

CITY OF BRIDGEPORT, CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year
July 1, 2014 to June 30, 2015

Prepared By:
DEPARTMENT OF FINANCE

Kenneth Flatto
Director of Finance

**CITY OF BRIDGEPORT, CONNECTICUT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS
 JUNE 30, 2015**

Introductory Section		Page
	Letter of Transmittal	i-viii
	GFOA Certificate of Achievement	ix
	Table of Organization	x
	List of Principal Officers	xi
Financial Section		
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis	4-16
Basic Financial Statements		
Exhibit	Government-Wide Financial Statements:	
I	Statement of Net Position	17
II	Statement of Activities	18
	Fund Financial Statements:	
III	Balance Sheet - Governmental Funds	19-20
IV	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21-22
V	Statement of Net Position - Proprietary Funds	23
VI	Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	24
VII	Statement of Cash Flows - Proprietary Funds	25
VIII	Statement of Net Position - Fiduciary Funds	26
IX	Statement of Changes in Net Position - Fiduciary Funds	27
	Notes to the Financial Statements	28-79
Required Supplementary Information		
	General Fund:	
RSI-1	Schedule of Revenues and Other Financing Sources - Budget and Actual	80-82
RSI-2	Schedule of Expenditures and Other Financing Uses - Budget and Actual	83-84
	Pension Plans:	
RSI-3	Schedule of Changes in Net Pension Liability and Related Ratios - Public Safety Plan A	85
RSI-4	Schedule of Changes in Net Pension Liability and Related Ratios - Police Retirement Plan B	86
RSI-5	Schedule of Changes in Net Pension Liability and Related Ratios - Firefighters' Retirement Plan B	87
RSI-6	Schedule of Changes in Net Pension Liability and Related Ratios - Janitors' and Engineers' Retirement Plan	88
RSI-7	Schedule of Employer Contributions - Public Safety Plan A	89
RSI-8	Schedule of Employer Contributions - Police Retirement Plan B	90
RSI-9	Schedule of Employer Contributions - Firefighters' Retirement Plan B	91
RSI-10	Schedule of Employer Contributions - Janitors' and Engineers' Retirement Plan	92
RSI-11	Schedule of Investment Returns - Pension Plans	93

<u>Exhibit</u>		<u>Page</u>
RSI-12	Schedule of the City's Proportionate Share of the Net Pension Liability - Teachers Retirement Plan	94
RSI-13	Schedule of the City's Proportionate Share of the Net Pension Liability - Municipal Employees Retirement System	95
RSI-14	Schedule of Employer Contributions - Municipal Employees Retirement System	96
Supplemental, Combining and Individual Fund Statements and Schedules		
General Fund:		
A-1	Comparative Balance Sheet	97
A-2	Schedule of Property Taxes Levied, Collected and Outstanding	98
Nonmajor Governmental Funds:		
B-1	Combining Balance Sheet	99-100
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	101-102
Fiduciary Fund:		
C	Statement of Changes in Assets and Liabilities - Agency Fund	103

Statistical Section

Table

Financial Trends:		
1	Net Position by Component	104
2	Changes in Net Position	105-106
3	Program Revenues by Function/Program	107
4	Fund Balances, Governmental Funds	108
5	Changes in Fund Balances, Governmental Funds	109
Revenue Capacity:		
6	Tax Revenues by Source, Governmental Funds	110
7	Assessed Value and Estimated Actual Value of Taxable Property	111
8	Principal Property Taxpayers	112
9	Property Tax Levies and Collections	113
Debt Capacity:		
10	Ratio of Outstanding Debt by Type	114
11	Ratios of Net General Bonded Debt Outstanding by Type	115
12	Direct Governmental Activities Debt	116
13	Legal Debt Margin Information	117
14	Computation of Legal Debt Limitation	118
Demographic and Economic Statistics:		
15	Demographic and Economic Statistics	119
16	Principal Employers	120
Operating Information:		
17	Full-Time Equivalent City Government Employees by Function/Program	121-122
18	Operating Indicators by Function/Program	123
19	Capital Asset Statistics by Function/Program	124

Introductory Section



CITY OF BRIDGEPORT
DEPARTMENT OF FINANCE
MARGARET E. MORTON GOVERNMENT CENTER
999 Broad Street
Bridgeport, Connecticut 06604
Telephone 203-576-7251 Fax 203-576-7067

JOSEPH P. GANIM
Mayor

KENNETH A. FLATTO
Finance Director/CFO

February 15, 2016

Honorable Joe Ganim, Mayor
Members of the City Council
Citizens of Bridgeport

State law requires that every general-purpose local government publicly publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

Blum, Shapiro & Company, P.C., has issued an unmodified (“clean”) opinion on the City of Bridgeport, Connecticut’s financial statements for the year ended June 30, 2015. The independent auditors’ report is located at the front of the financial section of this report.

