

CITY OF BRIDGEPORT, CONNECTICUT

**FINANCIAL REPORT
JUNE 30, 2004**

CITY OF BRIDGEPORT, CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year
July 1, 2003 to June 30, 2004**

Prepared By:
DEPARTMENT OF FINANCE

MICHAEL LUPKAS, CPFO
Director of Finance

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Introductory Section

December 28, 2004

Honorable John M. Fabrizi, Mayor
Members of the City Council
Citizens of Bridgeport

Connecticut State Statutes require that all general purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Bridgeport, Connecticut for the fiscal year ended June 30, 2004.

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

The City of Bridgeport, Connecticut's financial statements have been audited by McGladrey & Pullen, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Bridgeport, Connecticut for the fiscal year ended June 30, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Bridgeport, Connecticut's financial statements for the fiscal year ended June 30, 2004 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

The City of Bridgeport was incorporated in 1836 and annexed portions of the neighboring towns of Stratford and Fairfield in the late 1800's. The City is located approximately 60 miles east of New York City on the northern shore of Long Island Sound. With a 2000 U.S. Census population of 139,529 residents, Bridgeport is the largest city in Fairfield County and the State of Connecticut, averaging almost 7,200 people per square mile. Encompassing an area of 19.38 square miles (16.0 square miles of land and 3.38 square miles of water), Bridgeport's 57,000 housing units 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 page 35 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, has started to slowly recover from the effects of the national and subsequent regional and statewide recession in 2003-2004. The City's unemployment rate has seen a decrease to an 8.9% annual average for the fiscal year ending June 30, 2004 from a 9.1% annual average for the fiscal year ending June 30, 2003. Similarly, the State unemployment rate has changed, decreasing from an annual average of 5.0% in 2003 to 4.8% for the period ending June 2004. The City's taxable base continues to show growth; the October 1, 2002 grand list increased 9.92%, which represents the tenth consecutive year that the grand list has increased and a 49.14% increase from the October 1, 1993 grand list.

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

In addition, Pitney Bowes Corporation relocated 170 employees from a suburban location to approximately 23,000 square feet of the 10 Middle Street office tower in 2003 and the Royal Bank of Scotland purchased the credit card division of People's Bank on March 5, 2004, and now occupies more than 80,000 sq. ft. at 1000 Lafayette Boulevard, housing approximately 450 employees.

Major Initiatives: Under the direction of the Mayor and the City Council, the City was able to undertake some major initiatives during fiscal year 2003-04:

- ◆ **West Side School Land Assembly** - The site assembly phase of a school replacement project slated to replace the 1890's Elias Howe Elementary School, which had virtually no

outdoor recreation facilities and had no off-street teacher parking, is complete. The site has been cleared and construction documents are nearing completion. The new 1,150-student school will be located in the proximity of State Street and Clinton Avenue; will have separate recreation facilities for both younger and older children; internal site bus pick-up and drop-off; and will include off-street parking for teachers. The new school campus will have all of the modern educational facilities needed to educate the children of the West Side community.

- ◆ **North End School Land Assembly** – The site assembly phase of a school replacement project slated to replace the early 1900s, turn-of-the century Webster School and the leased Maplewood School Annex has been completed. The new school will occupy almost an entire city block bounded by North Avenue (US Route. #1), Lexington Avenue, Chestnut Street, and James Street. Relocation of tenants and businesses on site is currently underway and the new school’s architects have just completed the conceptual design phase. Both the aforesaid schools are located on postage stamp-sized parcels and lacked any appreciable off-street teacher parking and outdoor play areas, and the structures themselves lacked any of the modern teaching facilities, systems, and amenities in support of educating children.
- ◆ **Barnum School Land Assembly** – The site for a new and combined Barnum and Waltersville Schools replacement project has been identified and the land assembly process is well underway. The new, dual-school campus that will contain a 500-student facility replacing the current Barnum Elementary School and a 750-student facility replacing the current Waltersville Elementary School. The two schools will share common facilities (i.e. cafeteria, gym, playgrounds, administrative offices, etc.) but will have separate teacher/visitor parking areas, bus drop-offs, front doors, and identities. The site is bounded by Hallett Street, Martin Luther King Jr. Drive, Waterview Avenue, and Goodwin Street.
- ◆ **East End Land Assembly** – The site assembly phase of the school replacement project for Newfield and McKinley Schools is well underway with property owners of approximately half of the required parcels having successfully negotiated property settlements with the City. This site is located between Hollister and Hewlett Streets, which are north of Carrie Street and just south of Stratford Avenue. Newfield School is another, early 1900s, turn-of-the-century facility on a postage stamp-sized lot with no modern teaching amenities. McKinley School dates back to the early 1920s and will be demolished once the new school is built adjacent to this facility. All new elementary schools in the city of Bridgeport will be Pre-Kindergarten-8th Grade facilities with state-of-the-art infrastructure, amenities, outdoor space, computer labs, and teacher parking deemed necessary for premier educational facilities.
- ◆ **Swing Space School Project** – In addition to the City’s new school construction program, an aggressive school repair and modernization program is underway. Some of this work will require the temporary relocation of an entire school campus due to the nature of the work (i.e. demolition, environmental remediation, new construction, replacement of electrical, plumbing, and HVAC systems, etc.). The City has identified a former classroom building at the University of Bridgeport and has successfully negotiated a design/build agreement for this property with the University. The site in the City’s South End neighborhood is on the corner of Iranistan and University Avenues.

- ◆ **Seaside Park Improvements** - Implementation of Phase III of the Seaside Park Master Plan is nearly completed. Prior phases that have been completed include the restoration of the main Bathhouse and the building of a new Bathhouse and Concession Stand located in the beach area of the park and the reconfiguration of street patterns and installation of centralized parking lots in the vicinity of the playing fields. The playing fields have been refurbished and new soccer fields were added.
- ◆ **Demolition of the Pequonnock Apartments Housing Complex** - The former high-rise, public housing apartment complex has been razed to provide additional surface parking capacity for the HarborYard Ballpark and Arena complex. The site, directly across the street from the ballpark is envisioned to ultimately be the site of a mixed-use commercial development (i.e. retail/restaurant/office complex; convention center; hotel; etc.)
- ◆ **Housing Redevelopment Projects in the South End and East End** – New, affordable housing initiatives are being developed in the South End and Lower East End neighborhoods. Housing developers were solicited and the successful bidders were awarded contracts to work with the City to assemble vacant lots for new housing construction and renovate multi-family abandoned properties to help fill a growing need for affordable housing units in Bridgeport.
- ◆ **Derecktor Shipyards Relocation to the City of Bridgeport** - The City was able to attract a major New York ship-builder to develop a ferryboat and custom luxury yacht building operation on the former CarTech site located on Bridgeport Harbor. The company initially occupied an existing building on the site and has constructed an additional multi-million dollar shipbuilding facility. It is expected that 300 individuals will be employed at the Derecktor Shipyard location. Recently, the company launched the second of two high-speed passenger and vehicle ferries built for the State of Alaska.
- ◆ **The Arena at HarborYard** - In the Fall of 2001, the 10,000-seat arena next to the HarborYard Ballpark opened. The arena is the home of the New York Islanders Professional Hockey Team's minor league affiliate - the Bridgeport Sound Tigers and the Fairfield University's NCAA Division I Men's and Women's Basketball teams. The arena has hosted a number of other events during the past year such as the Ringling Bros. Barnum & Bailey Circus; ice skating shows; concerts, the Boston Pops orchestra; World Wrestling Entertainment televised events; motor-cross racing; the Republican State Convention and various trade shows.
- ◆ **Aurora Products** – Aurora Products has relocated to the City West End Industrial area into a 10,000 sq. ft. industrial space adjacent to the Bodine complex. Aurora is a food processing operation employing approximately 40 people.
- ◆ **New State Juvenile Courthouse & Detention Center** - The State of Connecticut has decided to re-bid the design of a new juvenile courthouse and detention center complex and will begin site preparation work in 2005. Located in the northern portion of downtown Bridgeport, the new complex will be built on the site of the former Bridgeport Public Facilities Garage. Upon completion, this facility will replace the old judicial complex on Fairfield Avenue.
- ◆

The Crescent Avenue Industrial Park – The City is working to develop an industrial park around Syntec and Rotair Industries in the City's East End and are looking to attract a company to occupy the former MagnaTek facility. Two new sites are being developed in the industrial park for new companies through the acquisition of additional parcels, demolishing old and vacant industrial space and building new industrial space. Currently one new company is constructing a new industrial building on this site and should be occupying the space in the Spring of 2005.

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 Cadre Institutional Investors Trust (CIIT), American Express Financial Advisors and AIM comprised the major share of the City's short-term investments as well as money invested in the Short-Term Investment Fund (STIF) operated by the Office of the State Treasurer.

Risk Management: The City is insured for building and contents in the amount of approximately \$381,000,000 with a \$500,000 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, 2004 was \$67.8 million, which represents 28.0 percent of the total City payroll of \$242.3 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, 2004, the City's payroll for employees covered under this plan was \$105 million, which represents 43.3 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, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an 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 seven years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

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

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

The cover photograph is a shot of the Bridgeport Regional Vocational Aquaculture School located at 60 Saint Stephens Road in Bridgeport, Connecticut. In 1989, through a "Special Act of Legislature," the State of Connecticut began a process to develop the Bridgeport Regional Vocational Aquaculture School as the first and only state vocational agriculture school committed solely to aquaculture, with instruction in aquatic sciences and technologies. The

44,000 square foot building in the photograph was dedicated on October 8, 1993 and the school has been nothing less than a success story since that date. Having developed an extensive curriculum in the sciences and technologies, the school provides an opportunity for students to attend this shared-time program for up to the entire four years of high school. In each of the two focus areas, classroom instruction ensures that each student be fully aware of the natural relationship between science and technology. Application of this knowledge in meaningful and beneficial projects developed by the staff further enhances this awareness. Since 1994, the National Oceanic and Atmospheric Administration (NOAA) and the National Sea Grant Program have supported the school through their international programs activities, introducing the school to sites in the Peoples Republic of China at the bi-annual Living Marine Resources (LMR) panel discussions. Through recent efforts of NOAA/Sea Grant, South Korea has been added to the international list of educational partners. In addition, the *M/V Catherine Moore*, a 56-foot U.S. Coast Guard certified vessel, was commissioned to service the school in its activities on Long Island Sound. The boat operates as a floating classroom and scientific research vessel, allowing students to conduct experiments in marine biology and water chemistry; to engage in commercial fishing operations and to learn navigation through software/marine electronics. John J. Curtis, Director of the Bridgeport Regional Vocational Aquaculture School, provided the historical, background information. 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,

A handwritten signature in black ink, appearing to read "Michael Lupkas". The signature is fluid and cursive, with a large initial "M" and "L".

Michael Lupkas
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, 2003

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.



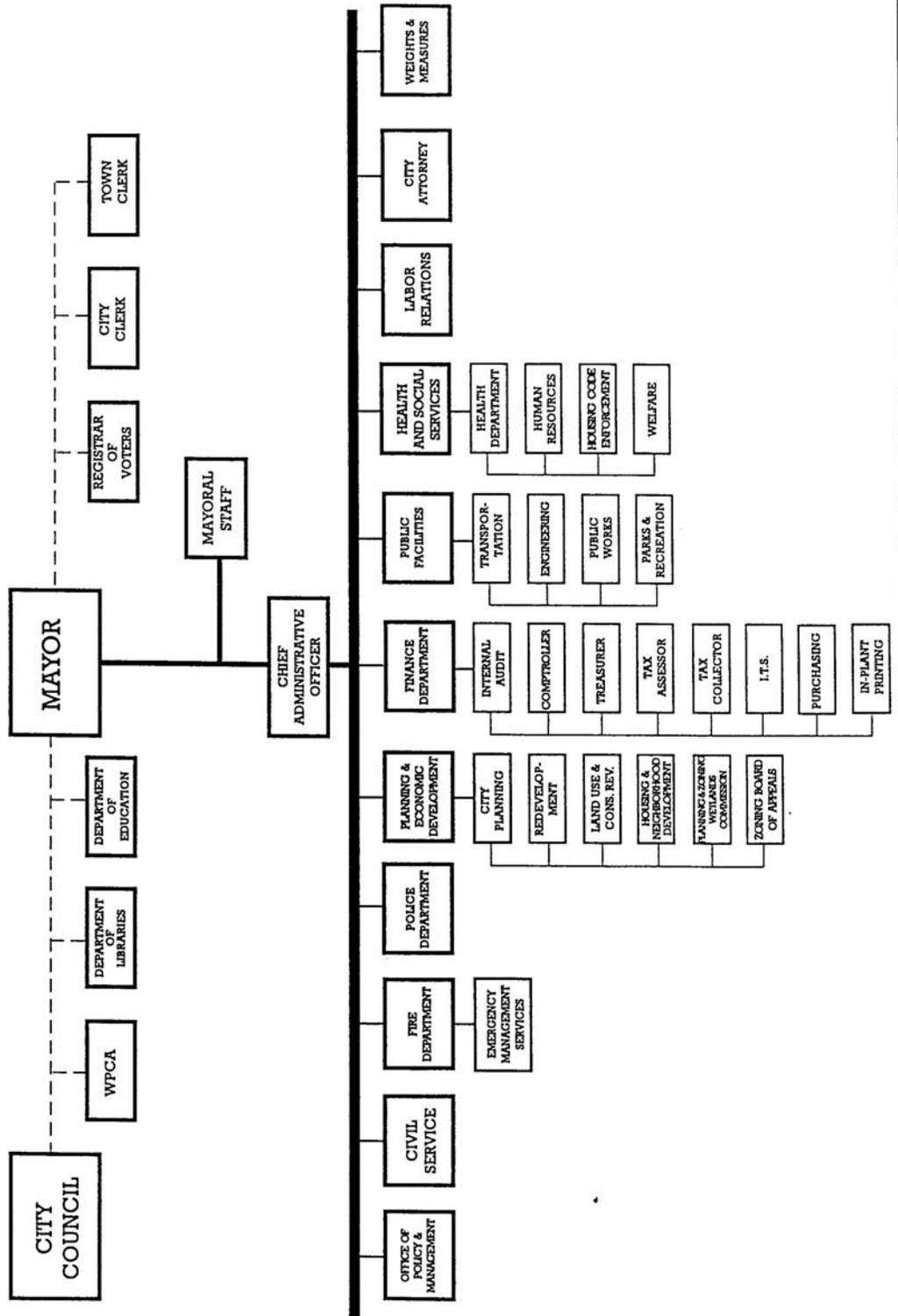
Nancy L. Zjelde

President

Jeffrey R. Emsw

Executive Director

CITY OF BRIDGEPORT TABLE OF ORGANIZATION



CITY OF BRIDGEPORT, CONNECTICUT

LIST OF PRINCIPAL OFFICERS

As of June 30, 2004

| Office | Name | Manner of Selection and Term |
|--|-------------------------|---|
| Mayor | John M. Fabrizi | Elected – 4 Year Term |
| City Clerk | Fleeta C. Hudson | Elected – 4 Year Term |
| Town Clerk | Hector Diaz | Elected – 4 Year Term |
| Chief Administrative Officer | Michael Feeney | Appointed by Mayor |
| Director of Finance | Michael Lupkas | Appointed by Mayor |
| Deputy Director of Finance/Comptroller | Todd Bendtsen | Appointed by Director of Finance |
| Treasurer | Sharon D. Lemdon | Appointed by Mayor |
| City Attorney | Mark Anastasi | Appointed by Mayor |
| Director of Office of Policy and Management | Thomas Sherwood | Appointed by Mayor |
| Acting School Superintendent | Dr. Clarence W. Tolbert | Board of Education |

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Financial Section

INDEPENDENT AUDITOR'S 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, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Bridgeport, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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, 2004, 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 December 17, 2004 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, and 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 15 through 29 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.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 17, 2004

City of Bridgeport, Connecticut
Management's Discussion and Analysis
June 30, 2004

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, 2004. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

Financial Highlights

- ◆ On a government-wide basis, the liabilities of the City exceeded its assets resulting in total net assets (deficits) at the close of the fiscal year of (\$11,698,785). Total net assets (deficits) for Governmental Activities at fiscal year-end were (\$74,061,645) and total net assets for Business-Type Activities were \$62,362,860. The unrestricted net asset (deficit) at June 30, 2004 was (\$150,988,924).
- ◆ On a government-wide basis, during the year, the City's net assets (deficits) decreased by \$15,282,550 from \$3,583,765 to (\$11,698,785). Net deficit increased by \$14,232,192 for Governmental Activities and net assets decreased by \$1,050,358 for Business-Type Activities. Government-wide expenses were \$542.8 million, while revenues were \$527.5 million.
- ◆ At the close of the year, the City's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$108 million, an increase of \$28 million from the prior fiscal year. Of the total fund balance as of June 30, 2004, \$77.5 million is available for spending at the government's discretion and represents the combined unreserved fund balance in the general fund, special revenue funds, capital projects fund and permanent fund.
- ◆ At the end of the current fiscal year, the total fund balance for the general fund alone was \$35.7 million, a decrease of \$2.2 million from the prior fiscal year. Included in the fiscal year 2004 budget was an appropriation of \$4.95 million of unreserved fund balance. As of June 30, 2004, the General Fund's unreserved fund balance was \$33.0 million. Unreserved general fund fund balance at year-end represents 7.62% of total general fund expenditures and transfers out (\$433 million).
- ◆ The City's total debt increased by \$9.2 million during the current fiscal year. The reason for the increase was the new general obligation debt that was issued in November 2003.
- ◆ Bond anticipation notes (BANS) of \$16.185 million were outstanding at June 30, 2003, and matured on July 17, 2003 bearing interest of 3.2% and 2.0%. These BANS were rolled over at maturity for a period of six months, and were due and payable on January 15, 2004. In November 2003, these BANS were defeased through a general obligation bond sale. These tax-exempt bonds will mature incrementally over the next twenty years and will be used to finance public improvements, including city and school facilities and infrastructure.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information and a statistical section as well as the basic financial statements. The statistical section provides comparisons of selected information beginning with fiscal year 1995.

Government-Wide Financial Statements

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

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

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

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

- ◆ Governmental activities of the City encompass most of the City's basic services and include governmental and community services, administration, public safety, health and welfare, operations and education. Property taxes, charges for services and state and federal grants finance most of these activities.
- ◆ Business-type activities of the City consist of the Water Pollution Control Authority. It is reported here, as the City charges a user fee to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net assets (deficits) and statement of activities) can be found on pages 30-31 of this report.

Fund Financial Statements

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

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

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

The City maintains 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Board of Education, and the 2001 Bond Issue Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as Other Governmental Funds. Non-major governmental funds for the City include the Education Fund, the Health and Sanitation Fund, the Community Development Fund, The Rate Stabilization and Reserve Fund, the Social Services Fund, the Community Development Block Grant Fund, the Home Program Fund, the Section 108 Loan Guarantee Fund, the Development Administration State Grant Fund, the Library Fund, the Education Grants, the Parks and Recreation Fund, the Health Insurance Reserve Fund, are all 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 non-major governmental funds is provided in the combining balance sheets on pages 92-96 and in the combining statement of revenues, expenditures and changes in fund balance on pages 98-102.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures and changes in fund balance on a budgetary basis can be found on page 35.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on pages 32-33 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 36-38 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City's constituency. The City has four pension trust funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 39-40, and 103-104 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 41-82 of this report.

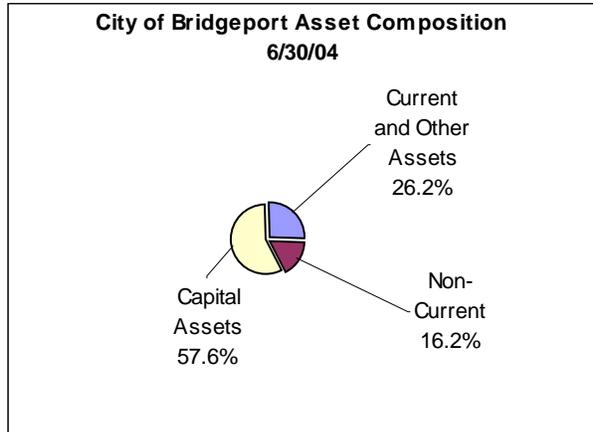
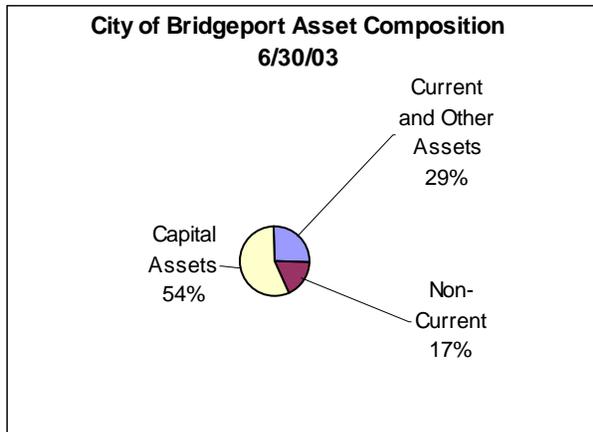
The notes to this report also contain certain information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Government-wide Financial Analysis

As noted earlier, net assets (deficits) may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the City's liabilities exceeded its assets by \$11,699,000 at June 30, 2004. This is a decrease from last year's net assets (deficits) of \$3,584,000.

| City of Bridgeport Net Assets (\$000's) | | | | | | |
|--|---------------------------------|--------------------------------|-----------------|---------------------------------|--------------------------------|--------------------|
| | June 30, 2003 | | | June 30, 2004 | | |
| | Primary Government | | | Primary Government | | |
| | Govern- mental Activities | Business Type Activities | Total* | Govern- mental Activities | Business Type Activities | Total* |
| Assets: | | | | | | |
| Current and Other Assets | \$ 227,107 | \$ 7,499 | \$ 234,606 | \$ 233,413 | \$ 1,304 | \$ 234,717 |
| Non- Current | 149,854 | 4,599 | 154,453 | 141,590 | 3,662 | 145,252 |
| Capital Assets | 384,107 | 133,391 | 517,498 | 387,328 | 129,846 | 517,174 |
| Total Assets | 761,068 | 145,489 | 906,557 | 762,331 | 134,812 | 897,143 |
| Liabilities: | | | | | | |
| Other Liabilities | 114,512 | 14,448 | 128,960 | 92,876 | 9,020 | 101,896 |
| Long-term liabilities outstanding | 706,385 | 67,628 | 774,013 | 743,517 | 63,429 | 806,946 |
| Total Liabilities | 820,897 | 82,076 | 902,973 | 836,393 | 72,449 | 908,842 |
| Net assets (deficits): | | | | | | |
| Inv. In cap assets, net of related debt | 135,083 | 66,007 | 201,090 | 65,795 | 66,678 | 132,473 |
| Restricted | 2,500 | 4,599 | 7,099 | 3,156 | 3,661 | 6,817 |
| Unrestricted | (197,412) | (7,193) | (204,605) | (143,012) | (7,977) | (150,989) |
| Total net assets (deficits) | \$ (59,829) | \$ 63,413 | \$ 3,584 | \$ (74,062) | \$ 62,363 | \$ (11,699) |

* after internal balances have been eliminated.



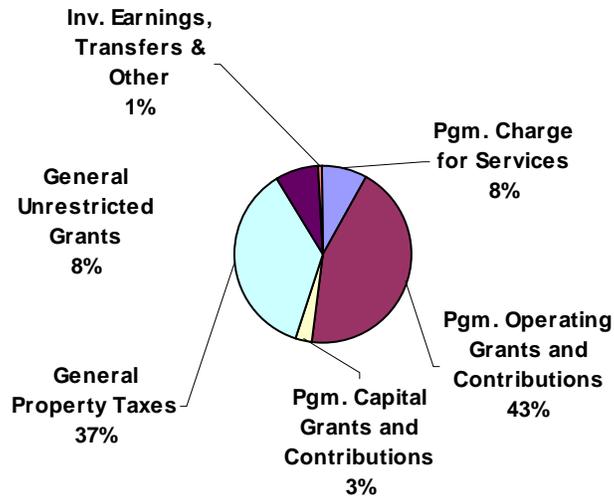
At the end of the current fiscal year, the City is able to report a positive balance only in its proprietary activities.

