincent's Medical Center	1,849	3	3.14%	1,875	2	3.29%
University of Bridgeport	537	4	0.84%			
Prime Resources	450	5	0.70%			
Lacey Manufacturing Company	400	6	0.62%	360	9	0.63%
Bridgeport Health Care Center	301	7	0.47%	375	7	0.66%
Watermark	300	8	0.47%			
Housatonic Community College	278	9	0.47%			
Derecktor Shipyards	200	10	0.31%			
Sikorsky Aircraft (United Technologies)				500	4	0.88%
Bridgeport Machines, Inc.				425	5	0.75%
Casco Products				420	6	0.74%
Southern New England Telephone				375	8	0.66%
Remington Products Inc.				275	10	0.48%

Sources: City of Bridgeport - Office of Planning and Economic Development

CITY OF BRIDGEPORT, CONNECTICUT

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General government:										
Central grants office	6	6	6	6	4	4	4	4	4	4
Mayor's office	9	8	8	8	6	5	5	6	7	7
Constituent Services	-	-	-	-	-	2	4	5	5	4
Civil service commission	9	8	7	8	8	8	9	9	9	9
Grants personnel	7	7	7	10	10	9	12	13	14	13
City attorney	21	21	22	24	23	21	22	22	23	15
City clerk and city council	6	6	7	6	6	6	6	7	7	7
Registrar of voters	6	6	6	6	6	6	6	6	6	6
Legislative department	2	2	1	2	1	1	1	1	1	1
Libraries	68	68	68	68	68	79	79	72	69	69
Office of policy and management	6	6	6	7	8	8	8	9	9	9
Archives and records	1	1	1	1	1	1	1	1	1	1
Town Clerk	8	8	8	8	8	8	8	7	7	7
Chief administrative officer	3	3	3	3	1	-	4	5	5	3
Finance department	5	4	5	5	4	4	7	7	6	6
Comptroller's office	15	15	15	17	17	17	19	18	19	20
Treasurer's office	3	3	3	3	3	3	4	4	4	4
Tax assessor	15	15	15	15	14	14	19	19	19	19
Information technology services	21	20	21	24	25	25	27	27	27	26
Tax collector	19	18	16	15	15	15	16	16	16	16
Purchasing	8	8	8	8	7	7	7	6	6	6
Print shop	8	7	7	7	6	6	6	6	6	6
Labor relations	7	8	8	8	8	8	7	7	8	7
Barnum Institute	-	-	-	-	-	-	-	-	-	1
Employee org. & development	-	-	-	2	2	2	2	3	3	3
Protection of person and property:										
Police department	574	537	544	574	548	571	579	591	590	573
Fire department	337	326	326	370	375	407	399	402	398	389
Weights and measures	2	2	2	2	2	2	2	2	2	2
Conservation of health:										
Office and administrative	3	3	4	5	4	4	7	8	8	8
Registrar of vital statistics	4	4	4	4	4	4	6	6	7	7
Communicable diseases	5	4	4	5	5	5	6	6	6	5
Public health nursing	37	37	37	39	39	41	36	36	36	33
Dental hygiene	7	7	7	8	8	8	8	7	8	8
Environmental health	7	7	8	9	9	8	8	8	8	8
Health clinics	6	6	6	4	2	2	8	8	8	7
Dental Clinic	-	-	-	-	-	-	3	3	3	3
Housing code enforcement	3	3	3	4	3	3	4	4	4	4
Laboratory	-	-	-	-	1	1	4	3	3	3
Lead poisoning	-	-	-	3	3	3	3	3	4	4
School based health	25	25	26	26	26	25	25	25	25	21
Parent Aide Program	1	-	-	-	-	-	-	-	-	-

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM (CONTINUED)

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	FISCAL YEAR									
	2008	2008	2007	2006	2005	2004	2003	2002	2001	2000
Public facilities:										
City Engineer	6	6	6	6	6	7	9	9	9	7
Zoning commission	7	6	6	6	5	5	5	5	5	5
Zoning Board of Appeals	1	1	1	1	1	1	1	1	1	1
Building Department	14	10	-	10	10	10	10	10	10	10
Harbor Master	1	1	1	1	1	2	3	3	3	3
Transfer station	1	1	1	1	1	1	1	1	1	1
Director of public works	15	15	15	16	13	12	13	13	13	13
Ash and garbage collection	36	36	36	36	36	26	26	26	26	26
Landfill operation	-	-	-	-	-	-	-	-	-	-
Recycling	-	-	-	-	-	10	10	10	11	11
Roadway maintenance	43	43	46	48	48	48	51	47	49	47
Clean & Green	-	-	-	-	-	-	-	5	5	3
Planning and Development	18	16	16	20	19	19	22	21	21	24
Sikorsky Airport	15	15	15	15	15	15	21	21	22	22
Municipal garage	10	10	10	11	8	8	8	10	12	11
Maintenance	34	34	34	37	38	39	41	44	46	44
Construction Division	-	-	-	-	-	-	9	9	8	-
Charities and hospitals:										
Social Services	2	2	2	1	1	-	5	5	5	6
Parks and recreation:										
Board of recreation	3	3	3	3	3	4	4	4	5	5
Parks department	32	31	31	30	28	29	32	28	31	33
Park Mounted Unit / Stable	-	-	-	-	2	2	2	3	-	-
Beardsley zoo	13	13	13	13	13	13	13	13	13	13
Special services:										
Youth services	4	4	3	2	2	2	3	3	3	3
HRD administration	2	2	2	3	4	4	4	3	3	1
Department on aging	6	6	6	6	6	5	6	6	6	6
Office for disabilities	1	1	-	1	1	1	2	2	2	2
Veterans Affairs	1	1	-	-	-	-	-	-	-	-
Affirmative Action	-	-	-	-	-	-	4	4	5	5
Total	<u>1,532</u>	<u>1,466</u>	<u>1,465</u>	<u>1,580</u>	<u>1,539</u>	<u>1,605</u>	<u>1,686</u>	<u>1,698</u>	<u>1,706</u>	<u>1,646</u>