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

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

Profile of the Government

The City of Bridgeport was incorporated in 1836 and annexed portions of the neighboring towns of Stratford and Fairfield in the late 1800’s. The City of Bridgeport is located on the northern shore of the Long Island Sound, approximately 60 miles northeast of New York City and 60 miles southwest of Hartford. The City is the crossroads of one of the best land, sea, rail and air transportation systems in the Northeast. State Routes 8 and 25, with their links to Interstates 84 and 91; merge with Interstate 95 in downtown Bridgeport. Bridgeport Harbor is one of the three deep-water ports in Connecticut; its 35-foot deep channels and anchorages can accommodate most ocean-going vessels involved with international trade and shipping. Amtrak and Metro-North provide passenger service to the City from the downtown Transportation Center, and ConnDOTRail operates a major freight yard within a quarter-mile of the Port of Bridgeport. With a 2010 U.S. Census population of 144,229 residents, Bridgeport is the largest city in Fairfield County and the State of Connecticut, averaging almost 7,500 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 serves as the City's legislative body, consists of 20 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, which remains in force.

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.

Budget and Finances

The annual budget serves as the foundation for the City of Bridgeport's financial planning and control. Budget-to-actual comparisons for FY15 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 RSI-1 and RSI-2 as part of the required supplementary information for the General Fund.

The City ended the June 30, 2015 year with a slight fiscal budgetary surplus. This was attained in part by position vacancies. The City received significant state aid for education and for certain school capital projects. The City is funding its pension obligations as recommended by actuaries. 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 City is a major medical, legal, industrial, financial and entertainment center. Two medical centers - St. Vincent's Medical Center, recently aligned with the M.D. Anderson Cancer Center in Texas, and Bridgeport Hospital, which is part of the Yale-New Haven Hospital system, provide for many of the health care needs of the Greater Bridgeport area. Federal, State, and County courthouses are located within the central business district. Corporate and regional business offices are located downtown, including the principal office of one of the largest Connecticut-based banks, People's United Bank. Major employers residing within the City's boundaries include Bridgeport Hospital, St. Vincent's Medical Center, People's United Bank, Sikorsky Aircraft, University of Bridgeport and Bridgeport Health Care Center. The City, long a major manufacturing center, remains the home of more than 200 manufacturing companies. These companies typically exploit new technologies and occupy unusual or even unique market niches.

The Greater Bridgeport area hosts four institutions of higher learning: Fairfield University, Sacred Heart University, Housatonic Community College and The University of Bridgeport. These educational institutions provide the City's corporate and business communities with skilled personnel and enhance the area's cultural and community activities. University of Bridgeport and Housatonic Community College, located in the heart of the City's central business district, have been fast growing and successful institutes benefiting the City.

Bridgeport is also the home of numerous attractions that enhance the City's economic fortunes. The Barnum Museum showcases the life and times of the former City Mayor and renowned showman, P.T. Barnum. The Ballpark at Harbor Yard and the Webster Bank Arena bring hundreds of thousands of visitors annually to Bridgeport's Downtown to watch

and other entertainment. The Beardsley Zoo, Connecticut's only zoo, is one of the most visited tourist attractions in the State. The Discovery Museum, located in the north end of the City, offers interactive science and space displays, and is home to a half-scale replica of the airplane flown by Gustave Whitehead, who was recently recognized by the state Legislature as the first to achieve manned, powered flight.