The portion of the City's net assets of \$132,473,084 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.

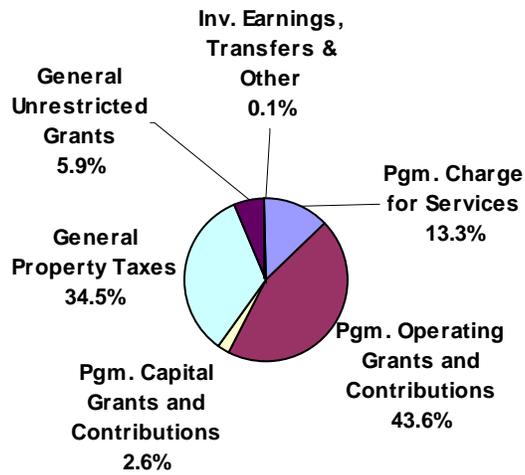
- ◆ The portion of the City's net assets that are restricted, \$6,817,055, represents resources that are subject to external restrictions on how they may be used. Unrestricted net assets (deficits) of (\$150,988,924) may not be used to meet the government's ongoing obligations to citizens and creditors, 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 \$227,043,000. On a government-wide basis, during the year, the City's net assets decreased by \$15,282,550 from \$3,583,765 to (\$11,698,785). Net assets decreased by \$14,232,192 for Governmental Activities and net assets decreased by \$1,050,358 for Business-Type Activities. Government-wide expenses were \$543.2 million, while revenues were \$527.9 million. The decrease in net assets can be explained by the expenditure of funds associated with the use in employee benefit costs, the anticipated use of \$4,950,000 of the City fund balance and increase in police overtime.

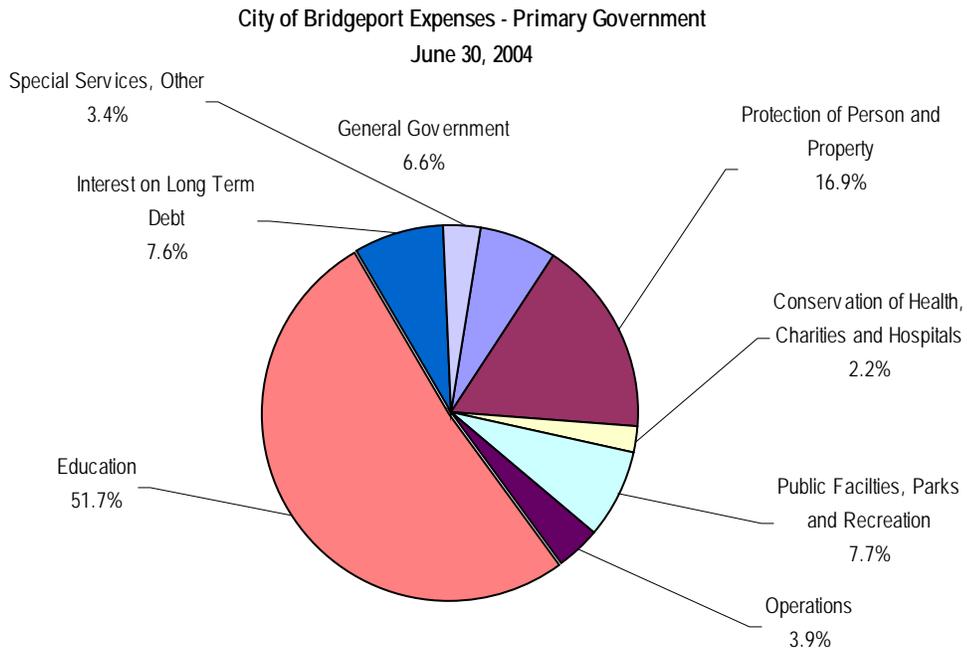
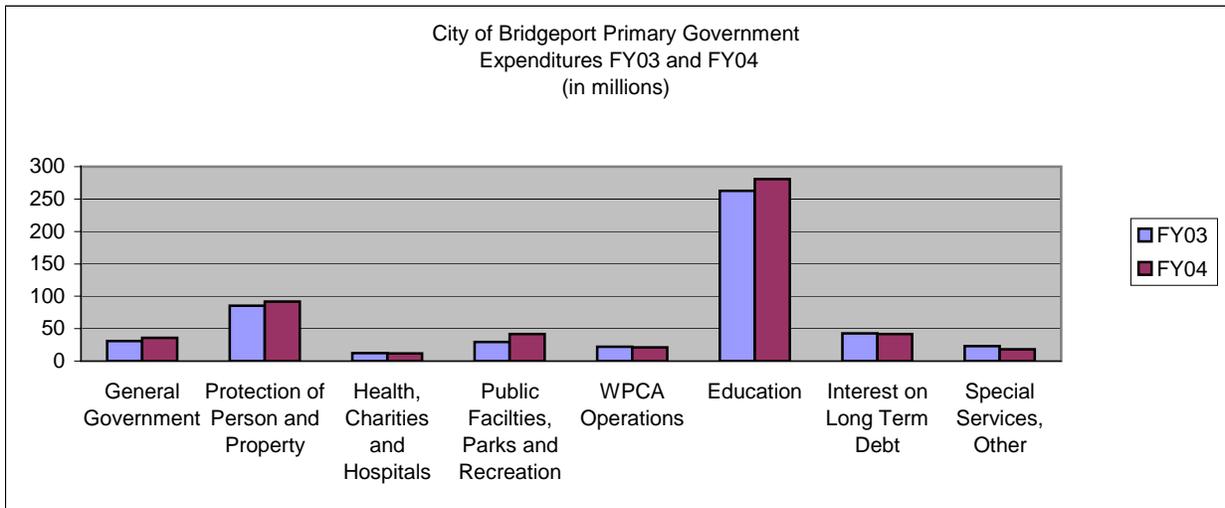
| City of Bridgeport, Connecticut | | | | | | |
|--|---------------------------------|---------------------------|-----------------|---------------------------------|---------------------------|--------------------|
| Changes in Net Assets (\$000's) | | | | | | |
| | June 30, 2003 | | | June 30, 2004 | | |
| | Primary Government | | | Primary Government | | |
| | Govern- mental Activities | Proprietary Activities | Total | Govern- mental Activities | Proprietary Activities | Total |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charge for services | \$ 23,631 | \$ 19,747 | \$ 43,378 | \$ 50,532 | \$ 19,272 | \$ 69,804 |
| Operating grants and contributions | 222,471 | - | 222,471 | 230,508 | - | 230,508 |
| Capital grants and contributions | 12,664 | 1,853 | 14,517 | 13,108 | 545 | 13,653 |
| General Revenues: | | | | | | |
| Property taxes | 187,968 | - | 187,968 | 182,702 | - | 182,702 |
| Grants not restricted to specific programs | 41,457 | - | 41,457 | 31,100 | - | 31,100 |
| Unrestricted investment earnings | 2,811 | 83 | 2,894 | 491 | 92 | 583 |
| Transfers and other | (309) | - | (309) | - | - | - |
| Total revenues | 490,693 | 21,683 | 512,376 | 508,441 | 19,909 | 528,350 |
| Expenses: | | | | | | |
| General government | 30,828 | - | 30,828 | 35,479 | - | 35,479 |
| Protection of person and property | 85,262 | - | 85,262 | 91,839 | - | 91,839 |
| Conservation of health | 12,169 | - | 12,169 | 11,975 | - | 11,975 |
| Public facilities | 29,443 | - | 29,443 | 42,264 | - | 42,264 |
| Operations | - | 22,069 | 22,069 | - | 20,959 | 20,959 |
| Education | 262,749 | - | 262,749 | 280,498 | - | 280,498 |
| Interest on long-term debt | 42,750 | - | 42,750 | 41,528 | - | 41,528 |
| Special services | 22,939 | - | 22,939 | 18,290 | - | 18,290 |
| Loss on sale of property | - | - | - | 801 | - | 801 |
| Total expenses | 486,140 | 22,069 | 508,209 | 522,674 | 20,959 | 543,633 |
| Change in net assets | 4,553 | (386) | 4,167 | (14,233) | (1,050) | (15,283) |
| Net Assets (Deficits), beginning | (64,382) | 63,799 | (583) | (59,829) | 63,413 | 3,584 |
| Net Assets (Deficits), ending | \$ (59,829) | \$ 63,413 | \$ 3,584 | \$ (74,062) | \$ 62,363 | \$ (11,699) |

City of Bridgeport
FY03 Revenues



City of Bridgeport
FY04 Revenues





Bridgeport's net assets (deficits) decreased by \$15,282,550 during the fiscal year, with the net deficit of Governmental Activities increasing by \$14,232,192 million, and net assets of Business-Type Activities decreasing by \$1,050,358. The decrease in net assets represents the degree to which increases in ongoing expenditures have outpaced increases in revenues.

Governmental Activities

57.8% of the revenues were derived from program revenues, followed by 36.0% from property taxes, then 6.2% from other unrestricted grants and a combination of investment earnings, gains on sales of capital assets and operating transfers.

Major revenue factors included:

- ◆ Property tax revenues recorded for fiscal year 2004 reflect the natural increase in the grand list and the effect of the continuation of the implementation of revaluation phase-in.
- ◆ Investment earnings fell again in the general fund from \$1.8 million in the prior fiscal year to \$419,000 for the fiscal year ended June 30, 2004. The \$1.4 million reduction can be explained by the continuation of low interest rates and the realization of income or loss when adjusting investments to market.

For Governmental Activities, 53.7% of the City's expenditures relate to education; 17.6% relate to public safety; 8.0% relate to interest payments on long-term debt; 6.9% relate to general government; 8.0% relate to public facilities; 3.5% relate to special services; and 2.3% relate to health and welfare.

Major expenditure factors include:

- ◆ Employee benefit costs rose between 5% and 10% due to rising health insurance costs.
- ◆ The approved budget for fiscal year 2004 included the use of \$4,950,000 of the City's fund balance.
- ◆ During the 2003-2004 budget process, department heads were asked to keep their budget at or below fiscal year's 2002-2003 budget.
- ◆ Police Overtime increased because of national security alerts and public safety concerns.

Business-Type Activities

Business-Type activities decreased the City's net assets by \$1,050,358.

Water Pollution Control Authority (WPCA) revenue for charges for services went from \$19.7 million in fiscal year 2003 to \$19.3 million in fiscal year 2004. The decrease represents the decrease in water usage. The decrease in net assets within Business-Type Activities represents the degree to which increases in ongoing expenses have outpaced increases in revenues.

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 \$108 million, an increase of \$28 million from the prior year. Approximately 72% of this total amount 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) \$27.4 million to liquidate contracts and purchase orders of the prior period; 2) \$2.5 million to self-insured claims reserve; and 3) \$655,000 for endowments.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$33.0 million while the total fund balance reached \$35.7 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and education operating transfers. Unreserved fund balance represents 7.62% of total general fund expenditures, while total fund balance represents 8.25% of that same amount.

As stated earlier, the fund balance of the City's general fund decreased by \$2.2 million during the current fiscal year. Key factors in this decline are as follows:

- ◆ The approved budget for fiscal 2004 included a planned draw down of fund balance in the amount of \$4.95 million. This use of fund balance was an attempt to soften the effect of the third year of the revaluation phase-in. Because of prudent management and tight budgetary controls, the City did not need to use the full amount of the budgeted fund balance.
- ◆ Investment income again declined during the fiscal year due to the decline in short-term interest rates and the realization of various losses when adjusting investments to market.

The Board of Education Fund has increased to a total fund balance of \$2,718,481 up from \$1,398,468 in the prior year. This amount is totally reserved for outstanding encumbrances.

The 2001 Bond Issue Fund has a total fund balance of \$54.0 million up from \$23.4 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 Capital projects.

The Other Governmental Funds have a total fund balance of \$15.5 million, down from \$17.2 million in the prior year. The \$1.7 million decrease was primarily due to transfers from the rate stabilization and reserve fund to the General Fund.

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 \$62.4 million, as compared to \$63.4 million in the prior year.

The Unrestricted net asset (deficit) of the Water Pollution Control Authority was (\$8.0 million). The Water Pollution Control Authority experienced operating revenues of \$17.1 million from user fees. There was a total net loss for the WPCA of \$1.6 before capital contributions of \$545,000. The change in nets assets for the fiscal year ended June 30, 2004 was (\$1,050,358).

General Fund Budgetary Highlights

The difference between the original budget and final amended budget was \$6,296,811. The additional appropriation approved during the year is summarized below.

- ◆ The Education Department's budget was increased by \$6,296,811 because of additional State revenue that the City received in Fiscal year 2004. .

This additional appropriation was offset by revenue budget modifications that were also adopted:

- ◆ Intergovernmental revenue increased by \$6,296,811 due to the increase in the education cost sharing revenue from the State of Connecticut;

During the year, actual revenues and other financing sources on a budgetary basis were \$428.6 million. This was approximately \$9.4 over the budgetary estimate. Actual tax revenues were \$2.1 million under budget because arrears tax collections was less than anticipated. Actual intergovernmental revenue was \$2.4 million under budgetary estimates primarily due to less than anticipated revenues granted to the City through various state programs. Investment income was approximately \$1.6 million less than the \$2.0 million that had been budgeted. These shortfalls in revenues were offset by revenue categories that exceeded budget. Actual other revenue was \$13.9 higher than budget, which was primarily due to resolution of amounts due the State for prior welfare overpayment and favorable resolution of an outstanding worker compensation claim. Also, fees, permits and licenses were \$400,000 over budget and transfers in was \$1.2 million over budget.

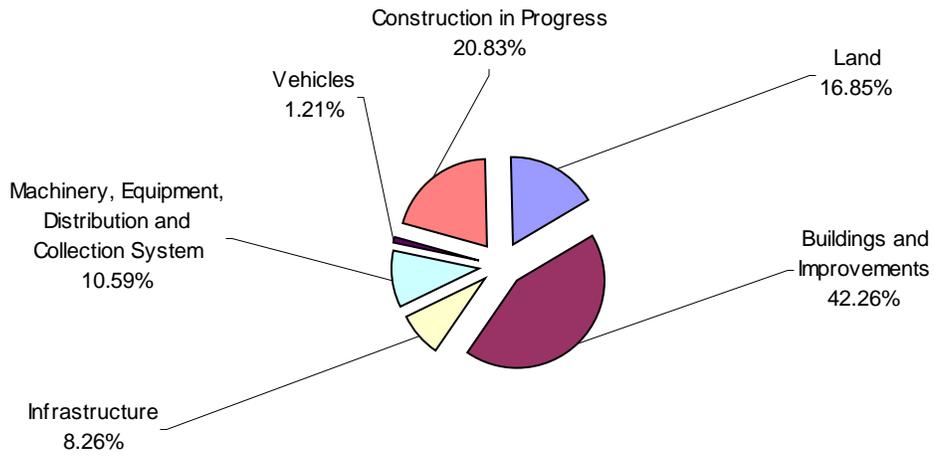
Actual expenditures on a budgetary basis and other financing uses totaled \$426 million, which were less than actual revenues and other financing sources on a budgetary basis by \$2,650,182. The fiscal year 2004 budget included a planned appropriation of fund balance of \$4,950,000 to reduce the impact of the revaluation for the Grand List of October 1, 2000.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2004, amount to \$517.2 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 decrease in the City's investment in capital assets for the current fiscal year was \$300,000

| City of Bridgeport, Connecticut | | | | | | |
|--------------------------------------|----------------------------|---------------------------|-------------------|----------------------------|---------------------------|-------------------|
| Capital Assets (net of depreciation) | | | | | | |
| | June 30, 2003 | | | June 30, 2004 | | |
| | Primary Government | | | Primary Government | | |
| | Governmental Activities | Proprietary Activities | Total | Governmental Activities | Proprietary Activities | Total |
| Land | \$ 85,785 | \$ - | \$ 85,785 | \$ 87,147 | \$ - | \$ 87,147 |
| Buildings and Improvements | 146,730 | 80,272 | 227,002 | 142,226 | 76,358 | 218,584 |
| Infrastructure | 41,791 | - | 41,791 | 42,694 | - | 42,694 |
| Eqpt, Distr, & Collection Sys. | 4,680 | 45,288 | 49,968 | 3,775 | 51,013 | 54,788 |
| Vehicles | 5,452 | 483 | 5,935 | 5,940 | 313 | 6,253 |
| Construction in Progress | 99,669 | 7,348 | 107,017 | 105,546 | 2,162 | 107,708 |
| Total | \$ 384,107 | \$ 133,391 | \$ 517,498 | \$ 387,328 | \$ 129,846 | \$ 517,174 |

**City of Bridgeport Capital Assets - Primary Government
June 30, 2004**

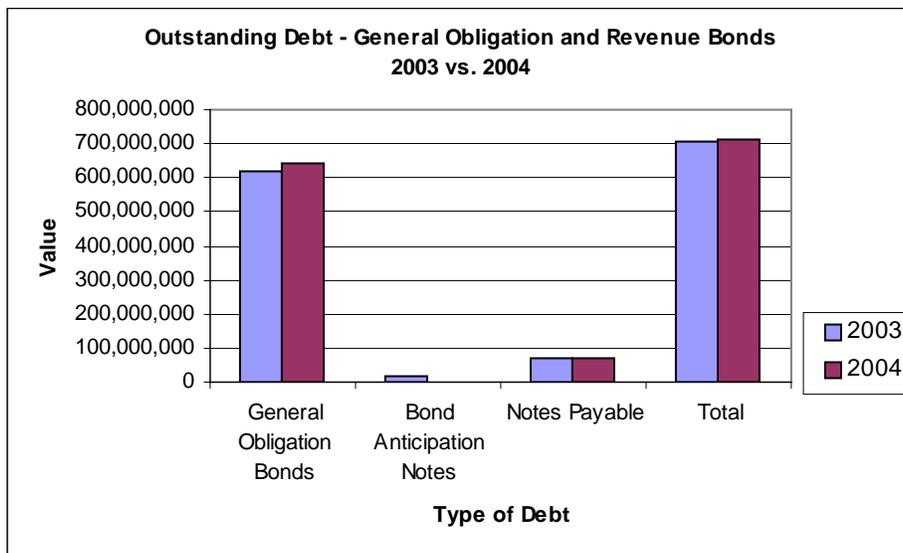


Major capital asset events during the current fiscal year included the following:

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

Additional information on the City’s capital assets can be found in Note 8 on pages 57-58 of this report.

| City of Bridgeport, Connecticut | | | | | | |
|------------------------------------|-----------------------|--------------------------|-----------------------|-----------------------|--------------------------|-----------------------|
| Outstanding Debt | | | | | | |
| General Obligation Bonds and Notes | | | | | | |
| | June 30, 2003 | | | June 30, 2004 | | |
| | Government Activities | Business-Type Activities | Total | Government Activities | Business-Type Activities | Total |
| General Obligation Bonds | \$ 615,254,000 | \$ 1,831,000 | \$ 617,085,000 | \$ 643,609,000 | \$ 1,261,000 | \$ 644,870,000 |
| Bond Anticipation Notes | 16,185,000 | - | 16,185,000 | - | - | - |
| Notes Payable | 6,758,000 | 65,797,000 | 72,555,000 | 7,997,000 | 62,168,000 | 70,165,000 |
| Totals | \$ 638,197,000 | \$ 67,628,000 | \$ 705,825,000 | \$ 651,606,000 | \$ 63,429,000 | \$ 715,035,000 |



Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$644,870,000. 100% of this debt is backed by the full faith and credit of the City government.

The City's total debt increased by \$9.2 million during fiscal 2004.

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

The overall statutory debt limit for the City is equal to seven times annual receipts from taxation or \$1.28 billion. As of June 30, 2004, the City recorded long-term debt of \$651.6 million related to Governmental Activities and \$63.4 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 11 on pages 60-64 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 2004, the unemployment rate for the Bridgeport Labor Market Area was 5.9%, from 6.2% in the prior year. Connecticut's overall unemployment rate stands at 4.8%, compared with 5.0% for the same time last year. Moreover, Connecticut state government is now reporting serious revenue shortfalls that may translate into reductions in State aid to the City of Bridgeport and other municipalities in the State.