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CITY OF BRIDGEPORT, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police:										
Calls for service	111,249	121,486	123,407	120,822	129,649	127,347	118,047	123,901	120,655	116,640
Adult arrest	n/a	n/a	n/a	7,245	7,057	6,959	5,927	5,295	7,751	6,505
Juvenile arrest	n/a	n/a	n/a	1,017	1,179	1,353	1,413	1,114	1,406	1,081
Fire:										
Total fire runs	12,534	12,784	13,488	11,399	11,005	10,619	10,507	10,094	10,064	9,239
Total rescue runs	688	693	575	n/a	1,484	918	1,049	931	831	868
Property loss	\$ 5,785,213	\$ 5,190,040	\$ 6,012,088	n/a	\$ 4,647,647	\$ 3,092,865	\$ 6,509,323	\$ 6,963,375	\$ 5,936,590	\$ 3,302,875
Building safety:										
Total building permits	2,315	2,246	2,197	2,293	2,359	2,466	2,381	2,724	2,386	2,454
Total value all permits	\$ 39,272,051	\$ 60,643,154	\$ 64,670,979	\$ 59,184,661	\$ 67,212,183	\$ 75,542,022	\$ 108,551,386	\$ 183,273,790	\$ 195,631,366	\$ 131,211,499
Library, volumes in collection	520,000	520,000	525,000	525,000	525,000	525,000	525,000	525,000	499,662	395,561
Public service:										
Garbage collected (ton)	n/a	n/a	68,248	64,614	63,197	66,841	69,171	65,055	67,093	59,533
Recycle collected (ton)	n/a	n/a	3,835	4,571	4,124	4,110	3,864	3,496	5,934	7,152
Parks and recreation:										
Recreation program attendance	n/a	n/a	n/a	n/a	1,235	1,897	2,100	2,375	2,575	2,550
Aquatics program attendance	n/a	n/a	n/a	n/a	706	750	900	600	600	800
Golf rounds played	n/a	n/a	n/a	n/a	n/a	60,249	53,375	23,436***	45,007***	49,708
Street trees maintained	500	663	656	694	666	675	405	490	540	650

Source: City Records

Note: n/a - Indicator not available

*** - Construction limited rounds available to be played.

CITY OF BRIDGEPORT, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function/Program	FISCAL YEAR									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police:										
Stations	1	3	3	3	3	3	3	3	3	3
Police Officer Sector Terminals (POST)	6	5	5	5	5	5	5	5	5	3
Number of personnel and officers	428	546	574	574	574	574	574	574	574	574
Number of Divisions	11	11	11	11	11	11	11	11	11	11
Fire:										
Stations	8	8	8	8	8	8	8	8	8	8
Number of personnel and officers	368	409	399	399	399	399	399	399	315	337
Equipment (pieces)	20	21	21	21	21	23	24	25	28	28
Refuse collection:										
Collection Trucks	15	15	15	15	15	15	15	15	15	15
Public facilities:										
Streets (Miles)	829	829	829	829	829	829	829	829	829	829
Traffic Signals	1,552	1,552	1,552	1,552	1,552	1,552	1,552	1,552	1,552	1,552
Parks and recreation:										
Playgrounds	16	16	19	19	19	19	19	19	19	19
Parks	41	47	47	47	47	47	47	47	47	44
Park Acreage	1,326	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330
Golf Courses	2	2	2	2	2	2	2	2	2	2
Swimming Pools	2	3	3	3	3	3	3	3	3	-
Tennis Courts	24	24	24	24	24	24	24	24	24	22
Museums	2	2	2	2	2	2	2	2	2	2
Zoo	1	1	1	1	1	1	1	1	1	1
Baseball/softball diamonds	25	25	25	25	25	25	25	25	25	25
Ice Skating Rinks	1	1	1	1	1	1	1	2	2	2
Soccer/Football Fields	18	18	20	24	18	18	17	17	17	17
Library:										
Facilities	6	6	5	5	5	5	5	5	4	4
Volumes	520,000	520,000	525,000	525,000	525,000	525,000	525,000	525,000	499,662	395,561
Water:										
Average Daily Consumption (MGPD)	14,550	14,345	14,560	14,323	14,306	13,446	13,382	13,286	12,821	12,800
Wastewater:										
Sanitary Sewers (miles)	150	150	151	151	152	152	154	154	157	160
Storm Sewers (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Combination Sanitary and Storm (miles)	133	133	132	132	131	131	129	129	126	123
Number of sewer wells	55,050	55,050	55,050	55,050	55,050	55,050	55,050	55,050	55,050	55,050
Number of Treatment Plants	2	2	2	2	2	2	2	2	2	2

Source: City Records

Note: n/a - Indicator not available