The City's taxable base remains steady and is demonstrating some growth with the October 1, 2013 with a Net Taxable Grand List at \$7.1 billion. The City's economic development plans have focused on diversification of the local economic base, tailored to the City's strengths of geographic location and skilled workforce availability. Manufacturing job losses of the 1980's and early 1990's have stabilized and the City's strategy of identifying growth industries such as medical, financial services, construction, and film/media is proving successful. In order to enhance the infrastructure that serves the industrial base of the City and assemble the land and facilities necessary to provide for the expansion of existing corporations and accommodate new businesses, redevelopment and new private investment within the City's industrial corridors continues.

Waterfront Development/Steel Point

Investment in Steel Point is coming to fruition. An approximately 155,000 square foot Bass Pro Shops opened in Fall 2015 along with a 6,000 square foot retail building housing Starbucks, Chipotle and more. The Bass Pro Shops include a restaurant and bowling alley and is expected to draw many visitors to Steel Point from the surrounding region. Several significant additional retail tenants have signed letters of intent that will likely translate into executed leases within a year. Following significant public infrastructure investment, the foundation is laid for up to 3 million square-feet of mixed-use waterfront development.

The City received from the federal government an \$11 million TIGER (Transportation Investment Generating Economic Recovery) grant used along with several million dollars in city match and investment from the regional utilities. Cumulatively, approximately \$18 million has been invested in the districts roads, sewers, water lines, electric power, gas lines, and telecom. Waterfront work has commenced, consisting of bulkhead reconstruction, targeted dredging and continuous linear public access that will add value to the peninsula within a year.

This peninsula plans to include robust public improvements including an approximately 70 foot wide greenway along the waterfront. Property tax based Tax Increment Financing will be used to fund many of these improvements. In 2009, the City entered into an Amended and Restated Development and Acquisition Agreement with Bridgeport Landing Development (BLD) for this 50-acre project. That agreement and subsequent City Council and State Legislature approvals created the Steel Pointe Infrastructure Improvement District (the "District"), a special taxing district with the ability to issue as much as \$190 million of bonds secured by property tax incremental financing and additional assessments on property within the District.

Downtown Development

Downtown Bridgeport is at the nexus of road, rail, transit, and water related transportation infrastructure. Its location and existing assets provide the opportunity for Bridgeport to become the transit-oriented development hub of Fairfield County. Bridgeport is increasingly an option for residents and businesses seeking a cost effective and convenient location to live and work. The importance of the City's transportation hub was reinforced by the 2010 census results which showed the first population gain in 60 years. Census data also shows that Bridgeport has the second highest percentage of population in the 20-something age range in Southwestern Connecticut. As an ideal location for permanent workforce housing

for the region, the City is positioning its downtown to be an important asset in the sustained growth of the Fairfield County economy.

The City completed the construction of a \$17 million **Bridgeport ITC Garage** (Intermodal Transportation Center) in 2001. This 1,400-car commuter parking facility helps link the various modes of transportation (Amtrak, Metro North, water ferries, airport limousines, inter and intra-city buses and taxis) with downtown Bridgeport and the region. It also serves as additional event parking for the Ballpark at Harbor Yard and the Webster Bank Arena at night and on weekends. The garage was funded through Federal and State grants intended to reduce highway congestion. The City subsequently secured additional funding to add two more parking decks boosting the original 900 spaces to 1,400. The garage addition was the latest in a line of improvements to Downtown Bridgeport's transportation infrastructure including: the construction of an enclosed, elevated pedestrian walkway system connecting the ITC Garage to the Metro North rail platform and a new state-of-the-art 17 bay bus terminal operated by the Greater Bridgeport Transit Authority.

Started in 2000, the City and the State completed a \$55 million expansion of **Housatonic Community College**, doubling the size of the downtown facility. Since the completion of the expansion, the college's enrollment has increased by more than 1,000 students exceeding 5,989 students. Current enrollment is at an all-time high, and has provided added life to Bridgeport's downtown. An additional expansion is planned for 2015.

Significant private investment is about to occur in Bridgeport. A joint venture of the **Spinnaker Group** and **Forstone Capital** of Norwalk acquired almost two full City blocks of downtown real estate from People's United Bank and is currently creating a redevelopment reuse plan for these holdings. Forstone Capital also acquired the neighboring former Mechanics & Farmers Bank Complex on State Street from the City in furtherance of its plans for the redevelopment of the property into a mixed-use retail and residential complex. Forstone has received state CHAMP support for their next project set to begin construction in 2015 with a conversion of a cluster of historic structures into 32 housing units, two professional offices, a comedy club, and a restaurant. In the summer of 2010, **333 State Street Development** commenced construction of its adaptive reuse project in a former office building in Downtown Bridgeport. The \$12 million project created 65 rental apartments and 15,000 square feet of street-level commercial space in a building that had been vacant for more than a decade.