Requests for Information

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

| CITY OF BRIDGEPORT, CONNECTICUT | | | |
|---|------------------------|----------------------|------------------------|
| | | | |
| STATEMENT OF NET ASSETS (DEFICITS) | | | |
| June 30, 2004 | | | |
| | | | |
| | | | |
| | Governmental | Proprietary | |
| | Activities | Activities | Total* |
| | | | |
| Assets | | | |
| Cash and cash equivalents | \$ 122,074,295 | \$ 1,173,522 | \$123,247,817 |
| Temporarily restricted cash and cash equivalents | 2,500,000 | - | 2,500,000 |
| Investments | 7,532,532 | - | 7,532,532 |
| Receivables, net of allowances for collection losses: | | | |
| Property taxes | 53,064,400 | - | 53,064,400 |
| Sewer user fees and liens | - | 5,205,968 | 5,205,968 |
| Federal and state governments | 39,932,375 | - | 39,932,375 |
| Other | 3,426,723 | 291,219 | 3,717,942 |
| Internal balances | 4,882,076 | (5,366,621) | (484,545) |
| Noncurrent: | | | |
| Temporarily restricted cash and cash equivalents | - | 3,661,446 | 3,661,446 |
| Deferred charges, net of accumulated amortization | 3,444,721 | - | 3,444,721 |
| Capital assets, not being depreciated | 192,692,957 | 2,161,539 | 194,854,496 |
| Capital assets, being depreciated, net of depreciation | 194,635,026 | 127,684,697 | 322,319,723 |
| Federal and state governments receivable | 27,109,150 | - | 27,109,150 |
| Pension assets | 111,036,594 | - | 111,036,594 |
| | 762,330,849 | 134,811,770 | 897,142,619 |
| Liabilities | | | |
| Current maturities of long-term obligation | 35,616,566 | 5,355,438 | 40,972,004 |
| Accounts payable and accrued expenses | 49,726,873 | 3,708,391 | 53,435,264 |
| Claims incurred but not reported | 8,978,529 | - | 8,978,529 |
| Deferred revenues | 15,081,645 | 5,311,518 | 20,393,163 |
| Accrued interest payable | 19,088,614 | - | 19,088,614 |
| Noncurrent liabilities: | | | |
| Due in more than one year | 707,900,267 | 58,073,563 | 765,973,830 |
| Total liabilities | 836,392,494 | 72,448,910 | 908,841,404 |
| Net assets (deficits) | | | |
| Investment in capital assets, net of related debt | 65,794,648 | 66,678,436 | 132,473,084 |
| Restricted for: | | | |
| Debt service | - | 3,661,446 | 3,661,446 |
| Permanent funds | 655,609 | - | 655,609 |
| Self-insured claims | 2,500,000 | - | 2,500,000 |
| Unrestricted | (143,011,902) | (7,977,022) | (150,988,924) |
| Total net assets (deficits) | \$ (74,061,645) | \$ 62,362,860 | \$ (11,698,785) |
| The notes to the financial statements are an integral part of this statement. | | | |
| * After internal receivables and payables have been eliminated. | | | |
| | | | |
| | | | |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | | |
|---|-----------------------|---------------------|----------------------|--------------------------|--------------------------|------------------------|
| BALANCE SHEET - GOVERNMENT FUNDS | | | | | | |
| June 30, 2004 | | | | | | |
| | General | Board of Education | 2001 Bond Issue | Other Governmental Funds | Total Governmental Funds | |
| Assets | | | | | | |
| Cash and cash equivalents | \$ 56,344,651 | \$ - | \$ 50,593,109 | \$ 15,136,535 | \$ 122,074,295 | |
| Restricted cash and cash equivalents | 2,500,000 | - | - | - | 2,500,000 | |
| Investments | - | - | 6,583,025 | 949,507 | 7,532,532 | |
| Receivables, net of allowances for collection losses: | | | | | | |
| Property taxes | 31,552,856 | - | - | - | 31,552,856 | |
| Intergovernmental | 20,715,509 | - | 1,496,203 | 17,720,671 | 39,932,383 | |
| Other | 2,703,794 | - | 72,415 | 673,649 | 3,449,858 | |
| Due from other funds | 10,072,087 | 2,718,481 | 99,216 | 7,207,144 | 20,096,928 | |
| | <u>123,888,897</u> | <u>2,718,481</u> | <u>58,843,968</u> | <u>41,687,506</u> | <u>227,138,852</u> | |
| Liabilities | | | | | | |
| Accounts payable | 21,649,508 | - | 3,215,053 | 6,354,490 | 31,219,051 | |
| Accrued liabilities | 26,646,824 | - | - | 862,673 | 27,509,497 | |
| Due to other funds | 9,531,201 | - | 1,596,468 | 4,087,183 | 15,214,852 | |
| Deferred revenues | 30,329,254 | - | - | 14,839,574 | 45,168,828 | |
| Total liabilities | <u>88,156,787</u> | <u>-</u> | <u>4,811,521</u> | <u>26,143,920</u> | <u>119,112,228</u> | |
| Fund balances: | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 227,423 | 2,718,481 | 14,680,771 | 9,749,486 | 27,376,161 | |
| Self-insured claims | 2,500,000 | - | - | - | 2,500,000 | |
| Reserve for endowments-permanently restricted | - | - | - | 655,609 | 655,609 | |
| Unreserved, reported in: | | | | | | |
| General fund | 33,004,687 | - | - | - | 33,004,687 | |
| Special revenue funds | - | - | - | 1,173,237 | 1,173,237 | |
| Capital projects funds | - | - | 39,351,676 | 3,965,254 | 43,316,930 | |
| Total fund balances | <u>35,732,110</u> | <u>2,718,481</u> | <u>54,032,447</u> | <u>15,543,586</u> | <u>108,026,624</u> | |
| Total liabilities and fund balances | <u>\$ 123,888,897</u> | <u>\$ 2,718,481</u> | <u>\$ 58,843,968</u> | <u>\$ 41,687,506</u> | | |
| Amounts reported for governmental activities in the statement of net assets are different because: | | | | | | |
| Capital assets, net of accumulated depreciation of \$165,235,035, purchased in governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the City as a whole. | | | | | | |
| | | | | | | 387,327,983 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds. | | | | | | |
| | | | | | | 78,707,880 |
| Pension assets | | | | | | |
| | | | | | | 111,036,594 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | | | | | | |
| | | | | | | (759,160,726) |
| Net assets (deficits) of governmental activities | | | | | | |
| | | | | | | <u>\$ (74,061,645)</u> |
| The notes to the financial statements are an integral part of this statement. | | | | | | |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | |
|---|----------------------|-----------------------|----------------------|--------------------------------|--------------------------------|
| STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - | | | | | |
| GOVERNMENTAL FUNDS | | | | | |
| Year Ended June 30, 2004 | | | | | |
| | General | Board of Education | 2001 Bond Issue | Other Governmental Funds | Total Governmental Funds |
| REVENUES | | | | | |
| Property taxes | \$ 174,473,258 | \$ - | \$ - | \$ - | \$ 174,473,258 |
| Property tax delinquency fees | 7,367,811 | - | - | - | 7,367,811 |
| Intergovernmental | 196,893,775 | 9,626,513 | 6,316,143 | 66,566,168 | 279,402,599 |
| Fees, permits and licenses | 16,598,258 | - | - | - | 16,598,258 |
| Interest | 419,034 | - | 15,776 | 86,136 | 520,946 |
| Other | 28,263,242 | - | 2,676,676 | 4,480,529 | 35,420,447 |
| Total revenues | 424,015,378 | 9,626,513 | 9,008,595 | 71,132,833 | 513,783,319 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 99,425,762 | - | - | 234,719 | 99,660,481 |
| Protection of person and property | 62,224,435 | - | - | - | 62,224,435 |
| Conservation of health | 11,331,239 | - | - | 4,993,725 | 16,324,964 |
| Public facilities | 23,096,673 | - | - | - | 23,096,673 |
| Charities and hospitals | 53,021 | - | - | - | 53,021 |
| Education | - | 177,370,679 | - | 48,144,008 | 225,514,687 |
| Parks and recreation | 5,044,139 | - | - | - | 5,044,139 |
| Special services | 1,644,502 | - | - | 16,396,198 | 18,040,700 |
| Debt service: | | | | | |
| Principal retirements | 20,480,572 | - | - | 485,000 | 20,965,572 |
| Interest and other charges | 40,619,125 | - | 85,250 | 405,155 | 41,109,530 |
| Capital outlay | - | - | 22,875,596 | 164,971 | 23,040,567 |
| Total expenditures | 263,919,468 | 177,370,679 | 22,960,846 | 70,823,776 | 535,074,769 |
| Revenues over (under) expenditures | 160,095,910 | (167,744,166) | (13,952,251) | 309,057 | (21,291,450) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 6,750,435 | 169,064,179 | - | - | 175,814,614 |
| Transfers out | (169,064,179) | - | (3,000,000) | (3,750,435) | (175,814,614) |
| Payments to escrow agent | (29,585,083) | - | - | - | (29,585,083) |
| Bonds issued | 27,985,000 | - | 47,555,000 | 1,725,000 | 77,265,000 |
| Premiums on bond issuance | 2,149,164 | - | - | - | 2,149,164 |
| Debt issue costs | (549,081) | - | - | - | (549,081) |
| Total other financing sources (uses) | (162,313,744) | 169,064,179 | 44,555,000 | (2,025,435) | 49,280,000 |
| Net change in fund balances | (2,217,834) | 1,320,013 | 30,602,749 | (1,716,378) | 27,988,550 |
| FUND BALANCES, beginning | 37,949,944 | 1,398,468 | 23,429,698 | 17,259,964 | 80,038,074 |
| FUND BALANCES, ending | \$ 35,732,110 | \$ 2,718,481 | \$ 54,032,447 | \$ 15,543,586 | \$ 108,026,624 |
| The notes to the financial statements are an integral part of this statement. | | | | | |

CITY OF BRIDGEPORT, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

Year Ended June 30, 2004

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

| | |
|--|------------------------|
| Net change in fund balances – total governmental funds | \$ 27,988,550 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | 4,021,710 |
| Change in pension assets. | (5,083,851) |
| The net effect of the loss on the sale of capital assets is to decrease net assets. | (800,638) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 3,064,430 |
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | (28,224,824) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | <u>(15,197,569)</u> |
| Change in net assets of governmental activities | <u>\$ (14,232,192)</u> |

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

| CITY OF BRIDGEPORT, CONNECTICUT | | | | |
|---|--------------------|--------------------|----------------------|---------------------|
| STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN UNRESERVED FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND | | | | |
| Year Ended June 30, 2004 | | | | |
| | Budgeted Amounts | | | Variance With |
| | Original | Final | Actual | Final Budget |
| | | | | Positive (Negative) |
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| Property taxes | \$ 183,472,000 | \$ 183,472,000 | \$ 181,340,978 | \$ (2,131,022) |
| Intergovernmental | 186,458,018 | 192,754,829 | 190,324,774 | (2,430,055) |
| Fees, permits and licenses | 16,190,771 | 16,190,771 | 16,598,260 | 407,489 |
| Interest | 2,000,000 | 2,000,000 | 419,034 | (1,580,966) |
| Other | 14,342,634 | 14,342,634 | 28,263,239 | 13,920,605 |
| Transfers in | 5,569,770 | 5,569,770 | 6,750,435 | 1,180,665 |
| Appropriation of fund balance - Revaluation | 4,950,000 | 4,950,000 | 4,950,000 | - |
| Total revenue and other financing sources | 412,983,193 | 419,280,004 | 428,646,720 | 9,366,716 |
| EXPENDITURES AND ENCUMBRANCES | | | | |
| General government | 96,221,320 | 96,221,620 | 98,917,069 | (2,695,449) |
| Protection of person and property | 59,076,994 | 59,076,694 | 62,236,120 | (3,159,426) |
| Conservation of health | 5,050,459 | 5,050,459 | 4,774,028 | 276,431 |
| Public facilities | 23,877,690 | 23,884,690 | 22,968,218 | 916,472 |
| Charities and hospitals | 59,444 | 59,444 | 53,021 | 6,423 |
| Education | 162,750,519 | 169,047,330 | 169,045,196 | 2,134 |
| Parks and recreation | 4,930,432 | 4,923,432 | 5,242,410 | (318,978) |
| Special services | 1,752,774 | 1,752,774 | 1,655,779 | 96,995 |
| Debt service | 59,260,358 | 59,260,358 | 61,104,697 | (1,844,339) |
| Total expenditures and encumbrances | 412,979,990 | 419,276,801 | 425,996,538 | (6,719,737) |
| Revenue and other financing sources over expenditures and encumbrances | \$ 3,203 | \$ 3,203 | 2,650,182 | \$ 2,646,979 |
| UNRESERVED FUND BALANCE, beginning | | | 35,304,505 | |
| Less appropriation of fund balance for budgetary presentation | | | (4,950,000) | |
| UNRESERVED FUND BALANCE, ending | | | \$ 33,004,687 | |
| The notes to the financial statements are an integral part of this statement. | | | | |

| CITY OF BRIDGEPORT, CONNECTICUT | |
|---|---------------------------|
| STATEMENT OF NET ASSETS - PROPRIETARY FUND | |
| June 30, 2004 | |
| | Business Type Activity |
| | Enterprise Fund |
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 1,173,522 |
| Receivables, net of allowances for collection losses: | |
| Sewer user fees and liens | 5,205,968 |
| Other | 291,219 |
| Due from other funds | 567,641 |
| Total current assets | 7,238,350 |
| Noncurrent assets: | |
| Restricted cash and cash equivalents | 3,661,446 |
| Capital assets, net of accumulated depreciation | 129,846,236 |
| Total noncurrent assets | 133,507,682 |
| Total assets | 140,746,032 |
| LIABILITIES | |
| Current liabilities: | |
| Accrued liabilities | 3,708,391 |
| Due to other funds | 5,934,262 |
| Bond payable - current | 608,990 |
| Notes payable - current | 4,746,448 |
| Total current liabilities | 14,998,091 |
| Noncurrent liabilities: | |
| Bonds payable | 652,482 |
| Notes payable | 57,421,081 |
| Deferred revenues | 5,311,518 |
| Total noncurrent liabilities | 63,385,081 |
| Total liabilities | 78,383,172 |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 66,678,436 |
| Restricted for debt service | 3,661,446 |
| Unrestricted | (7,977,022) |
| Total net assets | \$ 62,362,860 |
| The notes to the financial statements are an integral part of this statement. | |

| CITY OF BRIDGEPORT, CONNECTICUT | |
|---|----------------------|
| | |
| STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND | |
| NET ASSETS - PROPRIETARY FUND | |
| Year Ended June 30, 2004 | |
| | |
| | Business Type |
| | Activity |
| | Enterprise |
| | Fund |
| OPERATING REVENUES | |
| Sewer user fees | \$ 17,137,885 |
| OPERATING EXPENSES | |
| Operation and maintenance | 14,961,369 |
| Benefits for doubtful accounts | (943,410) |
| Depreciation | 5,612,754 |
| | 19,630,713 |
| Operating loss | (2,492,828) |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest income | 92,229 |
| Interest expense | (1,328,468) |
| Other income | 2,134,185 |
| Total nonoperating revenues (expenses) | 897,946 |
| Net loss before capital contributions | (1,594,882) |
| Capital contributions | 544,524 |
| Change in net assets | (1,050,358) |
| FUND NET ASSETS, beginning | 63,413,218 |
| FUND NET ASSETS, ending | \$ 62,362,860 |
| The notes to the financial statements are an integral part of this statement. | |

| CITY OF BRIDGEPORT, CONNECTICUT | |
|--|---------------------------|
| STATEMENT OF CASH FLOWS - PROPRIETARY FUND | |
| Year Ended June 30, 2004 | |
| | Business Type Activity |
| | Enterprise Fund |
| Cash Flows From Operating Activities | |
| Receipts from customers and users | \$ 20,918,189 |
| Payments to suppliers | (13,602,836) |
| Payments to employees | (905,401) |
| Net cash provided by operating activities | 6,409,952 |
| Cash Flows From Capital and Related Financing Activities | |
| Principal payments on debt | (4,987,315) |
| Interest paid on debt | (1,386,281) |
| Proceeds from notes payable | 788,298 |
| Proceeds received on capital grants | 544,524 |
| Purchase of property and equipment | (2,188,118) |
| Net cash used in capital and related financing activities | (7,228,892) |
| Cash Flows From Investing Activities | |
| Interest received on investments | 91,989 |
| Net decrease in cash and cash equivalents | (726,951) |
| Cash and Cash Equivalents | |
| Beginning | 5,561,919 |
| Ending | <u>\$ 4,834,968</u> |
| Reconciliation to Statement of Net Assets | |
| Cash and cash equivalents | \$ 1,173,522 |
| Restricted cash and cash equivalents | 3,661,446 |
| | <u>\$ 4,834,968</u> |
| Reconciliation of Operating Loss to Net Cash Provided by Operating Activities | |
| Operating loss | \$ (2,492,828) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation | 5,612,754 |
| Provision (benefit) for collection losses | (943,410) |
| Other income | 2,134,185 |
| Changes in assets and liabilities: | |
| Decrease in sewer user fees and liens | 1,932,648 |
| Decrease in other receivables | 49,920 |
| Increase in due from other funds | (7,661) |
| Increase in accrued expenses | 350,348 |
| Increase in due to other funds | 110,445 |
| Decrease in deferred revenue | (336,449) |
| Net cash provided by operating activities | <u>\$ 6,409,952</u> |
| The notes to the financial statements are an integral part of this statement. | |

| CITY OF BRIDGEPORT, CONNECTICUT | |
|---|-----------------------|
| | |
| STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS | |
| June 30, 2004 | |
| | |
| | Pension |
| | Trust Funds |
| | |
| ASSETS | |
| | |
| Cash and cash equivalents | \$ 5,329,110 |
| | |
| Investments, at fair value | |
| U.S. government and agency bonds | 31,475,432 |
| Corporate bonds | 66,349,357 |
| Corporate stocks | 161,410,721 |
| Mutual funds - fixed income | 14,889,051 |
| Mutual funds - equities | 87,316,855 |
| International bonds | 1,236,663 |
| Total investments | 362,678,079 |
| | |
| Due from other funds | 484,545 |
| | |
| Contributions receivable | 3,259,511 |
| | |
| Total assets | 371,751,245 |
| | |
| LIABILITIES | |
| Other liabilities | 6,090,115 |
| | |
| Net Assets Held in Trust for Pension Benefits | \$ 365,661,130 |
| | |
| The notes to the financial statements are an integral part of this statement. | |

| CITY OF BRIDGEPORT, CONNECTICUT | |
|---|------------------------|
| STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS | |
| Year Ended June 30, 2004 | |
| | Pension Trust Funds |
| Additions | |
| Contributions | |
| Employer | \$ 5,087,560 |
| Plan members | 2,464,347 |
| Annuity proceeds | 4,712,696 |
| Total contributions | 12,264,603 |
| Investment Income | |
| Net appreciation in fair value of investments | 38,491,083 |
| Interest and dividends | 7,260,553 |
| | 45,751,636 |
| Less investment expenses: | |
| Investment management fees | (1,437,604) |
| Net investment income | 44,314,032 |
| Total additions | 56,578,635 |
| Deductions | |
| Benefits | 34,739,355 |
| Change in net assets | 21,839,280 |
| Net Assets Held in Trust for Pension Benefits | |
| Beginning of year | 343,821,850 |
| End of year | \$ 365,661,130 |
| The notes to the financial statements are an integral part of this statement. | |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2004

Note 1. Summary of Significant Accounting Policies

Reporting Entity

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

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the Codification, Section 2100, has 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.

Government-wide and Fund Financial Statements

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

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. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Expenditures are generally recorded when a liability is incurred, except for debt service expenditures, as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due (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 and available only when cash is received by the City, or specifically identified.

The City reports the following major governmental funds.

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

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

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

The City reports the following major proprietary fund:

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

Additionally, the City reports the following fund types:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their government-wide and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the WPCA are charges to customers for user fees. Operating expenses for enterprise funds include the cost of operations and maintenance, provision for doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the 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.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2004

Cash and cash equivalents

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

Investments

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

Property taxes

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

Capital Assets

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 \$1,405,000. Of this amount, \$76,000 was included as part of the cost of capital assets under construction in connection with wastewater treatment facilities' construction projects.

Infrastructure assets acquired prior to fiscal years ended after June 30, 1980 are reported for the City.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

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

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

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 is recognized in the governmental fund financial statements only when the obligation is due. The liability is typically paid out of the general fund.

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.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

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 pension (asset) obligation is recorded as a noncurrent asset/liability in the government-wide financial statements.

Fund equity and net assets

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

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

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

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

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.

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.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities are reported in the government-wide statement of net assets (deficits). One element of that reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(759,160,726) difference are as follows:

| | |
|--|-------------------------|
| Bonds and notes payable | \$ (651,605,935) |
| Deferred charges and premiums related to refunding | 3,444,721 |
| Accrued interest payable | (19,088,614) |
| Capital leases payable | (159,348) |
| Workers compensation, medical and litigation claims | (53,066,550) |
| Compensated absences | (35,656,898) |
| Net pension obligation | (2,749,902) |
| Landfill closure costs | (278,200) |
| | <hr/> |
| Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities | <u>\$ (759,160,726)</u> |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$4,021,710 difference are as follows:

| | |
|--|---------------------|
| Capital outlay | \$ 13,455,326 |
| Depreciation expense | <u>(9,433,616)</u> |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ 4,021,710</u> |

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.” The details of this \$(800,638) difference are as follows:

| | |
|---|---------------------|
| In the statement of activities, only the loss 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 capital assets sold | <u>\$ (800,638)</u> |
| Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ (800,638)</u> |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(28,224,824) difference are as follows:

| | |
|--|------------------------|
| Debt issued or incurred: | |
| Issuance of general obligation bonds and notes | \$ (77,265,000) |
| Premiums, issue costs, and gain on refunding | (1,560,847) |
| Principal repayments: | |
| General obligation debt and notes | 20,965,573 |
| Capital leases | 50,367 |
| Payment to escrow agent for refunding | <u>29,585,083</u> |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ (28,224,824)</u> |

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$(15,197,569) difference are as follows:

| | |
|--|------------------------|
| Compensated absences | \$ (3,998,470) |
| Workers compensation, medical and litigation claims | (9,782,803) |
| Accrued interest on bonds payable | (907,491) |
| Net change in other expenditures | <u>(508,805)</u> |
| Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ (15,197,569)</u> |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2004

Note 3. Budgets and Budgetary Accounting

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

- ◆ The Mayor shall submit to the City Council, no later than 120 days before July 1, the proposed operating and capital budgets.
- ◆ The Mayor shall submit to the City Council, with the proposed budgets, a certificate that the budget is consistent with a three year financial plan, and that operating within the budget is feasible.
- ◆ Expenditures may not legally exceed appropriations at the department level (legal level of control).
- ◆ Budgets must include appropriations which, among others, allow funding of expenditures required by law, those for debt service, and for elimination of prior deficits, as well as those properly attributable to the fiscal year.
- ◆ Budgeted revenues cannot exceed certain actual amounts of prior year's revenues unless justification for each item have been approved by the City Council.
- ◆ Budgets must include schedules of cash disbursements and cash receipts for the fiscal year on a monthly basis, with sufficient detail for City Council to determine estimated need for cash-flow borrowings during the year.
- ◆ The City Council shall approve the three year financial plan with the budget forming the first year of the financial plan, once it determines that such plan is complete.
- ◆ Transfers and supplemental appropriations of budgeted amounts that change a department's total budgeted expenditures must be adopted by resolutions of the City Council. Supplemental appropriations totaling \$6,296,811 were adopted during the year ended June 30, 2004. In addition, per City Ordinance all requests for transfers of \$10,000 or more in the aggregate in any one fiscal year between sub-line items must also be requested through the City Council with appropriate documentation. Also, any transfers between line item accounts (salary, overtime, fringe benefits and operating and special services) shall be submitted with appropriate documentation, for council approval regardless of the dollar amount.

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

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

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

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

| | Revenues and Transfers In | Expenditures, Encumbrances and Transfers Out |
|---|------------------------------|---|
| Balance, GAAP basis fund financial statements | \$ 430,765,813 | \$ 432,983,647 |
| Foreclosed property, not recognized for budgetary purposes | (500,093) | (500,093) |
| On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes | (6,569,000) | (6,569,000) |
| Appropriation of fund balance recognized as other financing source for budgetary purposes | 4,950,000 | - |
| Encumbrances | | |
| June 30, 2003 | - | (145,439) |
| June 30, 2004 | - | 227,423 |
| Balance, budgetary basis | <u>\$ 428,646,720</u> | <u>\$ 425,996,538</u> |

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

During the year ended June 30, 2004, the following line items overexpended their appropriations:

| | Final | Expenditures | Balance |
|------------------------------------|----------------|------------------|--------------|
| | Appropriations | and Encumbrances | Overexpended |
| Carousel Building | \$ 30,547 | \$ 214,858 | \$ (184,311) |
| Chief Administrative Officer | 106,027 | 115,052 | (9,025) |
| Civil Service Commission | 623,029 | 629,036 | (6,007) |
| City Attorney | 2,379,182 | 2,702,045 | (322,863) |
| Construction Division | - | 217,580 | (217,580) |
| Debt Service | 59,260,358 | 61,104,697 | (1,844,339) |
| Fire Department | 22,385,297 | 22,930,885 | (545,588) |
| Fringe Benefits | 2,760,850 | 2,929,110 | (168,260) |
| Grants Personnel | 64,298,357 | 70,362,455 | (6,064,098) |
| Instruction | 107,672,551 | 107,692,994 | (20,443) |
| Harbor Master | 57,402 | 62,220 | (4,818) |
| Housing Code Enforcement | 206,384 | 227,871 | (21,487) |
| Labor Relations | 508,023 | 528,272 | (20,249) |
| Laboratories | - | 50,778 | (50,778) |
| Office and administration | 243,634 | 252,115 | (8,481) |
| Parks Department | 2,375,279 | 3,053,994 | (678,715) |
| Police Department | 36,597,098 | 39,210,253 | (2,613,155) |
| Private School Busing | 1,731,281 | 2,118,119 | (386,838) |
| Public Health Nursing | 1,918,622 | 1,948,371 | (29,749) |
| Pupil Services | 10,852,911 | 12,579,622 | (1,726,711) |
| Registrar of Voters | 369,932 | 426,564 | (56,632) |
| Roadway Maintenance | 2,290,686 | 2,408,918 | (118,232) |
| School Improvement and Initiatives | 1,207,044 | 1,550,155 | (343,111) |
| Tax Assessor | 1,099,852 | 1,144,036 | (44,184) |
| Town Clerk | 335,935 | 537,555 | (201,620) |
| Transfer Station | 1,422,271 | 1,544,131 | (121,860) |
| Weights & Measures | 94,299 | 94,982 | (683) |
| Zoning Board of Appeals | 47,605 | 50,363 | (2,758) |
| Zoning Commission | 280,566 | 281,009 | (443) |

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.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

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.