A significant land swap occurred between Kuchma Corporation (developer of Bijou Square) and the City of Bridgeport that will result in nearly 30 residential units, a downtown gym with pool, a restaurant, and a new senior center for the city's residents. The new senior center was completed in late 2013, providing a modern facility for the city's retired population in the heart of downtown. The first of two new residential buildings with 12 units came on-line in early 2013, leasing fully in approximately one month. The second residential building with an additional 12 units came on-line in the spring of 2014 and was fully leased in several months.

Long vacant, the Downtown North district has seen recent investment and is positioned to be the next development area in downtown. One, three story mixed-use building has been refurbished into new office and retail space and three inter-connected buildings including an 8-story tower will be repurposed to add to the downtown residential housing stock. This project, the **Securities** block, received an over \$4 million CHAMP (Competitive Housing Assistance for Multi-Family Properties) award and over \$1 million in state brownfield remediation assistance. The project, including nearly 75 housing units and just under 10,000 square feet of retail space has started construction in 2015. Just north of those buildings, the city has recently completed negotiations with several development teams to redevelop

five city blocks including both historic buildings and vacant land: Spinnaker, POKO, Urban Green Builders, and Navarino. One of those blocks, controlled by Urban Green Builders, received the largest grant from the state's CHAMP program - \$5 million. This project, including 105 housing units and just under 10,000 square feet of retail space commenced interior remediation and demolition. The POKO/Spinnaker project, including 50 housing units is set to start construction. Collectively, these projects represent over 400 housing units, approximately 50,000 square feet of retail space and over 200,000 square feet of office space.

Industrial Development and Energy Projects

In the City's West End Redevelopment area, significant industrial investment has occurred in recent years and continues today. A refrigerated facility that was constructed in 2005 became in 2014 the new home of DeYulio's Sausage, relocating to the City of Bridgeport from Stamford, CT. This facility is located adjacent to the AKDO Intertrade, a major importer and distributor of marble, tile, granite and other high-end stone products that moved, in 2006, into a new 115,000 square foot showroom, office and warehouse.

United Rentals, the largest equipment rental company in the world, completed construction on a 40,000 square-foot facility in the City in November 2009. The facility is expected to generate more than \$300,000 annually in personal property taxes for the City. The project was developed on what was formerly the long-dormant Bridgeport Brass property, a Brownfield site that had been idle since 1980.

Fuel Cell Energy of Danbury completed construction in 2013 of the \$70 million Bridgeport Fuel Cell Energy Park. The project has received full approval of the Connecticut Siting Council and the Connecticut Department of Public Utility Control, and power purchase agreements have been negotiated with utility companies. The project was purchased by Dominion Energy and began producing enough electricity for 15,000 homes in February, 2014.

In late 2013, state regulatory agencies awarded final approval to the city's **Green Energy Park** that will produce 5 megawatt of electricity from solar panels and fuel cells. It will be located on a former landfill visible from I-95 and will provide power to the regional grid. The location and site plan received state approval in late 2014 and the park will commence construction in 2015.

The **Eco-Technology Park** is a collection of green businesses located in the West End and South End neighborhoods. The Eco-Technology Park is growing job opportunities and enhancing adjoining neighborhoods. Green businesses, now there, and those that will join them, help our City and our country redefine waste as a resource, and reduce energy consumption. The state awarded funds in 2014 to complete a new Municipal Development Plan for this district to continue to move the concept forward.

Adjacent to the Eco-Technology Park, a hulking block of vacant industrial buildings is being repurposed as a mixed-use neighborhood. The block attracted \$1.2 million in state brownfield assistance. The project when completed will consist of approximately 325 units of mixed-income housing, a charter school, and approximately 20,000 square feet of retail space. The first phase will include 157 units of housing, the charter school, and open space.