Note 4. Cash, Cash Equivalents and Investments

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

As of June 30, 2004, the carrying amount of the City's deposits was \$78,655,099, with bank balances of approximately \$73,784,000. The amount of the bank balances covered by federal depository insurance was approximately \$785,000. The remaining \$72,999,000 of deposits were uninsured and uncollateralized. However, provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. The level of such collateral varies from 10% to 120% of each bank's public deposits, depending on the bank's financial strength as shown by its risk-based capital ratio. As of June 30, 2004, approximately \$7,378,000 of uninsured deposits were collateralized under these provisions. It is unclear whether the collateral required for public deposits would stand if challenged by the FDIC since there is no perfected security agreement between the depository and the depositor as required by federal laws.

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

The City's investments, in which the majority of the investments relate to pension trust funds, as of June 30, 2004 consisted of the following:

| | Category | | | Carrying and Fair Value |
|--|----------------------|-------------|-----------------------|----------------------------|
| | 1 | 2 | 3 | |
| Corporate bonds | \$ 3,740,136 | \$ - | \$ 62,666,299 | \$ 66,406,435 |
| Corporate stocks | 30,518,100 | - | 131,089,024 | 161,607,124 |
| U.S. government securities | 3,520,360 | - | 28,517,202 | 32,037,562 |
| International bonds | - | - | 1,236,663 | 1,236,663 |
| | <u>\$ 37,778,596</u> | <u>\$ -</u> | <u>\$ 223,509,188</u> | <u>261,287,784</u> |
| Investments not subject to risk categorization: | | | | |
| Mutual funds | | | | 102,339,802 |
| Short-term investment funds | | | | 62,666,299 |
| | | | | <u>\$ 426,293,885</u> |

The three preceding risk categories are defined below:

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

Deposits of \$78,655,099 and investments of \$426,293,885 are presented in the accompanying statement of net assets or balance sheet as follows:

| | |
|---|-----------------------|
| Cash and cash equivalents | \$ 122,074,295 |
| Cash and cash equivalents – Enterprise Fund | 1,173,522 |
| Cash and cash equivalents – Fiduciary Funds | 5,329,110 |
| Restricted cash and cash equivalents | 6,161,446 |
| Investments | 7,532,532 |
| Investments – Fiduciary Funds | 362,678,079 |
| | <u>\$ 504,948,984</u> |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

Cash and cash equivalents are restricted for the following uses at June 30, 2004:

| | | |
|-------------------------|--|---------------------|
| General Fund | | |
| Self Insurance Programs | | \$ 2,500,000 |
| Enterprise Fund | | |
| Debt Service | | <u>3,661,446</u> |
| | | <u>\$ 6,161,446</u> |

Note 5. Receivables – Fund Basis

Receivables at June 30, 2004 for the City’s individual major funds and nonmajor and fiduciary funds in aggregate, including the applicable allowances for collection losses, are as follows:

| | General | 2001 Bond Issue | Enterprise | Nonmajor and Other Funds | Totals |
|---------------------------------|----------------------|---------------------|---------------------|--------------------------------|----------------------|
| Property taxes | \$ 54,034,151 | \$ - | \$ - | \$ - | \$ 54,034,151 |
| Sewer user fees | | - | 9,868,880 | - | 9,868,880 |
| Intergovernmental | 20,715,509 | 1,496,203 | - | 17,720,671 | 39,932,383 |
| Other | 2,703,794 | 72,415 | 291,219 | 673,649 | 3,741,077 |
| Total gross receivables | 77,453,454 | 1,568,618 | 10,160,099 | 18,394,320 | 107,576,491 |
| Allowance for collection losses | 22,481,295 | - | 4,662,912 | - | 27,144,207 |
| Total net receivables | \$ 54,972,159 | \$ 1,568,618 | \$ 5,497,187 | \$ 18,394,320 | \$ 80,432,284 |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

Note 6. Interfund Accounts

As of June 30, 2004 amounts due from and to other funds were as follows:

| | Due From: | | | | Totals |
|--------------------------|---------------------|----------------------------|---------------------|--------------------------------|----------------------|
| | General Fund | 2001 Bond Issue Fund | Enterprise Fund | Nonmajor and Other Funds | |
| Due to: | | | | | |
| General Fund | \$ - | \$ 1,596,468 | \$ 5,934,262 | \$ 2,541,357 | \$ 10,072,087 |
| Board of Education | 2,718,481 | - | - | - | 2,718,481 |
| 2001 Bond Issue Fund | 66,216 | - | - | 33,000 | 99,216 |
| Enterprise Fund | - | - | - | 567,641 | 567,641 |
| Nonmajor and Other Funds | 6,261,959 | - | - | 945,185 | 7,207,144 |
| Fiduciary Funds | 484,545 | - | - | - | 484,545 |
| Total | \$ 9,531,201 | \$ 1,596,468 | \$ 5,934,262 | \$ 4,087,183 | \$ 21,149,114 |

Of the \$6,261,959 balance due the nonmajor funds, \$484,000 is the result of the pension bond issue of 2001. All remaining balances resulted from the time lag between the dates payments occur between funds for various activities.

Interfund transfers during the year ended June 30, 2004 were as follows:

| | Transfers in: | | | Totals |
|-----------------------------|---------------------|-------------------------------|-----------------------|--------|
| | General Fund | Board of Education Fund | | |
| Transfers out: | | | | |
| General Fund | \$ - | \$ 169,064,179 | \$ 169,064,179 | |
| Bond Issue 2001 | 3,000,000 | - | 3,000,000 | |
| Nonmajor governmental funds | 3,750,435 | - | 3,750,435 | |
| Total | \$ 6,750,435 | \$ 169,064,179 | \$ 175,814,614 | |

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.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

Note 7. Bulk Lien Sales

During the year ended June 30, 2004, the City executed a bulk sale of property tax liens and collected proceeds of approximately \$5,000,000. 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.

Note 8. Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows:

| | Beginning Balance | Additions/ Transfers | Disposals/ Transfers | Ending Balance |
|--|----------------------|-------------------------|-------------------------|-------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 85,785,311 | \$ 2,076,684 | \$ (715,138) | \$ 87,146,857 |
| Construction in progress | 99,669,082 | 5,877,018 | - | 105,546,100 |
| Total capital assets, not being depreciated | 185,454,393 | 7,953,702 | (715,138) | 192,692,957 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 220,153,178 | - | - | 220,153,178 |
| Machinery and equipment | 12,334,588 | 78,227 | (111,500) | 12,301,315 |
| Infrastructure | 98,090,700 | 3,442,592 | - | 101,533,292 |
| Vehicles | 23,901,471 | 1,980,805 | - | 25,882,276 |
| Total capital assets being depreciated | 354,479,937 | 5,501,624 | (111,500) | 359,870,061 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 73,422,961 | 4,507,338 | (3,098) | 77,927,201 |
| Machinery and equipment | 7,655,166 | 893,813 | (22,902) | 8,526,077 |
| Vehicles | 18,449,894 | 1,492,225 | - | 19,942,119 |
| Infrastructure | 56,299,398 | 2,540,240 | - | 58,839,638 |
| Total accumulated depreciation | 155,827,419 | 9,433,616 | (26,000) | 165,235,035 |
| Total capital assets, being depreciated, net | 198,652,518 | (3,931,992) | (85,500) | 194,635,026 |
| Governmental activities capital assets, net | \$ 384,106,911 | \$ 4,021,710 | \$ (800,638) | \$ 387,327,983 |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

| | Beginning Balance | Additions/ Transfers | Disposal/ Transfers | Ending Balance |
|--|----------------------|-------------------------|------------------------|-------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Construction in progress | \$ 7,348,188 | \$ 1,141,887 | \$ (6,328,536) | \$ 2,161,539 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 97,787,509 | - | - | 97,787,509 |
| Machinery and equipment | 6,420,446 | 6,238,881 | - | 12,659,327 |
| Distribution and collection systems | 49,199,388 | 1,015,427 | - | 50,214,815 |
| Vehicles | 1,885,412 | - | - | 1,885,412 |
| Total capital assets, being depreciated | 155,292,755 | 7,254,308 | - | 162,547,063 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 17,515,412 | 3,913,755 | - | 21,429,167 |
| Machinery and equipment | 4,545,182 | 533,331 | - | 5,078,513 |
| Distribution and collection systems | 5,786,776 | 995,187 | - | 6,781,963 |
| Vehicles | 1,402,202 | 170,521 | - | 1,572,723 |
| Total accumulated depreciation | 29,249,572 | 5,612,794 | - | 34,862,366 |
| Total capital assets, being depreciated, net | 126,043,183 | 1,641,514 | - | 127,684,697 |
| Business-type activities capital assets, net | \$ 133,391,371 | \$ 2,783,401 | \$ (6,328,536) | \$ 129,846,236 |

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

| | |
|---|---------------------|
| Governmental Activities: | |
| General government | \$ 842,222 |
| Protection of person and property | 1,102,666 |
| Conservation of health | 37,500 |
| Public facilities, including depreciation of general infrastructure assets | 3,297,209 |
| Education | 3,682,950 |
| Parks and recreation | 471,069 |
| Total depreciation expense – governmental activities | <u>\$ 9,433,616</u> |
| Business-type activities: | |
| WPCA | <u>5,612,794</u> |
| Total depreciation expense – business-type activities | <u>\$ 5,612,794</u> |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

Note 9. Deferred Revenue

Deferred revenue as of June 30, 2004 in the fund financial statements consists of the following items:

| | General Fund | Nonmajor Governmental Funds | Enterprise Fund |
|-----------------|----------------------|-----------------------------------|---------------------|
| Property taxes | \$ 30,329,254 | \$ - | \$ - |
| Grants | - | 14,839,574 | - |
| Concession fees | - | - | 5,311,518 |
| | <u>\$ 30,329,254</u> | <u>\$ 14,839,574</u> | <u>\$ 5,311,518</u> |

Note 10. Bond Anticipation Notes Payable and Subsequent Event

Bond Anticipation Notes payable transactions for the year ended June 30, 2004 were as follows:

| | Bond Anticipation Notes |
|----------------------------|-------------------------------|
| Outstanding, July 1, 2003 | \$ 16,185,000 |
| New borrowings | 29,285,000 |
| Repayments | <u>(45,470,000)</u> |
| Outstanding, June 30, 2004 | <u>\$ -</u> |

On July 20, 2004, the City issued \$88,505,000 of general obligation bonds for various capital projects. The bonds bear interest at 3.0% to 5.25% and are mature through 2024.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

Note 11. Long-Term Debt

A summary of outstanding general long-term debt and changes therein as of and for the year ended June 30, 2004 is as follows:

Notes payable

Notes payable as of June 30, 2004 include the following:

Governmental Activities

| | |
|---|------------------|
| Fire equipment loan, due in quarterly installments of \$21,675, plus interest of 5.74%, through 2006 | \$ 173,400 |
| Department of Housing and Urban Development Section 108 Loans, due in varying installments plus interest at 4.00% - 7.00%, through 2016 | <u>7,824,000</u> |
| | <u>7,997,400</u> |

Business-type Activities:

| | |
|---|----------------------|
| Clean Water Program, due in varying installments, plus interest at 2%, through 2021 | <u>62,167,536</u> |
| | <u>\$ 70,164,936</u> |

General obligation bonds

As of June 30, 2004, the City had the following general obligation bonds outstanding:

| | |
|---|-----------------------|
| General purpose, 4.0% to 8.6% | \$ 585,104,144 |
| School, 4.0% to 9.5% | 59,501,680 |
| Sewer, 7.3% | <u>264,176</u> |
| | 644,870,000 |
| Less amount allocated to the business-type activities | <u>1,261,465</u> |
| Total governmental activities | <u>\$ 643,608,535</u> |

Prior Year's In-Substance Defeasance

In prior years, the City defeased various bond issues by creating separate irrevocable trust funds. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments were deemed sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the governmental activities column of the statement of net assets. As of June 30,

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

2004, the amount of defeased debt outstanding but removed from the governmental activities column of the statement of net assets amounted to \$69,575,000.

2003 General Obligation Bond - In-Substance Defeasance

On November 1, 2003, the City issued \$27,985,000 of general obligation bonds with interest rates ranging from 2.0% to 5.25% of which a portion was used to advance refund portions of the outstanding principal amounts of general obligation bonds of the City dated 1997 and 2000 (the "Refunding Bonds.") Of the net proceeds of \$30,134,162 (after payment of \$549,000 in underwriters fees and other costs), \$29,585,083 was placed in an irrevocable trust fund under an Escrow Agreement dated November 2003 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations.") The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the dates the payments are due.

The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and net debt) of \$905,000.

The balance in the escrow was approximately \$29,000,000 at June 30, 2004. The balance of the defeased bonds was approximately \$29,000,000 at June 30, 2004. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

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

| | Governmental Activities | | | Business-Type Activities | | |
|--------------|-------------------------|-----------------------|-------------------------|--------------------------|---------------------|----------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2005 | \$ 23,636,717 | \$ 42,719,523 | \$ 66,356,240 | \$ 5,355,438 | \$ 1,368,282 | \$ 6,723,720 |
| 2006 | 26,491,218 | 40,268,829 | 66,760,047 | 5,256,076 | 1,138,002 | 6,394,078 |
| 2007 | 26,339,000 | 38,605,367 | 64,944,367 | 4,603,602 | 1,014,150 | 5,617,752 |
| 2008 | 25,826,000 | 37,158,965 | 62,984,965 | 4,603,602 | 922,078 | 5,525,680 |
| 2009 | 26,304,000 | 35,694,459 | 61,998,459 | 4,603,602 | 830,006 | 5,433,608 |
| 2010 | 25,962,000 | 34,221,967 | 60,183,967 | 4,603,602 | 737,934 | 5,341,536 |
| 2011 | 25,693,000 | 34,341,964 | 60,034,964 | 4,592,173 | 645,862 | 5,238,035 |
| 2012 | 26,098,000 | 34,468,095 | 60,566,095 | 4,362,904 | 555,842 | 4,918,746 |
| 2013 | 25,911,000 | 33,014,567 | 58,925,567 | 4,255,738 | 469,683 | 4,725,421 |
| 2014 | 25,029,000 | 31,325,600 | 56,354,600 | 4,086,360 | 386,124 | 4,472,484 |
| 2015 | 25,538,000 | 29,374,872 | 54,912,872 | 4,051,230 | 304,982 | 4,356,212 |
| 2016 | 25,886,000 | 27,391,204 | 53,277,204 | 4,030,635 | 224,338 | 4,254,973 |
| 2017 | 27,392,000 | 25,331,312 | 52,723,312 | 2,429,483 | 157,031 | 2,586,514 |
| 2018 | 26,460,000 | 23,117,979 | 49,577,979 | 2,108,451 | 112,841 | 2,221,292 |
| 2019 | 28,145,000 | 20,923,776 | 49,068,776 | 1,953,623 | 71,317 | 2,024,940 |
| 2020 | 29,955,000 | 18,591,879 | 48,546,879 | 1,798,795 | 34,438 | 1,833,233 |
| 2021 | 22,855,000 | 16,252,668 | 39,107,668 | 330,614 | 10,697 | 341,311 |
| 2022 | 24,390,000 | 14,962,954 | 39,352,954 | 197,143 | 6,532 | 203,675 |
| 2023 | 20,350,000 | 13,578,687 | 33,928,687 | 192,049 | 2,107 | 194,156 |
| 2024 | 21,825,000 | 12,195,085 | 34,020,085 | 13,881 | 1,666 | 15,547 |
| 2025 | 19,525,000 | 10,809,879 | 30,334,879 | - | - | - |
| 2026 | 20,945,000 | 9,321,182 | 30,266,182 | - | - | - |
| 2027 | 22,545,000 | 7,720,984 | 30,265,984 | - | - | - |
| 2028 | 24,270,000 | 5,998,546 | 30,268,546 | - | - | - |
| 2029 | 26,125,000 | 4,144,318 | 30,269,318 | - | - | - |
| 2030 | 28,110,000 | 2,148,368 | 30,258,368 | - | - | - |
| Total | \$ 651,605,935 | \$ 603,683,029 | \$ 1,255,288,964 | \$ 63,429,001 | \$ 8,993,912 | \$ 72,422,913 |

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, 2004 was approximately \$3,727,000. Additional principal and interest reimbursements approximating \$32,565,000 are expected to be received through the bonds' maturity dates.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

Capital lease obligations

Property and equipment, which is carried at approximately \$185,000 (net of accumulated amortization of approximately \$130,000) in the Governmental activities are being acquired under capital lease arrangements.

Future minimum lease payments under capital leases are as follows:

| | <u>Governmental Funds</u> |
|-----------------------------------|-------------------------------|
| 2005 | \$ 65,624 |
| 2006 | 65,624 |
| 2007 | <u>53,229</u> |
| | 184,477 |
| Less amount representing interest | <u>25,129</u> |
| | <u>\$ 159,348</u> |

Legal Debt Limit

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

| <u>Category</u> | <u>Debt Limit</u> | <u>Indebtedness</u> | <u>Balance</u> |
|-------------------------------------|-------------------|---------------------|----------------|
| General purpose | \$ 410,649,725 | \$ 292,846,248 | \$ 117,803,477 |
| Unfunded Pension Benefit Obligation | \$ 547,532,967 | \$ 428,080,000 | \$ 119,452,967 |
| Schools | \$ 821,299,451 | \$ 134,643,687 | \$ 686,655,764 |
| Sewers | \$ 684,416,209 | \$ 63,429,001 | \$ 620,987,208 |
| Urban renewal | \$ 593,160,174 | \$ - | \$ 593,160,714 |

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$1,277,576,923. All long-term debt obligations are retired through General Fund appropriations, or user charges.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

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

| | |
|-------------------------------------|-----------------------|
| General purpose | \$ 38,822,000 |
| Unfunded pension benefit obligation | 90,000,000 |
| Schools | 75,142,000 |
| | <u>\$ 203,964,000</u> |

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2004 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Due Within One Year |
|----------------------------------|----------------------|----------------|---------------|-------------------|------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 615,254,100 | \$ 75,540,000 | \$ 47,185,565 | \$ 643,608,535 | \$23,031,017 |
| Notes payable | 6,757,400 | 1,725,000 | 485,000 | 7,997,400 | 595,700 |
| Deferred amounts: | | | | | |
| For issuance premium | 6,195,532 | 2,109,927 | 475,701 | 7,829,758 | - |
| Total bonds and notes payable | 628,207,032 | 79,374,927 | 48,146,266 | 659,435,693 | 23,626,717 |
| Capital leases | 209,715 | - | 50,367 | 159,348 | 65,624 |
| Claims and judgments | 43,283,747 | 14,782,803 | 5,000,000 | 53,066,550 | 3,000,000 |
| Compensated absences | 31,658,428 | 7,432,919 | 3,434,449 | 35,656,898 | 8,914,225 |
| Landfill closure costs | 278,200 | - | - | 278,200 | 10,000 |
| Net pension obligation | 2,747,795 | 2,107 | - | 2,749,902 | - |
| Governmental activity | | | | | |
| Long-term liabilities | \$ 706,384,917 | \$ 101,592,756 | \$ 56,631,082 | 751,346,591 | \$35,616,566 |
| Business-type activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 1,830,900 | \$ - | \$ 569,435 | \$ 1,261,465 | \$ 608,990 |
| Notes payable | 65,797,118 | 788,298 | 4,417,880 | 62,167,536 | 4,746,448 |
| Business-type activity | | | | | |
| Long-Term liabilities | \$ 67,628,018 | \$ 788,298 | \$ 4,987,315 | \$ 63,429,001 | \$ 5,355,438 |

Note 12. Commitments and Contingencies

The City is a defendant in various lawsuits including personal injury, wrongful death, property damage, civil rights violations and other miscellaneous claims. For certain of these cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued. For certain other cases, where there is a reasonable possibility that a loss has been incurred, the City estimates its possible exposure could be \$3.5 to \$8.5 million. Based upon the advice of the City attorney and other legal counsel, management believes that the ultimate

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2004**

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

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

In the summer of 2001, the City and several elected and appointed officials were named in a suit brought by the former preferred developer of the Steel Point Project, Conroy Development Co. ("Conroy"), seeking damages of at least \$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 pending federal investigation (See Note 18). Defendants filed a motion to dismiss which has been granted by the court. The time within which Conroy may attempt to file a legally sufficient amended complaint has not yet expired. Defendants' Motion to Dismiss was granted by the Court on September 23, 2003. Plaintiff did not timely file its amended complaint in Federal Court on or before October 23, 2003. Rather, the plaintiff filed a new lawsuit in State court seeking damages of \$105 million based upon similar state claims. The state lawsuit dropped the former City CAO and OPED Director as defendants and has been assigned to the complex litigation docket. Defendants anticipate filing appropriate motions to dismiss..

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

Beardsley Zoo

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

The City also entered into a service agreement with the Society in which the City is required to provide operating assistance to the Society for such costs as personnel, supplies, services, materials, utilities, maintenance, equipment and vehicles, that it currently provides to the Zoo, at specified levels. These levels can be adjusted up or down depending on changes to the Zoo such as expansion. However, the Society is required to pay the City any subsidy received from the State. A subsidy of \$400,000 was received for the year ended June 30, 2004. The Society retains any revenues from admissions, vending, concessions, other grants or bequests.

WPCA Privatization

In April 1997, the WPCA entered into an initial contract with an independent contractor (the "Contractor") for the operation of the wastewater treatment and field operations function of the WPCA. A substantial portion of the operations currently had been undertaken by the Contractor under a long-term operations and management contract. The Contractor terminated the contract in April 2003. At that time, the Contractor was replaced by a new independent contractor (see below) under a new long-term operations and management contract. The Contractor still claims entitlement to a refund of approximately \$5 million dollars. The WPCA denies it terminated the contract, will oppose any claims by the Contractor for a refund, and will pursue the Contractor for substantial termination damages.

Privatization Agreement

On April 11, 2003, the WPCA entered into a ten-year agreement with an independent contractor (the "new contractor") to provide operations, maintenance and management services to its two wastewater treatment facilities and systems and related collection conveyance systems facilities (the "Facilities"), associated real estate and personal property.

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.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

Lease commitments

The City is committed under various operating leases for real estate, vehicles and office and data processing equipment. Lease expenditures for the year ended June 30, 2004 totaled approximately \$282,000. Future minimum lease payments under these agreements are due as follows:

| <u>Year Ending</u> <u>June 30,</u> | |
|---------------------------------------|-------------------|
| 2005 | \$ 213,968 |
| 2006 | 175,691 |
| 2007 | 34,144 |
| 2008 | 4,818 |
| | <u>\$ 428,621</u> |

Consent decrees

Under various consent decrees issued by the State of Connecticut Department of Environmental Protection ("consent decrees"), the WPCA is required to bring both of its treatment facilities in compliance with federal standards and eliminate certain combined storm and sanitary sewers. The estimated costs of these improvements is \$153,000,000. Currently, the WPCA has signed contracts approximating \$140,000,000 relating to these consent decrees. As of June 30, 2004, approximately \$141,800,000 relating to these projects, including capitalized interest, have been incurred and included in property and equipment. Based on current engineering estimates, completion of these projects will be within the next eight years. Funding for these improvements is being provided by the State of Connecticut's Clean Water Fund in the form of loans and grants. As of June 30, 2004, the State is committed to providing the WPCA additional funding in the form of loans and grants of approximately \$1,453,000 and \$386,000, respectively.

Municipal Solid Waste Service Agreement

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

Under the service agreement, the City is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 67,000 tons per year and to pay a uniform per ton disposal service payment (the "service payment"). The current fee is \$63 and \$58.90 per ton for commercial and residential, respectively, plus a fixed monthly charge of \$64,167. 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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2004

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.

Note 13. Pension Plans

Connecticut Municipal Employees' Retirement Fund

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

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

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

CMERF also provides death and disability benefits.

Benefits and other plan provisions are established by State statute. Covered employees are required by Connecticut statute to contribute 2-1/4% of earnings upon which social security tax is paid plus 5% of earnings upon which no social security tax is paid. The City is required to make contributions as set by the State Retirement Commission to fund the remaining cost. The employer contribution represents 3% of covered payroll. The City's contributions for the years ending June 30, 2004, 2003 and 2002

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, *Continued* June 30, 2004

were \$5,088,000, \$5,333,000 and \$5,508,000, respectively, equal to the required contributions for each year.

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

State Teachers' Retirement System

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

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

In addition, the City has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$6,569,000 for the year ended June 30, 2004.

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 (ii) and Firefighters' Retirement Plan B (iii) are funded on an actuarial basis; the Janitors' and Engineers' Retirement Plan (iv) is funded on a "pay as you go" basis, that is, the City's contribution to the plan is the amount necessary to pay annual benefits. The City makes contributions to Plan A (i) equal to the actuarially determined Normal Cost amounts. The net pension

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

obligation and the contribution requirements are actuarially determined. Plan A (i) is a closed plan and as such no new enrollments have been allowed since January 1, 1984.

In August 1985, the City purchased an annuity contract for approximately \$75 million to fund a portion of the net pension obligation for Plan A. The plan assets available for benefits and the net pension obligation amounts for Plan A excludes the plan assets and pension obligations covered by the above mentioned annuity contract. For the year ended June 30, 2004, approximately \$4,713,000 million of benefits were provided through this annuity contract.

In August 2000, the City issued \$350,000,000 of taxable general obligation pension funding bonds. The proceeds of these bonds were transferred into the Pension Plans A Investment Trust (the "A Trust"). The proceeds and any future investment earnings are to be used to make contributions to the Public Safety Plan A or to pay benefits on behalf of the Plan. The City can, however, withdraw from the A Trust the greater of 1) 20% of the amount by which the A Trust assets exceed the present value of accrued Plan benefits (\$351,964,000) based on the July 1, 2003 actuarial valuation or 2) the amount of the A Trust assets in excess of 110% of the present value of accrued Plan benefits.

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

| | |
|--------------|-----|
| Equities | 60% |
| Fixed Income | 30% |
| Cash | 10% |

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

| Provisions of Pension Plans | Public Safety Plan A | Police Plan B | Firefighters' Plan B | Janitors' and Engineers' Retirement Fund |
|---|---|--|---|--|
| Employees covered | All police and fire employed before 6/4/81 and 1/1/84, respectively | All police employed on or after 6/4/81. | All firefighters employed on or after 1/1/84. | All employees hired before 1985. |
| Number of retirees receiving benefits | 989 | 54 | 25 | 56 |
| Terminated employees entitled to future benefits | - | - | 3 | - |
| Current employees: | | | | |
| Fully vested | 91 | 337 | 223 | 2 |
| Non-vested | - | 80 | 50 | - |
| Total number of participants | <u>1,080</u> | <u>471</u> | <u>301</u> | <u>58</u> |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2004

| Provisions of Pension Plans | Public Safety Plan A | Police Plan B | Firefighters' Plan B | Janitors' and Engineers' Retirement Fund |
|---|---|--|--|---|
| Benefit provisions | 50% of compensation plus 2-1/2% for each year of service in excess of 20 years, maximum 75% | 2% of salary for each year of service plus 50% of subsequent compensation increase, maximum 70% | 2% of salary for each year of service plus 50% of subsequent compensation increase, maximum 70% | 2% of compensation for each year of service, up to 33 years plus 1% thereafter |
| Definition of "Compensation" | Maximum yearly salary currently being paid to members in the same position which the employee held at the time of retirement. | Maximum yearly salary currently being paid to members in the same position which the employee held at the time of retirement | Maximum yearly salary currently being paid to members in the same position which the employee held at the time of retirement | Average of three highest years |
| Eligibility requirements | Vest after 10 years of service | Vest after 5 years of service | Vest after 5 years of service | Vest after the earlier of 10 years of continuous or 15 years of aggregate service |
| Obligation to contribute in accordance with funding policy: | | | | |
| Employee | 8% of earnings | 6% of earnings | 6% of earnings | 5% of earnings |
| Employer | \$131,292 (Normal Cost) | \$2,760,724 | \$1,182,528 | "Pay as you go" |
| Authority under which benefit provisions established | Contract negotiation | Contract negotiation | Contract negotiation | Contract negotiation |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

| Provisions of Pension Plans | Public Safety Plan A | Police Plan B | Firefighters' Plan B | Janitors' and Engineers' Retirement Fund |
|--|---|---|---|--|
| <u>Funding Status and Progress</u> | | | | |
| Date of actuarial valuation | July 1, 2003 | July 1, 2003 | July 1, 2003 | July 1, 2003 |
| 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% | 4.0% |
| • Post retirement benefit increases | 3.0% | 3.0% | 3.0% | 3.5% |
| • including inflation of | 3.0% | 3.0% | 3.0% | 4.5% |
| • Disability Rate: | | | | None |
| Age 20 | .05% | .05% | .05% | |
| 30 | .05% | .05% | .05% | |
| 40 | .09% | .09% | .09% | |
| 50 | .40% | .40% | .40% | |
| 60 | 1.74% | 1.74% | 1.74% | |
| Actuarial asset valuation method | Recognize 20% of income > 8.25% per yr. Asset smoothing plus/minus 20% of the difference between expected actuarial value and market value. | Recognize 20% of income > 8.25% per yr. Asset smoothing plus/minus 20% of the difference between expected actuarial value and market value. | Recognize 20% of income > 8.25% per yr. Asset smoothing plus/minus 20% of the difference between expected actuarial value and market value. | Fair value |
| Funding Policy | Actuarial, Normal Cost | Actuarial, based on valuation available when budget is adopted | Actuarial, based on valuation available when budget is adopted | "Pay as you go" |
| Actuarial cost method | Entry age normal | Entry age normal | Entry age normal | Projected unit credit cost |
| Amortization method | Level Dollar Amount Closed | Level Dollar Amount Closed | Level Dollar Amount Closed | Level Dollar Amount Closed |
| Period for amortizing any unfunded actuarial liability | 34 years | 14 years | 14 years | 34 years |
| Authority under which contributions are established | City Council | City Council | City Council | City Council |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

| | Public Safety Plan A | Janitors' and Engineers' Retirement Fund |
|---|-------------------------|---|
| Annual required contribution | \$ 4,402,009 | \$ 1,032,896 |
| Interest on net pension obligation | (8,982,518) | 226,293 |
| Adjustment to annual required contribution | <u>9,635,310</u> | <u>(244,466)</u> |
| Annual pension cost | 5,054,801 | 1,015,123 |
| Contributions made | <u>131,292</u> | <u>1,013,016</u> |
| Increase (decrease) in net pension obligation | 4,923,509 | 2,107 |
| NET PENSION OBLIGATION (ASSET) | | |
| Beginning of year | <u>(108,879,005)</u> | <u>2,747,795</u> |
| End of year | <u>\$ (103,955,496)</u> | <u>\$ 2,749,902</u> |
| | Police Plan B | Firefighters' Plan B |
| Annual required contribution | \$ 2,655,434 | 1,154,873 |
| Interest on net pension obligation | (369,437) | (227,982) |
| Adjustment to annual required contribution | <u>550,802</u> | <u>339,904</u> |
| Annual pension cost | 2,836,799 | 1,266,795 |
| Contributions made | <u>2,760,724</u> | <u>1,182,528</u> |
| Increase in net pension obligation | 76,075 | 84,267 |
| NET PENSION OBLIGATION (ASSET) | | |
| Beginning of year | <u>(4,478,019)</u> | <u>(2,763,421)</u> |
| End of year | <u>\$ (4,401,944)</u> | <u>(2,679,154)</u> |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

TREND INFORMATION

| Fiscal Year | Annual Pension Cost (APC) (\$000) | Percentage of APC Contributed | Net Pension Obligation (Asset) (\$000) |
|---------------------------------|--|-------------------------------------|---|
| Public Safety Plan A | | | |
| Plan A: | | | |
| 2004 | \$ 5,055 | 2.6% | \$ (103,955) |
| 2003 | 4,137 | 1.2% | (108,879) |
| 2002 | 5,588 | 4.0% | (112,965) |
| Police Retirement | | | |
| Plan B: | | | |
| 2004 | \$ 2,837 | 97.3% | \$ (4,402) |
| 2003 | 2,467 | 101.2% | (4,478) |
| 2002 | 1,759 | 88.2% | (4,448) |
| Firefighters' Retirement | | | |
| Plan B: | | | |
| 2004 | \$ 1,267 | 93.4% | \$ (2,679) |
| 2003 | 1,117 | 91.9% | (2,763) |
| 2002 | 743 | 84.1% | (2,854) |
| Janitors' and Engineers' | | | |
| Retirement Plan: | | | |
| 2004 | \$ 1,015 | 99.8% | \$ 2,750 |
| 2003 | 937 | 103.6% | 2,748 |
| 2002 | 1,268 | 78.1% | 2,782 |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

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 |
| 2004 | \$ 4,402 | 3.0% | \$ 1,033 | 98.1% |
| 2003 | 3,522 | 1.4% | 954 | 101.8% |
| 2002 | 4,989 | 4.5% | 1,282 | 77.3% |
| 2001 | 33,697 | 1,019.4% | 877 | 105.1% |
| 2000 | 37,355 | 62.0% | 870 | 104.6% |
| 1999 | 34,273 | 60.6% | 804 | 108.6% |

| Year Ended June 30, | Police Retirement Plan B | | Firefighters' Retirement Plan B | |
|------------------------|------------------------------------|---------------------------|------------------------------------|---------------------------|
| | Annual Required Contribution | Percentage Contributed | Annual Required Contribution | Percentage Contributed |
| 2004 | \$ 2,655 | 104.0% | \$ 1,155 | 102.4% |
| 2003 | 2,306 | 108.2% | 1,014 | 101.3% |
| 2002 | 1,608 | 96.4% | 645 | 96.9% |
| 2001 | 804 | 151.9% | 406 | 166.37% |
| 2000 | 1,085 | 78.5% | 545 | 46.8% |
| 1999 | 475 | 177.8% | 165 | 153.0% |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

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 |
|--|---------------------------------|---|---|-------------------|--------------------|---|
| <i>Public Safety Plan A</i> | | | | | | |
| 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 |
| July 1, 2001 | 331,750 | 386,186 | (54,436) | 85.9 | 8,050 | 676.2 |
| July 1, 2000 | 1,435 | 383,220 | (381,785) | 0.4 | 8,836 | 4,320.8 |
| July 1, 1999 | 1,653 | 423,772 | (422,149) | 0.4 | 9,590 | 4,402.0 |
| July 1, 1997 | 575 | 360,599 | (360,024) | 0.2 | 9,239 | 3,896.8 |
| <i>Police Retirement Plan B</i> | | | | | | |
| 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 |
| July 1, 2001 | 57,184 | 55,092 | 2,092 | 103.8 | 19,773 | (10.6) |
| July 1, 2000 | 53,467 | 46,430 | 7,038 | 115.2 | 16,866 | (41.7) |
| July 1, 1999 | 48,505 | 42,405 | 6,100 | 114.4 | 16,924 | (36.0) |
| July 1, 1997 | 35,030 | 29,158 | 5,872 | 120.1 | 13,964 | (42.1) |
| <i>Firefighters' Retirement Plan B</i> | | | | | | |
| July 1, 2003 | \$ 39,637 | \$ 39,717 | \$ (80) | 99.8 | \$ 12,872 | .6 |
| July 1, 2002 | 36,919 | 35,828 | 1,091 | 103.0 | 12,740 | - |
| July 1, 2001 | 39,416 | 33,754 | 5,662 | 116.8 | 12,796 | (44.2) |
| July 1, 2000 | 36,654 | 28,961 | 7,694 | 126.6 | 12,341 | (62.3) |
| July 1, 1999 | 32,601 | 25,529 | 7,072 | 127.7 | 11,315 | (62.5) |
| July 1, 1997 | 23,050 | 15,224 | 7,826 | 151.4 | 8,891 | (87.8) |
| <i>Janitors' and Engineers' Retirement Plan</i> | | | | | | |
| 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.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2004

SCHEDULE OF PLAN NET ASSETS
 JUNE 30, 2004

| | Public Safety Investment and Pension Trust Plan A | Police Retirement Plan B | Firefighters' Retirement Plan B | Janitors' and Engineers' Retirement Plan | Totals |
|--|--|--------------------------------|---------------------------------------|---|----------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 1,474,835 | \$ 2,423,249 | \$ 1,427,593 | \$ 3,433 | \$ 5,329,110 |
| Investments, at fair value | | | | | |
| U.S. Government and Agency Bonds | 25,017,846 | 3,872,287 | 2,585,299 | - | 31,475,432 |
| Corporate Bonds | 57,838,312 | 5,210,322 | 3,300,723 | - | 66,349,357 |
| Corporate Stocks | 105,067,387 | 29,815,631 | 26,527,703 | - | 161,410,721 |
| Mutual Funds - Fixed Income | 7,234,405 | 7,654,646 | - | - | 14,889,051 |
| Mutual Funds - Equities | 68,539,316 | 15,224,675 | 3,552,864 | - | 87,316,855 |
| International Bonds | 1,236,663 | - | - | - | 1,236,663 |
| Total investments | 264,933,929 | 61,777,561 | 35,966,589 | - | 362,678,079 |
| Due from other funds | 484,545 | - | - | - | 484,545 |
| Contributions receivable | 371,654 | 2,070,923 | 816,934 | - | 3,259,511 |
| Total assets | 267,264,963 | 66,271,733 | 38,211,116 | 3,433 | 371,751,245 |
| LIABILITIES | | | | | |
| Other liabilities | 6,090,115 | - | - | - | 6,090,115 |
| Net Assets Held in Trust for Pension Benefits | \$ 261,174,848 | \$ 66,271,733 | \$ 38,211,116 | \$ 3,433 | \$ 365,661,130 |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

SCHEDULE OF CHANGES IN
PLAN NET ASSETS
YEAR ENDED JUNE 30, 2004

| | Public Safety | | | Janitors' and | |
|--|-------------------|-------------------|------------------|------------------|-------------------|
| | Plan A | Police | Firefighters' | Engineers' | |
| | Investment and | Retirement | | Retirement | |
| | Pension Trust | Plan B | Plan B | Plan | Totals |
| Additions | | | | | |
| Contributions | | | | | |
| Employer | \$ 131,292 | \$ 2,760,724 | \$ 1,182,528 | \$ 1,013,016 | \$ 5,087,560 |
| Plan members | 417,948 | 1,312,107 | 731,505 | 2,787 | 2,464,347 |
| Annuity proceeds | 4,712,696 | - | - | - | 4,712,696 |
| Total contributions | 5,261,936 | 4,072,831 | 1,914,033 | 1,015,803 | 12,264,603 |
| Investment Income | | | | | |
| Net appreciation in fair value | | | | | |
| of investments | 29,923,827 | 5,220,054 | 3,347,202 | - | 38,491,083 |
| Interest and dividends | 5,449,118 | 1,048,699 | 762,736 | - | 7,260,553 |
| | 35,372,945 | 6,268,753 | 4,109,938 | - | 45,751,636 |
| Less Investment Expenses: | | | | | |
| Investment management fees | (989,217) | (220,438) | (227,949) | - | (1,437,604) |
| | 34,383,728 | 6,048,315 | 3,881,989 | - | 44,314,032 |
| Total additions | 39,645,664 | 10,121,146 | 5,796,022 | 1,015,803 | 56,578,635 |
| Deductions | | | | | |
| Benefits | 31,650,443 | 1,442,512 | 630,597 | 1,015,803 | 34,739,355 |
| Change in net assets | 7,995,221 | 8,678,634 | 5,165,425 | - | 21,839,280 |
| Net Assets Held in Trust for Pension Benefits | | | | | |
| Beginning of year | 253,179,627 | 57,593,099 | 33,045,691 | 3,433 | 343,821,850 |
| End of year | \$ 261,174,848 | \$ 66,271,733 | \$ 38,211,116 | \$ 3,433 | \$ 365,661,130 |

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

Note 14. Other Postemployment Benefits

In accordance with various collective bargaining agreements, the City also provides postretirement health care benefits to all employees who retire from the City, generally on or after attaining age 35 to 60 with at least 15 to 25 years of service, dependent upon the particular collective bargaining agreement. Currently, approximately 3,500 retirees meet these eligibility requirements. Expenditures for postretirement health care benefits are recognized and funded on a pay-as-you-go basis and approximated \$20,780,000 for the year ended June 30, 2004.

Note 15. 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 \$278,200 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, 2004. The actual cost of postclosure care costs may be higher due to inflation, changes in technology, or changes in federal, state or local laws and regulations.

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

Note 16. 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 funds on an entity-wide basis.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

Group health insurance

The City maintains a group health and dental self-insurance plan to pay for medical claims of current and retired City employees and their covered dependents. Approximately 3,500 active employees and 3,500 retirees receive their health coverage through this plan. Payments related to these claims are made by an outside administrator under an administrative services contract and are accounted for in the General Fund. The contract requires the City to maintain a \$2,500,000 certificate of deposit which is recorded as restricted cash in the accompanying balance sheet.

The 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 |
|------|--|---|-------------------|---------------------------------|
| 2004 | \$ 61,964,745 | \$ 66,974,067 | \$ 66,893,733 | \$ 62,045,079 |
| 2003 | \$ 65,787,386 | \$ 59,776,938 | \$ 63,599,579 | \$ 61,964,745 |

Note 17. Fund Deficits

The following funds have fund deficits as of June 30, 2004:

| | |
|--|------------|
| Special Revenue | |
| Development Administration State Grant | \$ 338,898 |
| Health and Sanitation | 23,939 |

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2004

Note 18. 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 have pleaded guilty to various charges arising out of this investigation. In October 2001, the United States District Court in the District of Connecticut issued an indictment against the former mayor of the City. The grand jury charges contained 24 counts including racketeering, racketeering conspiracy, Hobbs Act extortion, mail fraud, bribery, conspiracy, filing false tax returns and criminal forfeitures. In the spring of 2003 the former mayor was convicted by a federal jury on sixteen of the counts on which he was indicted, resigned from office, and was sentenced to nine years of federal custody. 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.

Note 19. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2004 that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- ◆ GASB Statement No. 40, Deposit and Investment Risk Disclosures, issued March 2003, will be effective for the City beginning with its year ending June 30, 2008. This Statement establishes and modifies disclosure requirements related to investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. This Statement also establishes and modifies disclosure requirements for deposit risks.
- ◆ GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, will be effective for the City beginning with its year ending June 30, 2006. This Statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.
- ◆ GASB Statement No. 44, Economic Condition Reporting: The Statistical Section, issued in May 2004, will be effective for the City beginning with its year ending June 30, 2006. This Statement improves the understandability and usefulness of statistical section information by addressing the comparability problems that have developed in practice and by adding information from the new financial reporting model required by Statement No. 34 and related statements.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2004

- ◆ GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, issued June 2004, will be effective for the City beginning with its year ending June 30, 2008. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

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 | | | | |
| Year Ended June 30, 2004 | | | | |
| | Budgeted Amounts | | | Variance With |
| | Original | Final | Actual | Final Budget |
| | | | | Positive (Negative) |
| REVENUES AND OTHER FINANCING SOURCES | | | | |
| PROPERTY TAXES | | | | |
| Current taxes | \$ 164,900,000 | \$ 164,900,000 | \$ 169,482,585 | \$ 4,582,585 |
| Interest - current | 1,600,000 | 1,600,000 | 1,513,562 | (86,438) |
| Arrears - principal | 13,700,000 | 13,700,000 | 6,867,718 | (6,832,282) |
| Arrears - interest | 3,200,000 | 3,200,000 | 3,394,054 | 194,054 |
| Lien fees | 72,000 | 72,000 | 83,059 | 11,059 |
| Total property taxes | 183,472,000 | 183,472,000 | 181,340,978 | (2,131,022) |
| INTERGOVERNMENTAL | | | | |
| Elderly exemption refund | 1,019,807 | 1,019,807 | 796,439 | (223,368) |
| Elderly freeze program | 142,544 | 142,544 | 125,569 | (16,975) |
| DCA tax abatement | 151,007 | 151,007 | 147,915 | (3,092) |
| Distressed municipalities | 265,368 | 265,368 | 32,661 | (232,707) |
| Education cost sharing | 135,487,046 | 141,783,857 | 140,360,930 | (1,422,927) |
| School construction refunds | 3,703,044 | 3,703,044 | 4,509,584 | 806,540 |
| Transportation - elementary | 3,137,340 | 3,137,340 | 2,978,940 | (158,400) |
| Aid to non-public schools | 212,423 | 212,423 | 228,463 | 16,040 |
| Town aid roads | 797,904 | 797,904 | 460,700 | (337,204) |
| Legally blind | 192,948 | 192,948 | 379,793 | 186,845 |
| PILOT | 2,794,077 | 2,794,077 | 2,523,097 | (270,980) |
| Miscellaneous PILOTs | 96,800 | 96,800 | 166,018 | 69,218 |
| Duke Energy PILOT | 4,300,000 | 4,300,000 | 4,300,000 | - |
| Tax exempt colleges and hospitals | 8,006,580 | 8,006,580 | 7,998,647 | (7,933) |
| Breakfast program | | | | |
| State | 199,986 | 199,986 | 195,567 | (4,419) |
| Federal | 1,744,621 | 1,744,621 | 1,715,633 | (28,988) |
| Nutrition Center | | | | |
| Federal | 7,139,438 | 7,139,438 | 7,277,436 | 137,998 |
| State | 178,651 | 178,651 | 181,627 | 2,976 |
| CDBG lead | 112,731 | 112,731 | 14,601 | (98,130) |
| Mashantucket Pequot funds | 12,366,458 | 12,366,458 | 9,804,352 | (2,562,106) |
| PA 90-270 | 1,272,522 | 1,272,522 | 703,798 | (568,724) |
| Bearsley Zoo subsidy | 450,000 | 450,000 | 400,000 | (50,000) |
| State owned property | 2,686,723 | 2,686,723 | 2,498,004 | (188,719) |
| Welfare reimbursement | - | - | 2,525,000 | 2,525,000 |
| Total intergovernmental | 186,458,018 | 192,754,829 | 190,324,774 | (2,430,055) |
| FEES, PERMITS AND LICENSES | | | | |
| <u>Parks and Recreation</u> | | | | |
| Golf course revenues | 1,400,000 | 1,400,000 | 1,607,802 | 207,802 |
| Wonderland of Ice | 38,571 | 38,571 | 27,000 | (11,571) |
| Parking in parks | 155,000 | 155,000 | 179,700 | 24,700 |
| Kennedy Stadium | 2,000 | 2,000 | 10,770 | 8,770 |
| Leases/W.I.C.C. | 26,000 | 26,000 | 10,500 | (15,500) |
| | | | | (Continued) |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | |
|--|------------------|------------------|------------------|---------------------|
| SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE - | | | | |
| BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued | | | | |
| Year Ended June 30, 2004 | | | | |
| | Budgeted Amounts | | | Variance With |
| | Original | Final | Actual | Final Budget |
| | | | | Positive (Negative) |
| FEES, PERMITS AND LICENSES | | | | |
| Flea market/ballfield | 3,000 | 3,000 | 5,250 | 2,250 |
| Miscellaneous | 9,000 | 9,000 | 18,632 | 9,632 |
| Wentfield park | 5,000 | 5,000 | - | (5,000) |
| Apartment rental | 9,000 | 9,000 | 875 | (8,125) |
| FW Restaurant | 45,000 | 45,000 | 50,000 | 5,000 |
| City concessions | 500 | 500 | - | (500) |
| Total parks and recreation | 1,693,071 | 1,693,071 | 1,910,529 | 217,458 |
| Building Department | | | | |
| Building permits | 1,074,625 | 1,074,625 | 1,089,059 | 14,434 |
| Sign permits | 4,000 | 4,000 | 7,339 | 3,339 |
| Certificate of occupancy fees | 5,375 | 5,375 | 213 | (5,162) |
| Total building department | 1,084,000 | 1,084,000 | 1,096,611 | 12,611 |
| Police Department | | | | |
| Traffic violations | 850,000 | 850,000 | 831,992 | (18,008) |
| Photocopy fees | 150,000 | 150,000 | 33,103 | (116,897) |
| Outside overtime | 2,926,950 | 2,926,950 | 1,940,206 | (986,744) |
| Overtime surcharge | 710,170 | 710,170 | 496,073 | (214,097) |
| Housing authority | 1,197,000 | 1,197,000 | 1,425,000 | 228,000 |
| Reclaimed dog fees | 5,000 | 5,000 | 1,641 | (3,359) |
| Vendor annual registration fees | 27,500 | 27,500 | 14,390 | (13,110) |
| Towing fines | 122,500 | 122,500 | 135,185 | 12,685 |
| Alarms | 45,000 | 45,000 | 46,105 | 1,105 |
| Ordinance violations | 20,000 | 20,000 | 4,675 | (15,325) |
| Block party permits | 20,000 | 20,000 | 1,400 | (18,600) |
| Total police department | 6,074,120 | 6,074,120 | 4,929,770 | (1,144,350) |
| Public Facilities | | | | |
| Dump license fees | 10,000 | 10,000 | 12,000 | 2,000 |
| Commercial dump fees | 100,000 | 100,000 | 159,079 | 59,079 |
| Street excavation license | 5,500 | 5,500 | 34,705 | 29,205 |
| PF enforcement | - | - | 5,800 | 5,800 |
| Sewer permits | 50,000 | 50,000 | 13,130 | (36,870) |
| CRRA host revenue | 290,000 | 290,000 | 290,000 | - |
| Sidewalk repairs | 25,000 | 25,000 | 600 | (24,400) |
| Public works road repair | 3,500 | 3,500 | 8,810 | 5,310 |
| Parking | 130,000 | 130,000 | 80,068 | (49,932) |
| Congress Plaza | 200,000 | 200,000 | 99,699 | (100,301) |
| Annual rent | 215,000 | 215,000 | 80,189 | (134,811) |
| PILOT | 250,000 | 250,000 | 86,642 | (163,358) |
| Parking meters | 135,000 | 135,000 | 185,570 | 50,570 |
| Rent | 387,750 | 387,750 | 323,689 | (64,061) |
| | | | | |
| | | | | |
| | | | | (Continued) |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | |
|---|------------------|------------------|------------------|---------------------|
| SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE - | | | | |
| BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued | | | | |
| Year Ended June 30, 2004 | | | | |
| | Budgeted Amounts | | | Variance With |
| | Original | Final | Actual | Final Budget |
| | | | | Positive (Negative) |
| Public Facilities, Continued | | | | |
| Engineering map sales | 3,400 | 3,400 | 4,371 | 971 |
| Contractors license | 3,400 | 3,400 | 10,220 | 6,820 |
| Vendor registration license | 200,000 | 200,000 | - | (200,000) |
| Payphone application | 1,000 | 1,000 | - | (1,000) |
| WPCA tipping fees | - | - | 4,264 | 4,264 |
| Bluefish parking | 35,000 | 35,000 | 1,564 | (33,436) |
| Zoning appeals fees | 14,000 | 14,000 | 13,701 | (299) |
| Tavern zoning permits | 50,000 | 50,000 | 54,040 | 4,040 |
| Total public facilities | 2,108,550 | 2,108,550 | 1,468,141 | (640,409) |
| Finance | | | | |
| Comptroller Copies/Books/Miscellaneous | 501,500 | 501,500 | 853,341 | 351,841 |
| Comptroller Court Fine | 2,500 | 2,500 | 6,185 | 3,685 |
| Information Technology Services | 83,000 | 83,000 | 15,592 | (67,408) |
| | 587,000 | 587,000 | 875,118 | 288,118 |
| Civil Service | | | | |
| Label/Admin fees | 25,000 | 25,000 | 3,089 | (21,911) |
| | 25,000 | 25,000 | 3,089 | (21,911) |
| Town Clerk | | | | |
| Dog licenses | 20,000 | 20,000 | 19,197 | (803) |
| Fishing licenses | 20,000 | 20,000 | 30,243 | 10,243 |
| Combination licenses | 1,600 | 1,600 | 960 | (640) |
| Hunting licenses | 7,000 | 7,000 | 4,054 | (2,946) |
| Liquor licenses | 600 | 600 | 881 | 281 |
| Town Fund | - | - | 1,624 | 1,624 |
| Notaries/late fees | 3,000 | 3,000 | 3,539 | 539 |
| Agreements | 41,885 | 41,885 | - | (41,885) |
| Assignments | 753,927 | 753,927 | 3,078,317 | 2,324,390 |
| Certified name change | 4,188 | 4,188 | - | (4,188) |
| Certification | 1,000,000 | 1,000,000 | 1,057,600 | 57,600 |
| Total town clerk | 1,852,200 | 1,852,200 | 4,196,415 | 2,344,215 |
| Health Department | | | | |
| Vital statistics | 160,001 | 160,001 | 193,853 | 33,852 |
| Dental clinic | 100,000 | 100,000 | 1,289 | (98,711) |
| Dental program | 62,000 | 62,000 | 23,813 | (38,187) |
| Business license | 175,000 | 175,000 | 203,950 | 28,950 |
| Lead prevention | 50,000 | 50,000 | 330 | (49,670) |
| Housing code | 20,000 | 20,000 | 29,557 | 9,557 |
| Total health department | 567,001 | 567,001 | 452,792 | (114,209) |
| (Continued) | | | | |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | |
|--|--------------------|--------------------|--------------------|---------------------|
| SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE - | | | | |
| BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued | | | | |
| Year Ended June 30, 2004 | | | | |
| | Budgeted Amounts | | | Variance With |
| | Original | Final | Actual | Final Budget |
| | | | | Positive (Negative) |
| OTHER, Continued | | | | |
| Pari-Mutuel | 150,000 | 150,000 | 145,415 | (4,585) |
| Foreclosure cost recovery | 2,500 | 2,500 | 13,343 | 10,843 |
| Comptroller reimbursement | 468,432 | 468,432 | 181,260 | (287,172) |
| Social service reimbursement | - | - | 15,749 | 15,749 |
| Percent of Profit | 36,429 | 36,429 | 34,556 | (1,873) |
| State Bingo | - | - | 193 | 193 |
| Personal property recovery reimbursement | - | - | 41,489 | 41,489 |
| Additional events/surcharge | 37,433 | 37,433 | - | (37,433) |
| Total other | 14,342,634 | 14,342,634 | 28,263,239 | 13,920,605 |
| Total revenues | 402,463,423 | 408,760,234 | 416,946,285 | 8,186,051 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 5,569,770 | 5,569,770 | 6,750,435 | 1,180,665 |
| Appropriation of fund balance | | | | |
| Revaluation set aside | 4,950,000 | 4,950,000 | 4,950,000 | - |
| Total other financing sources | 10,519,770 | 10,519,770 | 11,700,435 | 1,180,665 |
| Total revenues and other financing sources | 412,983,193 | 419,280,004 | 428,646,720 | 9,366,716 |
| EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES | | | | |
| GENERAL GOVERNMENT | | | | |
| Central grants office | 228,982 | 228,982 | 209,302 | 19,680 |
| Mayor's office | 418,562 | 418,562 | 383,772 | 34,790 |
| Civil service commission | 623,029 | 623,029 | 629,036 | (6,007) |
| Grants personnel | 64,297,432 | 64,298,357 | 70,362,455 | (6,064,098) |
| City attorney | 2,379,182 | 2,379,182 | 2,702,045 | (322,863) |
| City clerk and city council | 416,332 | 416,332 | 336,371 | 79,961 |
| City Wide Membership | 86,000 | 86,000 | 82,592 | 3,408 |
| Registrar of voters | 369,932 | 369,932 | 426,564 | (56,632) |
| Legislative department | 61,477 | 61,477 | 51,376 | 10,101 |
| Libraries | 3,512,295 | 3,512,295 | 3,503,393 | 8,902 |
| Office of policy and management | 499,749 | 499,749 | 499,043 | 706 |
| Archives and records | 88,483 | 88,483 | 82,355 | 6,128 |
| Required reserve | 2,888,049 | 2,888,049 | 342,857 | 2,545,192 |
| Pensions | 6,100,916 | 6,100,916 | 5,227,045 | 873,871 |
| Fringe benefits | 2,760,850 | 2,760,850 | 2,929,110 | (168,260) |
| Private school busing | 1,731,281 | 1,731,281 | 2,118,119 | (386,838) |
| Town Clerk | 335,935 | 335,935 | 537,555 | (201,620) |
| Grant city contributions | 3,500 | 3,500 | 1,784 | 1,716 |
| | | | | |
| | | | | |
| | | | | |
| | | | | (Continued) |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | |
|--|-----------------------|-----------------------|-----------------------|-------------------------------------|
| SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued | | | | |
| Year Ended June 30, 2004 | | | | |
| | Budgeted Amounts | | | Variance With |
| | Original | Final | Actual | Final Budget Positive (Negative) |
| SPECIAL SERVICES | | | | |
| Youth services | 1,240,698 | 1,240,698 | 1,212,985 | 27,713 |
| HRD administration | 183,564 | 183,564 | 180,094 | 3,470 |
| Department on aging | 259,480 | 259,480 | 197,967 | 61,513 |
| Office for disabilities | 33,057 | 33,057 | 32,697 | 360 |
| Veterans affairs | 35,975 | 35,975 | 32,036 | 3,939 |
| Total special services | 1,752,774 | 1,752,774 | 1,655,779 | 96,995 |
| DEBT SERVICE | 59,260,358 | 59,260,358 | 61,104,697 | (1,844,339) |
| Total expenditures and encumbrances | \$ 412,979,990 | \$ 419,276,801 | \$ 425,996,538 | \$ (6,719,737) |
| Revenues and other financing sources over expenditures, encumbrances and other financing uses | \$ 3,203 | \$ 3,203 | 2,650,182 | \$ 2,646,979 |
| UNRESERVED FUND BALANCE, beginning | | | 35,304,505 | |
| Less appropriation of fund balance for budgetary presentation | | | (4,950,000) | |
| UNRESERVED FUND BALANCE, ending | | | \$ 33,004,687 | |

Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

Library Fund – is used to account for donations and income from the investments of donations and endowments restricted for library-related activities.

Education Fund – is used to account for donations and income from the investment of donations restricted for scholarship grants to qualified recipients.

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

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

Capital Projects Funds

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

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

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

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

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

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

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

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

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

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

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

Permanent Funds

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

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

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

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| CITY OF BRIDGEPORT, CONNECTICUT | | | | |
|---|---------------------|---------------------|-------------------|---------------------|
| COMBINING BALANCE SHEET | | | | |
| NONMAJOR GOVERNMENTAL FUNDS | | | | |
| June 30, 2004 | | | | |
| | | Special Revenue | | |
| | Education | Health | Community | Rate |
| | Grants | and | Develop- | Stabilization |
| | | Sanitation | ment | and Reserve |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,000,000 | \$ - | \$ - | \$ 764,445 |
| Investments | - | - | - | - |
| Receivables: | | | | |
| Intergovernmental | 4,681,944 | 2,283,260 | 471,381 | 2,204,130 |
| Other | 49,502 | - | - | - |
| Due from other funds | 1,789,022 | - | - | 4,284,511 |
| Total assets | \$ 8,520,468 | \$ 2,283,260 | \$ 471,381 | \$ 7,253,086 |
| LIABILITIES AND FUND BALANCES (DEFICITS) | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 2,891,802 | \$ 402,896 | \$ 42,218 | \$ 1,197,276 |
| Accrued liabilities | 339,751 | 83,083 | 1,019 | 2,294 |
| Due to other funds | - | 1,553,614 | 338,370 | 653,035 |
| Deferred revenues | 5,156,283 | 267,606 | 1,739 | - |
| Total liabilities | 8,387,836 | 2,307,199 | 383,346 | 1,852,605 |
| FUND BALANCES (DEFICITS) | | | | |
| Reserve for endowments-permanently restricted | - | - | - | - |
| Reserved for encumbrances | 405 | 1,751,133 | 88,387 | 856,917 |
| Unreserved and undesignated | 132,227 | (1,775,072) | (352) | 4,543,564 |
| Total fund balances (deficits) | 132,632 | (23,939) | 88,035 | 5,400,481 |
| Total liabilities and fund balances (deficits) | \$ 8,520,468 | \$ 2,283,260 | \$ 471,381 | \$ 7,253,086 |

| Special Revenue | | | | | | |
|-----------------|-----------------------------------|--------------|----------------------------|--|------------|-------------|
| Social Services | Community Development Block Grant | Home Program | Section 108 Loan Guarantee | Development Administration State Grant | Library | Education |
| \$ - | \$ 797,952 | \$ 83,191 | \$ 1,679,983 | \$ 839,938 | \$ 256,508 | \$ 248,947 |
| - | - | - | - | - | 464,674 | - |
| 1,008,796 | 5,140,082 | 886,525 | 770,006 | - | - | - |
| - | 578,888 | - | - | - | - | - |
| - | 315,134 | 3,801 | - | - | - | - |
| \$ 1,008,796 | \$ 6,832,056 | \$ 973,517 | \$ 2,449,989 | \$ 839,938 | \$ 721,182 | \$ 248,947 |
| \$ 121,113 | \$ 508,290 | \$ 58,310 | \$ 441,371 | \$ 35,994 | \$ - | \$ - |
| 22,987 | 409,746 | 3,793 | - | - | - | - |
| 482,816 | - | 66,990 | - | 4,087 | - | - |
| 16,027 | 5,911,467 | 839,243 | - | 1,138,755 | - | - |
| 642,943 | 6,829,503 | 968,336 | 441,371 | 1,178,836 | - | - |
| - | - | - | - | - | - | - |
| 507,431 | 721,248 | 1,688,362 | 2,454,494 | 311,091 | - | - |
| (141,578) | (718,695) | (1,683,181) | (445,876) | (649,989) | 721,182 | 248,947 |
| 365,853 | 2,553 | 5,181 | 2,008,618 | (338,898) | 721,182 | 248,947 |
| \$ 1,008,796 | \$ 6,832,056 | \$ 973,517 | \$ 2,449,989 | \$ 839,938 | \$ 721,182 | \$ 248,947 |
| | | | | | | (Continued) |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | |
|---|-------------------------|--------------------------------|-----------------------------|-----------------------------|
| COMBINING BALANCE SHEET, Continued | | | | |
| NONMAJOR GOVERNMENTAL FUNDS | | | | |
| June 30, 2004 | | | | |
| | Special Revenue | | Capital Projects | |
| | Parks and Recreation | Health Insurance Reserve | Education and Library | Health and Sanitation |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 481,687 | \$ 935,587 | \$ 1,079,822 | \$ 808,422 |
| Investments | - | - | - | - |
| Receivables: | | | | |
| Intergovernmental | - | - | - | 141,483 |
| Other | - | - | - | - |
| Due from other funds | - | - | - | 296,929 |
| Total assets | \$ 481,687 | \$ 935,587 | \$ 1,079,822 | \$ 1,246,834 |
| LIABILITIES AND FUND BALANCES (DEFICITS) | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 360,214 | \$ - | \$ 9,559 | \$ 245,989 |
| Accrued liabilities | - | - | - | - |
| Due to other funds | 115,000 | - | 271,276 | - |
| Deferred revenues | - | - | 751,330 | - |
| Total liabilities | 475,214 | - | 1,032,165 | 245,989 |
| FUND BALANCES (DEFICITS) | | | | |
| Reserve for endowments-permanently restricted | - | - | - | - |
| Reserved for encumbrances | - | - | 714,752 | 2,929 |
| Unreserved and undesignated | 6,473 | 935,587 | (667,095) | 997,916 |
| Total fund balances (deficits) | 6,473 | 935,587 | 47,657 | 1,000,845 |
| Total liabilities and fund balances (deficits) | \$ 481,687 | \$ 935,587 | \$ 1,079,822 | \$ 1,246,834 |

| Capital Projects | | | | | | | |
|---------------------------|-----------------------|-------------------------|----------------------|----------------------|---------------|----------------------|--------------------|
| Highway and Parking | General Government | Parks and Recreation | Municipal Airport | Capital Reduction | Bond Issue | School Bond Issue | 1997 Bond Issue |
| \$ 85,777 | \$ 1,890 | \$ 509,084 | \$ 165,236 | \$ 2,087,436 | \$ 981,334 | \$ 649,166 | \$ 509,354 |
| - | - | - | - | - | - | - | - |
| - | - | - | 90,874 | 18,786 | 400 | - | 23,004 |
| - | - | - | - | 45,259 | - | - | - |
| - | - | - | 125,020 | 392,635 | - | - | 92 |
| \$ 85,777 | \$ 1,890 | \$ 509,084 | \$ 381,130 | \$ 2,544,116 | \$ 981,734 | \$ 649,166 | \$ 532,450 |
| | | | | | | | |
| \$ - | \$ - | \$ 11,010 | \$ 23,136 | \$ - | \$ - | \$ - | \$ 5,312 |
| - | - | - | - | - | - | - | - |
| - | - | 1,315 | - | 39 | 567,641 | - | 33,000 |
| - | - | - | 5,708 | 751,416 | - | - | - |
| - | - | 12,325 | 28,844 | 751,455 | 567,641 | - | 38,312 |
| | | | | | | | |
| - | - | - | - | - | - | - | - |
| 50,152 | - | 14,943 | - | 214,875 | 71,219 | - | 301,148 |
| 35,625 | 1,890 | 481,816 | 352,286 | 1,577,786 | 342,874 | 649,166 | 192,990 |
| 85,777 | 1,890 | 496,759 | 352,286 | 1,792,661 | 414,093 | 649,166 | 494,138 |
| \$ 85,777 | \$ 1,890 | \$ 509,084 | \$ 381,130 | \$ 2,544,116 | \$ 981,734 | \$ 649,166 | \$ 532,450 |
| | | | | | | | |
| | | | | | | | (Continued) |

| CITY OF BRIDGEPORT, CONNECTICUT | | | |
|---|-------------------|-------------------|--------------------------------|
| COMBINING BALANCE SHEET, Continued | | | |
| NONMAJOR GOVERNMENTAL FUNDS | | | |
| June 30, 2004 | | | |
| | | | |
| | Permanent Trusts | | |
| | | | Total Nonmajor Governmental |
| | Library | Education | Funds |
| ASSETS | | | |
| Cash and cash equivalents | \$ 62,846 | \$ 107,930 | \$ 15,136,535 |
| Investments | 484,833 | - | 949,507 |
| Receivables: | | | |
| Intergovernmental | - | - | 17,720,671 |
| Other | - | - | 673,649 |
| Due from other funds | - | - | 7,207,144 |
| Total assets | \$ 547,679 | \$ 107,930 | \$ 41,687,506 |
| LIABILITIES AND FUND BALANCES (DEFICITS) | | | |
| LIABILITIES | | | |
| Accounts payable | \$ - | \$ - | \$ 6,354,490 |
| Accrued liabilities | - | - | 862,673 |
| Due to other funds | - | - | 4,087,183 |
| Deferred revenues | - | - | 14,839,574 |
| Total liabilities | - | - | 26,143,920 |
| FUND BALANCES (DEFICITS) | | | |
| Reserve for endowments-permanently restricted | 547,679 | 107,930 | 655,609 |
| Reserved for encumbrances | - | - | 9,749,486 |
| Unreserved and undesignated | - | - | 5,138,491 |
| Total fund balances (deficits) | 547,679 | 107,930 | 15,543,586 |
| Total liabilities and fund balances (deficits) | \$ 547,679 | \$ 107,930 | \$ 41,687,506 |

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| CITY OF BRIDGEPORT, CONNECTICUT | | | | |
|--|-------------------|-----------------------|-----------------------|--------------------------------|
| COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) | | | | |
| NONMAJOR GOVERNMENTAL FUNDS | | | | |
| Year Ended June 30, 2004 | | | | |
| | | Special Revenue | | |
| | Education Grants | Health and Sanitation | Community Development | Rate Stabilization and Reserve |
| REVENUES | | | | |
| Intergovernmental | \$ 47,720,812 | \$ 4,639,390 | \$ 533,755 | \$ 5,266,940 |
| Interest | - | - | - | - |
| Other | 423,239 | 413,158 | 36,320 | 798,330 |
| Total revenues | 48,144,051 | 5,052,548 | 570,075 | 6,065,270 |
| OTHER FINANCING SOURCES | | | | |
| Proceeds from notes payable | - | - | - | - |
| Total other financing sources | - | - | - | - |
| Total revenues and other financing sources | 48,144,051 | 5,052,548 | 570,075 | 6,065,270 |
| EXPENDITURES | | | | |
| Conservation of health | - | 4,993,725 | - | - |
| Education | 48,144,008 | - | - | - |
| Special services | - | - | 553,324 | 5,818,361 |
| Debt service: | | | | |
| Principal retirements | - | - | - | - |
| Interest and other charges | - | - | - | - |
| Capital outlay | - | - | - | - |
| General government | - | - | - | - |
| Total expenditures | 48,144,008 | 4,993,725 | 553,324 | 5,818,361 |
| OTHER FINANCING USES | | | | |
| Transfers out | - | - | - | 3,750,435 |
| Total expenditures and other financing uses | 48,144,008 | 4,993,725 | 553,324 | 9,568,796 |
| Net change in fund balances | 43 | 58,823 | 16,751 | (3,503,526) |
| FUND BALANCES (DEFICITS), beginning | 132,589 | (82,762) | 71,284 | 8,904,007 |
| FUND BALANCES (DEFICITS), ending | \$ 132,632 | \$ (23,939) | \$ 88,035 | \$ 5,400,481 |

| Special Revenue | | | | | | |
|-----------------|-----------------------------------|--------------|----------------------------|--|------------|------------|
| Social Services | Community Development Block Grant | Home Program | Section 108 Loan Guarantee | Development Administration State Grant | Library | Education |
| \$ 1,471,223 | \$ 2,841,941 | \$ 1,114,720 | \$ 1,671,868 | \$ 1,066,214 | \$ - | \$ - |
| - | 30,276 | - | 24,650 | - | - | 1,766 |
| 649,686 | 1,606,399 | - | - | 244,771 | 162,141 | - |
| 2,120,909 | 4,478,616 | 1,114,720 | 1,696,518 | 1,310,985 | 162,141 | 1,766 |
| - | - | - | 1,725,000 | - | - | - |
| - | - | - | 1,725,000 | - | - | - |
| 2,120,909 | 4,478,616 | 1,114,720 | 3,421,518 | 1,310,985 | 162,141 | 1,766 |
| 1,861,057 | 3,588,461 | 1,118,982 | 1,696,518 | 1,310,985 | - | - |
| - | 485,000 | - | - | - | - | - |
| - | 405,155 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 231,083 | 3,636 |
| 1,861,057 | 4,478,616 | 1,118,982 | 1,696,518 | 1,310,985 | 231,083 | 3,636 |
| - | - | - | - | - | - | - |
| 1,861,057 | 4,478,616 | 1,118,982 | 1,696,518 | 1,310,985 | 231,083 | 3,636 |
| 259,852 | - | (4,262) | 1,725,000 | - | (68,942) | (1,870) |
| 106,001 | 2,553 | 9,443 | 283,618 | (338,898) | 790,124 | 250,817 |
| \$ 365,853 | \$ 2,553 | \$ 5,181 | \$ 2,008,618 | \$ (338,898) | \$ 721,182 | \$ 248,947 |
| (Continued) | | | | | | |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | |
|---|----------------------|--------------------------|-----------------------|-----------------------|
| COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS), Continued | | | | |
| NONMAJOR GOVERNMENTAL FUNDS | | | | |
| Year Ended June 30, 2004 | | | | |
| | Special Revenue | | Capital Projects | |
| | Parks and Recreation | Health Insurance Reserve | Education and Library | Health and Sanitation |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ 238,670 | \$ - |
| Interest | 16 | - | - | 6,591 |
| Other | 1,060 | 13,485 | - | 58,932 |
| Total revenues | 1,076 | 13,485 | 238,670 | 65,523 |
| OTHER FINANCING SOURCES | | | | |
| Proceeds from notes payable | - | - | - | - |
| Total other financing sources | - | - | - | - |
| Total revenues and other financing sources | 1,076 | 13,485 | 238,670 | 65,523 |
| EXPENDITURES | | | | |
| Conservation of health | - | - | - | - |
| Education | - | - | - | - |
| Special services | - | - | 238,670 | 209,840 |
| Debt service: | | | | |
| Principal retirements | - | - | - | - |
| Interest and other charges | - | - | - | - |
| Capital outlay | 785 | - | - | - |
| General government | - | - | - | - |
| Total expenditures | 785 | - | 238,670 | 209,840 |
| OTHER FINANCING USES | | | | |
| Transfers out | - | - | - | - |
| Total expenditures and other financing uses | 785 | - | 238,670 | 209,840 |
| Net change in fund balances | 291 | 13,485 | - | (144,317) |
| FUND BALANCES (DEFICITS), beginning | 6,182 | 922,102 | 47,657 | 1,145,162 |
| FUND BALANCES (DEFICITS), ending | \$ 6,473 | \$ 935,587 | \$ 47,657 | \$ 1,000,845 |

| Capital Projects | | | | | | | |
|---------------------|--------------------|----------------------|-------------------|-------------------|------------|-------------------|-----------------|
| Highway and Parking | General Government | Parks and Recreation | Municipal Airport | Capital Reduction | Bond Issue | School Bond Issue | 1997 Bond Issue |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 635 |
| 1,155 | - | - | 1,477 | - | 4,543 | 8,557 | 6,337 |
| - | - | 5,292 | - | 37,083 | - | - | - |
| 1,155 | - | 5,292 | 1,477 | 37,083 | 4,543 | 8,557 | 6,972 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 1,155 | - | 5,292 | 1,477 | 37,083 | 4,543 | 8,557 | 6,972 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 11,010 | - | - | - | 107,128 | 18,822 |
| - | - | - | - | - | - | - | - |
| - | - | 11,010 | - | - | - | 107,128 | 18,822 |
| - | - | - | - | - | - | - | - |
| - | - | 11,010 | - | - | - | 107,128 | 18,822 |
| 1,155 | - | (5,718) | 1,477 | 37,083 | 4,543 | (98,571) | (11,850) |
| 84,622 | 1,890 | 502,477 | 350,809 | 1,755,578 | 409,550 | 747,737 | 505,988 |
| \$ 85,777 | \$ 1,890 | \$ 496,759 | \$ 352,286 | \$ 1,792,661 | \$ 414,093 | \$ 649,166 | \$ 494,138 |

(Continued)

| CITY OF BRIDGEPORT, CONNECTICUT | | | |
|---|-------------------|-------------------|----------------------|
| COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS), Continued | | | |
| NONMAJOR GOVERNMENTAL FUNDS | | | |
| Year Ended June 30, 2004 | | | |
| | Permanent Trusts | | Total Nonmajor |
| | Library | Education | Governmental |
| | | | Funds |
| REVENUES | | | |
| Intergovernmental | \$ - | \$ - | \$ 66,566,168 |
| Interest | - | 768 | 86,136 |
| Other | 30,633 | - | 4,480,529 |
| Total revenues | 30,633 | 768 | 71,132,833 |
| OTHER FINANCING SOURCES | | | |
| Proceeds from notes payable | - | - | 1,725,000 |
| Total other financing sources | - | - | 1,725,000 |
| Total revenues and other financing sources | 30,633 | 768 | 72,857,833 |
| EXPENDITURES | | | |
| Conservation of health | - | - | 4,993,725 |
| Education | - | - | 48,144,008 |
| Special services | - | - | 16,396,198 |
| Debt service: | | | |
| Principal retirements | - | - | 485,000 |
| Interest and other charges | - | - | 405,155 |
| Capital outlay | 26,401 | 825 | 164,971 |
| General government | - | - | 234,719 |
| Total expenditures | 26,401 | 825 | 70,823,776 |
| OTHER FINANCING USES | | | |
| Transfers out | - | - | 3,750,435 |
| Total expenditures and other financing uses | 26,401 | 825 | 74,574,211 |
| Net change in fund balances | 4,232 | (57) | (1,716,378) |
| FUND BALANCES (DEFICITS), beginning | 543,447 | 107,987 | 17,259,964 |
| FUND BALANCES (DEFICITS), ending | \$ 547,679 | \$ 107,930 | \$ 15,543,586 |

Pension Trust Funds

Pension Trust Funds

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

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

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

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

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

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

CITY OF BRIDGEPORT, CONNECTICUT

**COMBINING STATEMENT OF NET ASSETS - PENSION TRUST FUND
June 30, 2004**

| Pension Trust Funds | | | | | |
|--|--|--------------------------------|---------------------------------------|---|--------------------|
| | Public Safety Investment and Pension Trust Plan A | Police Retirement Plan B | Firefighters' Retirement Plan B | Janitors' and Engineers' Retirement Plan | Totals |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 1,474,835 | \$ 2,423,249 | \$ 1,427,593 | \$ 3,433 | \$ 5,329,110 |
| Investments, at fair value | | | | | |
| U.S. Government and Agency Bonds | 25,017,846 | 3,872,287 | 2,585,299 | - | 31,475,432 |
| Corporate Bonds | 57,838,312 | 5,210,322 | 3,300,723 | - | 66,349,357 |
| Corporate Stocks | 105,067,387 | 29,815,631 | 26,527,703 | - | 161,410,721 |
| Mutual Funds - Fixed Income | 7,234,405 | 7,654,646 | - | - | 14,889,051 |
| Mutual Funds - Equities | 68,539,316 | 15,224,675 | 3,552,864 | - | 87,316,855 |
| International Bonds | 1,236,663 | - | - | - | 1,236,663 |
| Total investments | 264,933,929 | 61,777,561 | 35,966,589 | - | 362,678,079 |
| Due from other funds | 484,545 | - | - | - | 484,545 |
| Contributions receivable | 371,654 | 2,070,923 | 816,934 | - | 3,259,511 |
| Total assets | 267,264,963 | 66,271,733 | 38,211,116 | 3,433 | 371,751,245 |
| LIABILITIES | | | | | |
| Other liabilities | 6,090,115 | - | - | - | 6,090,115 |
| Net Assets Held in Trust for Pension Benefits | | | | | |
| | \$ 261,174,848 | \$ 66,271,733 | \$ 38,211,116 | \$ 3,433 | \$ 365,661,130 |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | |
|--|---------------------|-------------------|------------------|------------------|-------------------|
| COMBINING STATEMENT OF CHANGES IN NET ASSETS - PENSION TRUST FUNDS | | | | | |
| Year Ended June 30, 2004 | | | | | |
| | Pension Trust Funds | | | | |
| | Public Safety | Police | Firefighters' | Janitors' and | |
| | Plan A | | Retirement | Engineers' | |
| | Investment and | Retirement | | Retirement | |
| | Pension Trust | Plan B | Plan B | Plan | Totals |
| Additions | | | | | |
| Contributions | | | | | |
| Employer | \$ 131,292 | \$ 2,760,724 | \$ 1,182,528 | \$ 1,013,016 | \$ 5,087,560 |
| Plan members | 417,948 | 1,312,107 | 731,505 | 2,787 | 2,464,347 |
| Annuity proceeds | 4,712,696 | - | - | - | 4,712,696 |
| Total contributions | 5,261,936 | 4,072,831 | 1,914,033 | 1,015,803 | 12,264,603 |
| Investment Income | | | | | |
| Net appreciation in fair value | | | | | |
| of investments | 29,923,827 | 5,220,054 | 3,347,202 | - | 38,491,083 |
| Interest and dividends | 5,449,118 | 1,048,699 | 762,736 | - | 7,260,553 |
| | 35,372,945 | 6,268,753 | 4,109,938 | - | 45,751,636 |
| Less Investment Expenses: | | | | | |
| Investment management fees | (989,217) | (220,438) | (227,949) | - | (1,437,604) |
| Net investment income | 34,383,728 | 6,048,315 | 3,881,989 | - | 44,314,032 |
| Total additions | 39,645,664 | 10,121,146 | 5,796,022 | 1,015,803 | 56,578,635 |
| Deductions | | | | | |
| Benefits | 31,650,443 | 1,442,512 | 630,597 | 1,015,803 | 34,739,355 |
| Change in net assets | 7,995,221 | 8,678,634 | 5,165,425 | - | 21,839,280 |
| Net Assets Held in Trust for | | | | | |
| Pension Benefits | | | | | |
| Beginning of year | 253,179,627 | 57,593,099 | 33,045,691 | 3,433 | 343,821,850 |
| End of year | \$ 261,174,848 | \$ 66,271,733 | \$ 38,211,116 | \$ 3,433 | \$ 365,661,130 |

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

| CITY OF BRIDGEPORT, CONNECTICUT | |
|---|-----------------------|
| | |
| CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - | |
| SCHEDULE BY SOURCE | |
| June 30, 2004 | |
| | |
| | |
| | |
| Governmental funds capital assets: | |
| Land | \$ 87,146,857 |
| Buildings and improvements | 220,153,178 |
| Machinery and equipment | 12,301,315 |
| Infrastructure | 101,533,292 |
| Vehicles | 25,882,276 |
| Construction in progress | 105,546,100 |
| Total governmental funds capital assets | \$ 552,563,018 |
| | |
| Investments in governmental funds capital assets by source: | |
| Capital Projects Funds | \$ 325,201,471 |
| General Fund | 177,554,628 |
| Tax Foreclosed Property | 4,292,324 |
| Economic Development | 3,058,210 |
| Donated Property | 2,773,300 |
| Other Special Revenue Funds | 39,683,085 |
| Total governmental funds capital assets | \$ 552,563,018 |
| | |

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
BY FUNCTION AND ACTIVITY
June 30, 2004**

| | Land | Buildings | Furniture and Equipment | Vehicles | Infrastructure | Balance June 30, 2004 |
|--|-------------------|-------------------|----------------------------|-------------------|----------------|--------------------------|
| General Government | | | | | | |
| City Clerk | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Mayor | - | - | - | 49,111 | - | 49,111 |
| Chief Administrator | - | - | - | - | - | - |
| Office of Policy/Management | - | - | 49,269 | - | - | 49,269 |
| Registrar of Voters | - | - | - | - | - | - |
| Finance | - | - | - | 22,373 | - | 22,373 |
| Tax Assessor | - | - | - | 37,488 | - | 37,488 |
| Tax Collector | 2,580,111 | 1,743,175 | - | - | - | 4,323,286 |
| Treasurers | - | - | - | - | - | - |
| Information Technology Services | - | - | 2,785,034 | - | - | 2,785,034 |
| Print Shop | - | - | 167,915 | 13,297 | - | 181,212 |
| Labor Relations | - | - | - | - | - | - |
| Barn Institute | - | 448,869 | - | - | - | 448,869 |
| Klein Memorial auditorium | 55,415 | 2,995,245 | - | - | - | 3,050,660 |
| Archives and Records | - | - | 29,680 | - | - | 29,680 |
| City Attorney | - | - | - | 15,000 | - | 15,000 |
| Sikorsky Memorial Airport | 4,908,731 | 1,561,972 | 682,724 | 853,281 | - | 8,006,708 |
| Harbor Master | - | - | 152,695 | 42,591 | - | 195,286 |
| 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 | 54,417,278 | 7,801,316 | 411,676 | 51,250 | - | 62,681,520 |
| Fair Housing | 240,000 | - | - | - | - | 240,000 |
| Zoning Commission | - | - | - | 26,271 | - | 26,271 |
| Employee & Organizational Development | - | - | - | - | - | - |
| Zoning Board of Appeals | - | - | - | - | - | - |
| Purchasing | - | - | - | - | - | - |
| City Hall Committee | - | - | - | - | - | - |
| Total general government | 63,191,936 | 15,657,562 | 4,278,993 | 1,199,638 | - | 84,328,129 |
| Protection of Person and Property | | | | | | |
| Police | 91,850 | 3,955,030 | 1,151,688 | 5,662,375 | - | 10,860,943 |
| Dog Warden | - | - | - | - | - | - |
| Fire | 599,819 | 5,394,223 | 482,278 | 6,981,607 | - | 13,457,927 |
| Building Department | - | - | - | - | - | - |
| Weights and Measures | - | - | - | 18,863 | - | 18,863 |
| Total protection of person and property | 691,669 | 9,349,253 | 1,633,966 | 12,662,845 | - | 10,860,943 |
| | | | | | | (Continued) |

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
BY FUNCTION AND ACTIVITY, Continued
June 30, 2004**

| | Land | Buildings | Furniture and Equipment | Vehicles | Infrastructure | Totals |
|---|----------------------|-----------------------|----------------------------|----------------------|-----------------------|-----------------------|
| Education | | | | | | |
| Administration | 5,847,996 | 157,192,945 | 1,209,958 | 987,659 | - | 165,238,558 |
| Instruction | - | - | - | 795,138 | - | 795,138 |
| Support Services | - | - | 11,660 | 456,275 | - | 467,935 |
| Pupil Services | - | - | - | 19,444 | - | 19,444 |
| Total education | 5,847,996 | 157,192,945 | 1,221,618 | 2,258,516 | - | 166,521,075 |
| Parks and Recreation | | | | | | |
| Parks Administration | 15,430,461 | 14,489,783 | 1,429,274 | 902,437 | - | 32,251,955 |
| Fairchild Wheeler | - | - | 162,360 | - | - | 162,360 |
| Park Checkpoints | - | - | - | 23,375 | - | 23,375 |
| Total Parks and Recreation | 15,430,461 | 14,489,783 | 1,591,634 | 925,812 | - | 32,437,690 |
| Library | 127,825 | 4,751,368 | 217,337 | 13,539 | - | 5,110,069 |
| Nutrition Center | - | - | 656,404 | 507,805 | - | 1,164,209 |
| Total capital assets placed in use | 87,146,857 | 220,153,178 | 12,301,315 | 25,882,276 | 101,533,292 | 433,540,128 |
| Construction in Progress | - | 105,546,100 | - | - | - | 105,546,100 |
| Total capital assets | \$ 87,146,857 | \$ 325,699,278 | \$ 12,301,315 | \$ 25,882,276 | \$ 101,533,292 | \$ 552,563,018 |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | |
|---|-------------------|------------------|----------------|-----------|-------------------|
| SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY | | | | | |
| Year Ended June 30, 2004 | | | | | |
| | Balance | | | | Balance |
| | July 1, 2004 | Additions | Disposals | Transfers | June 30, 2004 |
| General Government | | | | | |
| City Clerk | \$ - | \$ - | \$ - | \$ - | \$ - |
| Mayor | 49,111 | - | - | - | 49,111 |
| Chief Administrator | - | - | - | - | - |
| Office of Policy/Management | 49,269 | - | - | - | 49,269 |
| Registrar of Voters | - | - | - | - | - |
| Finance | 22,373 | - | - | - | 22,373 |
| Tax Assessor | 37,488 | - | - | - | 37,488 |
| Tax Collector | 4,200,321 | 819,932 | - | - | 5,020,253 |
| Treasurers | - | - | - | - | - |
| Information Technology Services | 2,785,034 | - | - | - | 2,785,034 |
| Print Shop | 181,212 | - | - | - | 181,212 |
| Labor Relations | - | - | - | - | - |
| Barnm 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 | - | - | - | 15,000 |
| Sikorsky Memorial Airport | 7,965,427 | 41,281 | - | - | 8,006,708 |
| Harbor Master | 168,804 | 26,482 | - | - | 195,286 |
| Railroad Station | 1,579,570 | - | - | - | 1,579,570 |
| Offstreet Parking | 517,816 | - | - | - | 517,816 |
| Building Department | 88,976 | - | - | - | 88,976 |
| Planning and Development | 62,190,538 | 596,653 | 802,638 | - | 61,984,553 |
| Fair Housing | 240,000 | - | - | - | 240,000 |
| Zoning Commission | 26,271 | - | - | - | 26,271 |
| Employee & Organizational Development | - | - | - | - | - |
| Zoning Board of Appeals | - | - | - | - | - |
| Purchasing | - | - | - | - | - |
| City Hall Committee | - | - | - | - | - |
| Total general government | 83,646,419 | 1,484,348 | 802,638 | - | 84,328,129 |
| Protection of Person and Property | | | | | |
| Police | 10,240,493 | 620,450 | - | - | 10,860,943 |
| Dog Warden | - | - | - | - | - |
| Fire | 13,457,927 | - | - | - | 13,457,927 |
| Building Department | - | - | - | - | - |
| Weights and Measures | - | 18,863 | - | - | 18,863 |
| Total protection of person and property | 23,698,420 | 639,313 | - | - | 24,337,733 |
| | | | | | |
| | | | | | |
| | | | | | (Continued) |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | |
|--|--------------------|------------------|---------------|-----------|--------------------|
| SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY, Continued | | | | | |
| Year Ended June 30, 2004 | | | | | |
| | Balance | | | | Balance |
| | July 1, 2004 | Additions | Disposals | Transfers | June 30, 2004 |
| Conservation of Health | | | | | |
| Administration | 71,793 | - | - | - | 71,793 |
| Communicable diseases | 12,496 | - | - | - | 12,496 |
| Clinics | 13,122 | - | - | - | 13,122 |
| Laboratories | 75,000 | - | - | - | 75,000 |
| Environmental Health | 90,082 | - | - | - | 90,082 |
| Housing Code Enforcement | 131,061 | - | - | - | 131,061 |
| Women, Infants and Children | 28,996 | - | - | - | 28,996 |
| Social Services | 262,496 | - | - | - | 262,496 |
| Relief of Outside Poor | - | - | - | - | - |
| Human Resources | - | - | - | - | - |
| Youth Services | - | - | - | - | - |
| Mounted unit | 13,297 | - | - | - | 13,297 |
| School Based Health | - | - | - | - | - |
| Office for Persons with Disabilities | - | - | - | - | - |
| Community Dental Client | - | - | - | - | - |
| Department of Aging | - | - | - | - | - |
| Total conservation of health | 698,343 | - | - | - | 698,343 |
| Public Facilities | | | | | |
| Director of Public Facilities | 39,891 | 28,339 | - | - | 68,230 |
| Miscellaneous | 426,995 | - | - | - | 426,995 |
| City Yard | 23,375 | - | - | - | 23,375 |
| Municipal Garage | 1,149,441 | - | - | - | 1,149,441 |
| Maintenance Department | 479,293 | - | - | - | 479,293 |
| Roadways and Maintenance | 103,179,339 | 3,442,592 | - | - | 106,621,931 |
| Ash and Garbage | 2,031,836 | 970,180 | - | - | 3,002,016 |
| Recycling | 977,975 | 149,579 | - | - | 1,127,554 |
| City Hall | 12,213,835 | - | 24,000 | - | 12,189,835 |
| Humane Affairs Building | 3,810,241 | - | - | - | 3,810,241 |
| Senior Citizens Building | 425,246 | - | - | - | 425,246 |
| Hall of Records | 1,179,998 | - | - | - | 1,179,998 |
| Transfer Station | 1,844,455 | - | - | - | 1,844,455 |
| City Engineer | 45,267 | - | - | - | 45,267 |
| Construction Management Services | 25,793 | - | - | - | 25,793 |
| Total public facilities | 127,852,980 | 4,590,690 | 24,000 | - | 132,419,670 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | (Continued) |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | |
|--|-----------------------|----------------------|-------------------|-------------|-----------------------|
| SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY, Continued | | | | | |
| Year Ended June 30, 2004 | | | | | |
| | Balance | | | | Balance |
| | July 1, 2004 | Additions | Disposals | Transfers | June 30, 2004 |
| Education | | | | | |
| Administration | 164,555,115 | 683,444 | - | - | 165,238,559 |
| Instruction | 795,138 | - | - | - | 795,138 |
| Support Services | 320,696 | 147,238 | - | - | 467,934 |
| Pupil Services | 19,444 | - | - | - | 19,444 |
| Total education | 165,690,393 | 830,682 | - | - | 166,521,075 |
| Parks and Recreation | | | | | |
| Parks Administration | 32,251,955 | - | - | - | 32,251,955 |
| Fairchild Wheeler | - | - | - | - | - |
| Park Checkpoints | 185,735 | - | - | - | 185,735 |
| Total Parks and Recreation | 32,437,690 | - | - | - | 32,437,690 |
| Library | 5,110,069 | - | - | - | 5,110,069 |
| Nutrition Center | 1,130,934 | 33,275 | - | - | 1,164,209 |
| Total capital assets placed in use | 440,265,248 | 7,578,308 | 826,638 | - | 447,016,918 |
| Construction in Progress | 99,669,082 | 5,877,018 | - | - | 105,546,100 |
| Total capital assets | \$ 539,934,330 | \$ 13,455,326 | \$ 826,638 | \$ - | \$ 552,563,018 |

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Other Schedules

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| CITY OF BRIDGEPORT, CONNECTICUT | | | | | |
|---|---------------|----------------|-----------------|--------------|----------------|
| SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING | | | | | |
| Year Ended June 30, 2004 | | | | | |
| | Balance | | | | Adjusted |
| Grand | Uncollected | Current | Net | Transfers to | Taxes |
| List Year | July 1, 2003 | Levy | Adjustments | Suspense | Collectible |
| 1988 | \$ 1,307,819 | \$ - | \$ (1,285,623) | \$ (3,121) | \$ 19,075 |
| 1989 | 1,376,966 | - | (3,359) | (8,368) | 1,365,239 |
| 1990 | 1,524,562 | - | (4,473) | (10,107) | 1,509,982 |
| 1991 | 1,732,464 | - | (8,022) | (23,120) | 1,701,322 |
| 1992 | 1,586,871 | - | (10,437) | (29,431) | 1,547,003 |
| 1993 | 1,672,626 | - | (8,888) | (47,532) | 1,616,206 |
| 1994 | 2,078,016 | - | (42,578) | (61,509) | 1,973,929 |
| 1995 | 3,236,792 | - | (141,499) | (56,474) | 3,038,819 |
| 1996 | 3,594,551 | - | (70,151) | (63,881) | 3,460,519 |
| 1997 | 4,215,693 | - | (222,764) | (119,939) | 3,872,990 |
| 1998 | 5,645,963 | - | (323,573) | (120,394) | 5,201,996 |
| 1999 | 6,446,979 | - | (282,256) | (134,982) | 6,029,741 |
| 2000 | 7,855,923 | - | (745,947) | (111,677) | 6,998,299 |
| 2001 | 12,203,727 | - | (490,353) | (102,267) | 11,611,107 |
| 2002 | - | 189,750,653 | (8,222,939) | (45,949) | 181,481,765 |
| | \$ 54,478,952 | \$ 189,750,653 | \$ (11,862,862) | \$ (938,751) | \$ 231,427,992 |

| | | | | | |
|-----------------------|---------------------|------------------|-----------------------|--|----------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Collections | | | | | |
| | | | | | Balance |
| | | Lien | | | Uncollected |
| Taxes | Interest | Fees | Total | | June 30, 2004 |
| \$ 19,075 | \$ 40,371 | \$ 72 | \$ 59,518 | | \$ - |
| 23,311 | 44,165 | 72 | 67,548 | | 1,341,928 |
| 39,394 | 62,712 | 96 | 102,202 | | 1,470,588 |
| 30,744 | 52,744 | 168 | 83,656 | | 1,670,578 |
| 56,567 | 65,256 | 168 | 121,991 | | 1,490,436 |
| 59,892 | 73,778 | 96 | 133,766 | | 1,556,314 |
| 84,154 | 91,618 | 360 | 176,132 | | 1,889,775 |
| 163,829 | 203,321 | 888 | 368,038 | | 2,874,990 |
| 243,974 | 228,299 | 1,128 | 473,401 | | 3,216,545 |
| 324,418 | 278,401 | 1,688 | 604,507 | | 3,548,572 |
| 474,683 | 419,371 | 3,335 | 897,389 | | 4,727,313 |
| 693,413 | 421,275 | 4,327 | 1,119,015 | | 5,336,328 |
| 1,496,900 | 524,863 | 7,204 | 2,028,967 | | 5,501,399 |
| 4,272,090 | 887,881 | 13,050 | 5,173,021 | | 7,339,017 |
| 169,411,397 | 1,513,562 | 47,600 | 170,972,559 | | 12,070,368 |
| \$ 177,393,841 | \$ 4,907,617 | \$ 80,252 | \$ 182,381,710 | | \$ 54,034,151 |

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Statistical Section

A. GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCE

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | | | | |
|--|--------------------|-----------------------------------|------------------------|-------------------|-------------------------|---------------------|----------------------|--|
| GENERAL FUND EXPENDITURES AND OTHER FINANCING USES BY FUNCTION | | | | | | | | |
| LAST TEN FISCAL YEARS | | | | | | | | |
| (Amounts Expressed in Thousands) | | | | | | | | |
| Fiscal Year | General Government | Protection of Person and Property | Conservation of Health | Public Facilities | Charities and Hospitals | Education/Transfers | Parks and Recreation | |
| 1995 | \$ 80,019 | \$ 46,601 | \$ 3,705 | \$ 15,381 | \$ 22,734 | \$ 128,148 | \$ 2,573 | |
| 1996 | 83,297 | 47,471 | 3,894 | 17,086 | 12,174 | 136,119 | 2,113 | |
| 1997 | 91,626 | 52,403 | 4,284 | 16,220 | 8,795 | 136,642 | 3,193 | |
| 1998 | 97,303 | 53,893 | 4,545 | 19,330 | 1,791 | 138,390 | 3,523 | |
| 1999 | 94,522 | 57,340 | 4,812 | 20,323 | 221 | 145,080 | 4,827 | |
| 2000 | 98,913 | 59,422 | 5,194 | 19,432 | 174 | 145,315 | 4,775 | |
| 2001 ** | 93,378* | 62,191 | 5,226 | 18,251 | 223 | 148,952 | 4,453 | |
| 2002 | 93,542 | 61,494 | 5,592 | 16,580 | 222 | 162,216 | 5,731 | |
| 2003 | 86,955 | 61,706 | 4,782 | 15,822 | 15 | 164,183 | 5,577 | |
| 2004 | 98,484 | 62,225 | 11,331 | 23,097 | 53 | 169,064 | 5,044 | |

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

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

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

Source: City of Bridgeport Finance Department.

| Special Services | Sikorsky Airport | Debt Service | Total |
|------------------|------------------|--------------|------------|
| \$ 1,118 | \$ 1,058 | \$ 23,433 | \$ 324,770 |
| 1,169 | 1,032 | 26,867 | 331,222 |
| 1,140 | 1,051 | 21,837 | 337,191 |
| 1,308 | 1,099 | 24,879 | 346,061 |
| 1,313 | 1,110 | 24,833 | 354,381 |
| 1,420 | 1,070 | 26,579 | 362,294 |
| 1,786 | 1,088 | 41,986* | 377,534 |
| 1,866 | 1,061 | 62,328 | 410,632 |
| 1,645 | 963 | 61,753 | 403,401 |
| 1,645 | 941 | 61,100 | 432,984 |
| | | | |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | | | |
|---|------------|-------------------|------------------|------------------|---------------|------------|--|
| GENERAL FUND REVENUES BY SOURCE | | | | | | | |
| LAST TEN FISCAL YEARS | | | | | | | |
| (Amounts Expressed in Thousands) | | | | | | | |
| Fiscal Year | Taxes | Intergovernmental | Sikorsky Airport | Nutrition Center | Miscellaneous | Total | |
| 1995 | \$ 157,168 | \$ 149,025 | \$ 1,181 | \$ 5,288 | \$ 16,178 | \$ 328,840 | |
| 1996 | 161,839 | 149,811 | 1,091 | 5,003 | 17,016 | 334,760 | |
| 1997 | 162,550 | 150,756 | 1,147 | 4,409 | 19,451 | 338,313 | |
| 1998 | 158,756 | 159,373 | 1,111 | 5,521 | 21,203 | 345,964 | |
| 1999 | 153,310 | 172,652 | 1,122 | 6,007 | 19,303 | 352,394 | |
| 2000 | 154,144 | 177,271 | 896 | 6,177 | 19,880 | 358,368 | |
| 2001 | 157,275 | 182,502 | 947 | 6,889 | 20,216 | 367,829 | |
| 2002 | 176,476 | 196,370 | 671 | 7,587 | 12,397 | 393,501 | |
| 2003 | 187,292 | 188,899 | 916 | 7,108 | 10,758 | 394,973 | |
| 2004 | 181,841 | 196,894 | 814 | 7,459 | 37,007 | 424,015 | |

Source: City of Bridgeport Finance Department.

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | | |
|--|---------------------------|---------------------------------------|---|-------------------------|---|--|
| GENERAL FUND BALANCE COMPARED TO GENERAL FUND EXPENDITURES | | | | | | |
| LAST TEN FISCAL YEARS | | | | | | |
| (Amounts Expressed in Thousands) | | | | | | |
| Fiscal Year | Undesignated Fund Balance | Expenditures and Other Financing Uses | Undesignated Fund Balance as a Percentage of Expenditures | Unreserved Fund Balance | Unreserved Fund Balance as a Percentage of Expenditures | |
| 1995 | \$ 26,278 | \$ 324,770 | 8.1% | \$ 26,278 | 8.1% | |
| 1996 | 36,043 | 331,222 | 10.9% | 36,043 | 10.9% | |
| 1997 | 34,224 | 337,191 | 10.1% | 39,724 | 11.8% | |
| 1998 | 35,344 | 346,061 | 10.2% | 41,851 | 12.1% | |
| 1999 | 39,390 | 354,381 | 11.1% | 46,015 | 13.0% | |
| 2000 | 45,082 | 362,294 | 12.4% | 48,428 | 13.4% | |
| 2001 | 25,929 | 377,534* | 6.9% | 48,429 | 12.8% | |
| 2002 | n/a** | 410,632 | n/a** | 38,571 | 9.4% | |
| 2003 | n/a** | 403,401 | n/a** | 35,305 | 8.8% | |
| 2004 | n/a** | 432,984 | n/a** | 33,005 | 7.6% | |
| ** Note: GASB 34 presentations do not demonstrate designations of fund balance. | | | | | | |

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

Source: City of Bridgeport Finance Department.

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B. PROPERTY VALUES AND TAXES

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | |
|---|--------------|---------------------------|----------------------------|--|--|
| PROPERTY TAX RATES, LEVIES AND COLLECTIONS | | | | | |
| LAST TEN FISCAL YEARS | | | | | |
| | | | | | Tax Levy Receivable at End of Fiscal Year |
| Fiscal Year | Mill Rate | Net Taxable Grand List | Total Budgeted Tax Levy | | |
| 1995 | 67.8 | \$ 2,287,638,477 | \$ 153,392,556 | | \$ 9,115,000 |
| 1996 | 67.8 | 2,327,768,854 | 159,309,273 | | 9,690,846 |
| 1997 | 67.5 | 2,366,391,682 | 160,272,279 | | 14,353,644 |
| 1998 | 66.5 | 2,401,232,146 | 161,572,205 | | 11,220,970 |
| 1999 | 65.5 | 2,420,308,038 | 160,731,151 | | 11,782,136 |
| 2000 | 65.0 | 2,497,394,118 | 162,330,617 | | 13,941,906 |
| 2001 | 65.0 | 2,592,797,593 | 168,531,843 | | 13,333,354 |
| 2002 | 65.0 | 2,795,967,563 | 181,737,892 | | 12,329,164 |
| 2003 | 62.4 | 3,103,767,511 | 193,675,093 | | 12,203,727 |
| 2004 | 55.2 | 3,411,740,041 | 188,328,050 | | 12,070,368 |

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

Source: City of Bridgeport Tax Collector.

| CITY OF BRIDGEPORT, CONNECTICUT | | | |
|--|------------------------------|---------------------------|-------------------------|
| ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY | | | |
| LAST TEN FISCAL YEARS | | | |
| | | | |
| | Fiscal Year Ended June 30 | Net Taxable Grand List | Estimated Full Value |
| | 1995 | \$ 2,287,638,477 | \$ 3,268,054,967 |
| | 1996 | 2,327,768,854 | 3,325,384,077 |
| | 1997 | 2,366,391,682 | 3,380,559,546 |
| | 1998 | 2,401,232,146 | 3,430,331,637 |
| | 1999 | 2,420,308,038 | 3,457,582,911 |
| | 2000 | 2,497,394,118 | 3,567,705,883 |
| | 2001 | 2,592,797,593 | 3,703,996,561 |
| | 2002 | 2,795,967,563 | 3,994,239,376 |
| | 2003 | 3,103,767,511 | 4,433,953,587 |
| | 2004 | 3,411,740,041 | 4,873,914,344 |

Source: City of Bridgeport Tax Assessor's Office

CITY OF BRIDGEPORT, CONNECTICUT

PRINCIPAL TAXPAYERS

June 30, 2004

| Name | Nature of Business | Net Taxable Valuation (1) | Percent of Net Taxable Grand List (1) |
|-------------------------------------|---------------------|------------------------------|---|
| WISVEST | Utility | \$ 82,622,832 | 2.37% |
| Bridgeport Energy | Bank | 76,241,958 | 2.19% |
| People's Bank | Utility | 63,876,471 | 1.84% |
| United Illuminating Co. | Utility | 42,423,428 | 1.22% |
| AT & T | Utility | 40,433,403 | 1.16% |
| So. Connecticut Gas Co. | Utility | 25,196,002 | 0.72% |
| Bridgeport Hydraulic Co. (Aquarion) | Utility | 23,697,220 | 0.68% |
| 1000 Lafayette | Office Building | 13,747,413 | 0.40% |
| Shoreline Star Greyhound | Sporting Enterprise | 13,122,469 | 0.38% |
| Bridgeport Health Care | Health | 12,153,753 | 0.35% |
| | Total | \$ 393,514,949 | 11.31% |

Source: City of Bridgeport Tax Assessor's Office.

- (1) Based on a 10/1/02 net taxable Grand List of \$3,411,740,041.
- (2) Currently on Payment in Lieu of Taxes program.

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| CITY OF BRIDGEPORT, CONNECTICUT | | | | | | | | | |
|---|-----------------|--------------|------------|------------|-----------|---------------------------------|---------------|------------|--------------|
| SCHEDULE OF PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS | | | | | | | | | |
| LAST TEN FISCAL YEARS | | | | | | | | | |
| (Amounts Expressed in Thousands) | | | | | | | | | |
| Property Values | | | | | | | | | |
| Fiscal Year | Grand List Year | Residential | Commercial | Industrial | Land | Utilities and Personal Property | Motor Vehicle | Exemptions | Total |
| 1995 | 1993 | \$ 1,220,383 | \$ 467,321 | \$ 139,715 | \$ 16,424 | \$ 310,869 | \$ 198,588 | \$ 65,662 | \$ 2,287,638 |
| 1996 | 1994 | 1,219,447 | 463,813 | 142,658 | 16,017 | 344,589 | 210,699 | 69,454 | 2,327,769 |
| 1997 | 1995 | 1,208,096 | 454,806 | 142,188 | 16,232 | 365,148 | 241,242 | 61,320 | 2,366,392 |
| 1998 | 1996 | 1,217,030 | 476,888 | 139,682 | 17,493 | 370,110 | 250,817 | 70,788 | 2,401,232 |
| 1999 | 1997 | 1,218,207 | 488,413 | 137,841 | 18,335 | 379,095 | 255,535 | 77,118 | 2,420,308 |
| 2000 | 1998 | 1,218,738 | 502,271 | 135,142 | 18,115 | 434,976 | 264,687 | 76,865 | 2,497,064 |
| 2001 | 1999 | 1,218,829 | 496,302 | 126,073 | 18,370 | 525,162 | 285,838 | 77,777 | 2,592,797 |
| 2002 | 2000 | 1,376,877 | 527,328 | 126,404 | 22,873 | 513,383 | 310,875 | 81,773 | 2,795,967 |
| 2003 | 2001 | 1,577,935 | 591,635 | 137,263 | 30,266 | 508,476 | 330,502 | 72,310 | 3,103,767 |
| 2004 | 2002 | 1,795,669 | 663,605 | 146,558 | 34,857 | 497,521 | 340,958 | 67,428 | 3,411,740 |

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

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C. LONG-TERM DEBT

CITY OF BRIDGEPORT, CONNECTICUT

COMPUTATION OF LEGAL DEBT LIMIT

June 30, 2004

(Amounts Expressed in Thousands)

The City's debt limitation under Connecticut General Statutes, Section 7-374(b) as of June 30, 2004 is as follows (amounts are expressed in thousands):

| | | |
|--|--|-------------------|
| | Total tax revenue (including interest and lien fees) | |
| | for the year ended June 30, 2003 | \$182,382 |
| | Reimbursement for revenue loss: | \$ 126 |
| | Tax relief - elderly | |
| | Base for debt limitation computation | <u>\$ 182,508</u> |

The Connecticut General Statutes provide that the total authorized debt of the City shall not exceed seven times the above base, or \$1.311 billion, nor shall the total authorized particular purpose debt exceed the individual debt limitations reflected in the table below:

| COMPUTATION OF REMAINING DEBT LIMITATION | | | | | |
|--|-------------------|-------------------------------------|-------------------|-------------------|-------------------|
| | General Purpose | Unfunded Pension Benefit Obligation | Schools | Sewers | Urban Renewal |
| Debt limitation: | | | | | |
| 2¼ | \$ 410,643 | \$ - | \$ - | \$ - | \$ - |
| 3 | - | 547,524 | - | - | - |
| 4½ | - | - | 821,286 | - | - |
| 3¾ | - | - | - | 684,405 | - |
| 3¼ | - | - | - | - | 593,151 |
| Total debt limitation | 410,643 | 547,524 | 821,286 | 684,405 | 593,151 |
| Indebtedness: | | | | | |
| Net bonds and BANS payable | 247,024 | 338,080 | 35,828 | 264 | - |
| Bonds authorized but not issued | 38,822 | 90,000 | 75,142 | - | - |
| Debt limitation in excess of outstanding debt | \$ 124,797 | \$ 119,444 | \$ 710,316 | \$ 684,141 | \$ 593,151 |

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | | |
|---|------------|---|--|---|----------------------------------|--|
| RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS | | | | | | |
| Fiscal Year | Population | Assessed Value of Grand List (\$000) | Outstanding Bonded Debt (\$000) | Debt as a Percent of Assessed Value of Grand List | Net Bonded Debt Per Capita | |
| 1995 | 141,686 | \$ 2,287,638 | \$ 160,020 | 6.99% | \$ 1,129 | |
| 1996 | 141,686 | 2,327,769 | 159,045 | 6.83% | 1,123 | |
| 1997 | 141,686 | 2,366,392 | 186,025 | 7.86% | 1,313 | |
| 1998 | 141,686 | 2,401,232 | 195,905 | 8.16% | 1,383 | |
| 1999 | 141,686 | 2,420,308 | 203,660 | 8.41% | 1,437 | |
| 2000 | 137,425 | 2,497,394 | 261,190 | 10.46% | 1,901 | |
| 2001 | 139,529 | 2,592,798 | 606,220 | * 23.38% | * 4,345 | |
| 2002 | 139,529 | 2,795,967 | 635,295 | 22.72% | 4,553 | |
| 2003 | 139,529 | 3,103,768 | 633,270 | 20.40% | 4,539 | |
| 2004 | 139,529 | 3,411,740 | 644,870 | 18.90% | 4,622 | |

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

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

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | | |
|--|---------------|---------------|---------------|----------------|--------------|---------------|
| RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND EXPENDITURES LAST TEN FISCAL YEARS | | | | | | |
| | | | | | | Ratio of Debt |
| | | | | | Total | Service to |
| Fiscal | | | | Total Debt | General Fund | General Fund |
| Year | Principal | Interest | Service | Expenditures | Expenditures | Expenditures |
| 1995 | \$ 11,320,918 | \$ 13,092,179 | \$ 24,413,097 | \$ 324,770,515 | | 7.52% |
| 1996 | 15,678,645 | 12,380,172 | 28,058,817 | 331,222,089 | | 8.47% |
| 1997 | 11,396,286 | 10,440,650 | 21,836,936 | 337,191,365 | | 6.48% |
| 1998 | 12,496,389 | 12,382,589 | 24,878,978 | 346,061,479 | | 7.19% |
| 1999 | 12,547,008 | 12,283,969 | 24,830,977 | 354,381,017 | | 7.01% |
| 2000 | 14,451,588 | 12,129,515 | 26,581,103 | 371,842,809 | | 7.15% |
| 2001 | 14,881,280 | 27,522,132* | 42,403,412* | 377,534,472** | | 11.23% |
| 2002 | 19,157,839 | 43,985,039 | 63,142,878 | 410,632,254 | | 15.38% |
| 2003 | 20,603,428 | 41,988,564 | 62,591,992 | 403,400,834 | | 15.52% |
| 2004 | 20,965,572 | 41,109,530 | 62,075,102 | 432,983,647 | | 14.33% |

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

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

Source: City of Bridgeport Finance Department.

| CITY OF BRIDGEPORT, CONNECTICUT | |
|---|-----------------------|
| DEBT STATEMENT | |
| June 30, 2004 | |
| Debt Statement: | |
| General Obligation Debt: | |
| General Purpose Bonds Payable | \$ 247,024,143 |
| Bond Anticipation Notes Payable | |
| School Bonds | 59,501,681 |
| Sewer | 264,176 |
| Pension Obligation Bonds ("POB") | 338,080,000 |
| Total General Obligation Debt | 644,870,000 |
| Notes Payable: | |
| Fire Equipment Notes Payable | 173,400 |
| HUD Section 108 Loans | 6,311,000 |
| Total Notes Payable | 6,484,400 |
| Total Debt | 651,354,400 |
| Less: School Construction Grants Receivable ¹ - Principal Portion Only | 23,673,415 |
| HUD Section 108 Loans | 6,311,000 |
| | 29,984,415 |
| Total Overall Net Debt | \$ 621,369,985 |

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

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

D. DEMOGRAPHIC DATA

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | |
|---------------------------------|------------|--------------------------|--|---------|--|
| DEMOGRAPHIC DATA | | | | | |
| June 30, 2004 | | | | | |
| POPULATION AND DENSITY | | | | | |
| Historical | | | | | |
| Year | Population | % Increase (Decrease) | | Density | |
| 1940 | 146,900 | 0.2% | | 7,580 | |
| 1950 | 158,709 | 8.0% | | 8,189 | |
| 1960 | 156,748 | -1.2% | | 8,088 | |
| 1970 | 156,542 | -0.1% | | 8,078 | |
| 1980 | 142,546 | -8.9% | | 7,355 | |
| 1990 | 141,686 | -0.6% | | 7,311 | |
| 2000 | 139,529 | -1.5% | | 7,200 | |

Density based on 19.38 square miles.

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

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

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

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

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | |
|--|--------------------|---------------|----------------------|---------------|--|
| DEMOGRAPHIC DATA, Continued | | | | | |
| June 30, 2004 | | | | | |
| INCOME DISTRIBUTION | | | | | |
| | City of Bridgeport | | State of Connecticut | | |
| | Families | Percent | Families | Percent | |
| \$0 - \$9,999 | 3,681 | 11.1% | 33,423 | 3.8% | |
| \$10,000 - \$24,999 | 6,680 | 20.2% | 86,855 | 9.8% | |
| \$25,000 - \$49,999 | 10,203 | 30.9% | 195,547 | 22.1% | |
| \$50,000 - \$74,999 | 6,587 | 19.9% | 198,924 | 22.5% | |
| \$75,000 - \$99,999 | 3,065 | 9.3% | 141,981 | 16.0% | |
| \$100,000 - \$149,999 | 2,111 | 6.4% | 132,177 | 14.9% | |
| \$140,000 and over | 715 | 2.2% | 96,840 | 10.9% | |
| | <u>33,042</u> | <u>100.0%</u> | <u>885,747</u> | <u>100.0%</u> | |

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

INCOME LEVELS

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

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

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | | |
|--|--------------------|------------|-----------------------|------------------------|----------------------|--|
| DEMOGRAPHIC DATA, Continued | | | | | | |
| June 30, 2004 | | | | | | |
| EMPLOYMENT DATA | | | | | | |
| Period | City of Bridgeport | | Percentage Unemployed | | | |
| | Employed | Unemployed | City of Bridgeport | Bridgeport Area Market | State of Connecticut | |
| 2004 | 57,891 | 5,624 | 8.9% | 5.9% | 4.8% | |
| 2003 | 58,776 | 5,912 | 9.1% | 6.2% | 5.0% | |
| 2002 | 55,515 | 3,845 | 6.5% | 4.5% | 3.5% | |
| 2001 | 57,127 | 2,415 | 4.1% | 2.7% | 2.2% | |
| 2000 | 57,999 | 2,953 | 4.8% | 3.2% | 2.5% | |
| 1999 | 57,195 | 3,467 | 5.7% | 3.5% | 2.8% | |
| 1998 | 57,027 | 4,379 | 7.1% | 4.8% | 4.1% | |
| 1997 | 56,181 | 5,698 | 9.2% | 6.3% | 5.4% | |
| 1996 | 54,460 | 6,023 | 10.0% | 6.7% | 5.7% | |
| 1995 | 54,679 | 5,601 | 9.3% | 6.4% | 5.5% | |

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

E. MISCELLANEOUS STATISTICS

| CITY OF BRIDGEPORT, CONNECTICUT | | | | | | | | | |
|---|-------------|--------------|-----------------|---------------|-------|---------------|-------|---------------|--|
| NUMBER AND VALUE OF BUILDING PERMITS | | | | | | | | | |
| June 30, 2004 | | | | | | | | | |
| Fiscal Year Ended | Residential | | Non-residential | | Other | | Total | | |
| | No. | Amount | No. | Amount | No. | Amount | No. | Amount | |
| 1995 | 150 | \$ 4,915,251 | 261 | \$ 22,530,570 | 1,588 | \$ 14,622,722 | 1,999 | \$ 42,068,543 | |
| 1996 | 189 | 6,498,885 | 244 | 20,367,211 | 1,534 | 12,972,884 | 1,967 | 39,838,980 | |
| 1997 | 195 | 7,866,866 | 252 | 30,635,232 | 1,690 | 16,718,368 | 2,137 | 55,220,466 | |
| 1998 | 297 | 14,970,169 | 219 | 61,072,018 | 1,797 | 17,073,715 | 2,313 | 93,115,902 | |
| 1999 | 237 | 5,347,782 | 195 | 16,025,438 | 1,883 | 17,898,831 | 2,315 | 39,272,051 | |
| 2000 | 244 | 9,068,214 | 217 | 33,177,489 | 1,785 | 18,397,451 | 2,246 | 60,643,154 | |
| 2001 | 146 | 8,196,769 | 319 | 26,334,089 | 1,732 | 30,140,121 | 2,197 | 64,670,979 | |
| 2002 | 253 | 6,368,346 | 145 | 34,369,087 | 1,895 | 18,447,228 | 2,293 | 59,184,661 | |
| 2003 | 340 | 10,577,349 | 107 | 28,584,693 | 1,912 | 28,050,141 | 2,359 | 67,212,183 | |
| 2004 | 364 | 30,864,601 | 197 | 20,809,119 | 1,905 | 23,868,302 | 2,466 | 75,542,022 | |

Source: Building Official, City of Bridgeport.

CITY OF BRIDGEPORT, CONNECTICUT

GENERAL CITY STATISTICS

June 30, 2004

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

Number of City facilities and services

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

* Staffing includes both sworn and civilian employees.

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