Medical Sector and Senior Living Projects

As the center for hospital care in Eastern Fairfield County, the City's health care industry continues to grow. ***Bridgeport Hospital***, an employer of over 2,500 people, working together with the City, completed a brand new entrance gateway to the hospital which includes a fountain and pocket park, an enhancement which makes the area more inviting for visitors and residents alike.

St. Vincent's Medical Center, which employs more than 2,600, completed construction of a \$140 million expansion project which added parking capacity, 90,000 square feet to its emergency facilities and established a home for the hospital's new cancer center.

Jewish Senior Services (formerly known as the Jewish Home for the Elderly) is completing plans for a \$95 million project to move its Fairfield facility to Park Avenue in Bridgeport. The 367,000 square foot, five-story skilled nursing and assisted living facility is nearing 50% completion. It is estimated to bring nearly 300 jobs to Bridgeport. The City helped finance this project with debt paid for by JSS.

For more information on current development activity in the city of Bridgeport, please see the City's web site at: www.bridgeportct.gov and click on the Economic Development section.

Bridgeport's Major Financial Initiatives

The City has instituted a number of cost-saving initiatives through charter revision, financial system upgrades, improvement of revenue collection, the reduction of employee benefits, and privatization. Some of the more recent cost-savings initiatives are described below.

Revenue Collection Initiatives

The City has been active in seeking out and implementing innovative strategies for enhancing its tax revenues, accelerating its receipt of delinquent taxes, non-tax revenues and controlling costs. The City has used many methods to increase collection of real estate taxes, including heightened enforcement and the sale of tax liens. Tax lien sales have proven to be an effective management tool in collecting both current and arrears taxes, interest and penalties. Since Fiscal Year 1992, the Tax Collector's Office has conducted 36 lien sales, generating more than \$120 million in tax, interest and lien revenues. The sale of liens enables the City to realize an immediate financial benefit from the delinquent taxes, and relieves the City of incurring the expense and delay associated with ongoing collection efforts. The City will be conducting its next tax lien sale in April 2016 and will offer approximately \$8.5 million in taxes, interest and fees.

Internal Service Fund

In 2007, the City, by ordinance, established an Internal Service Fund to account for self-insured health benefit activities of the City, Board of Education and all other departments. Governmental Accounting Standards allow for the use of Internal Service Funds for risk financing activities. The Internal Service Fund is a proprietary type fund, which utilizes the accrual basis of accounting. The use of an Internal Service Fund, for self insured benefit activities can help smooth the impact of severe claims fluctuations which, in the past, have occurred in the General Fund. Funding of the Internal Service Fund will be provided through the annual General Fund Budget, the WPCA Budget, and non General Fund employee contributions. As of June 30, 2015, the fund had a deficit which will be considered in the calculation of contributions to be made to the Fund in future years; it is expected that deficits will be amortized over a reasonable period of 5-10 years.

Reassessment

The City is conducting a revaluation based on October 1, 2015. Vision Appraisal hired in 2014 to work with the City Assessor. Notices with preliminary and then final assessments will be sent to all property owners in January and February 2016. The Grand List will be established February 29, 2016. The equalization of the reassessment with the City's mill rate will be set during the FY 16/17 budget process.

City Investment Policy

Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes. It is the policy of the City 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. The City's investment of cash and cash equivalents consist primarily of money market investments as well as money invested in the State Short-Term Investment Fund ("STIF").

Because the Connecticut General Statutes do not specify permitted investments for municipal pension funds, the investment of pension funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. In accordance with its policy for pension fund investments, the City seeks a long-term, above-average total return consisting of capital appreciation and income, while placing an emphasis on preservation of the principal.

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, 2014. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

The City of Bridgeport has received a Certificate of Achievement in each of the last 15 years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

In addition to the award for the Financial Reporting, the Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Bridgeport, Connecticut for the Annual Budget beginning July 01, 2014.

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

We would like to acknowledge the thorough and professional manner in which our independent auditors, Blum Shapiro, conducted the audit.

In closing, the leadership and support of the Mayor and City Council has helped to ensure a professional and dedicated Finance department. Thanks to all the hard working Finance department employees who helped to ensure this audit report complete and accurate.

Respectfully submitted,

A handwritten signature in black ink that reads "Kenneth Flatto". The signature is written in a cursive style with a long horizontal stroke extending from the end of the name.

Kenneth A. Flatto
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

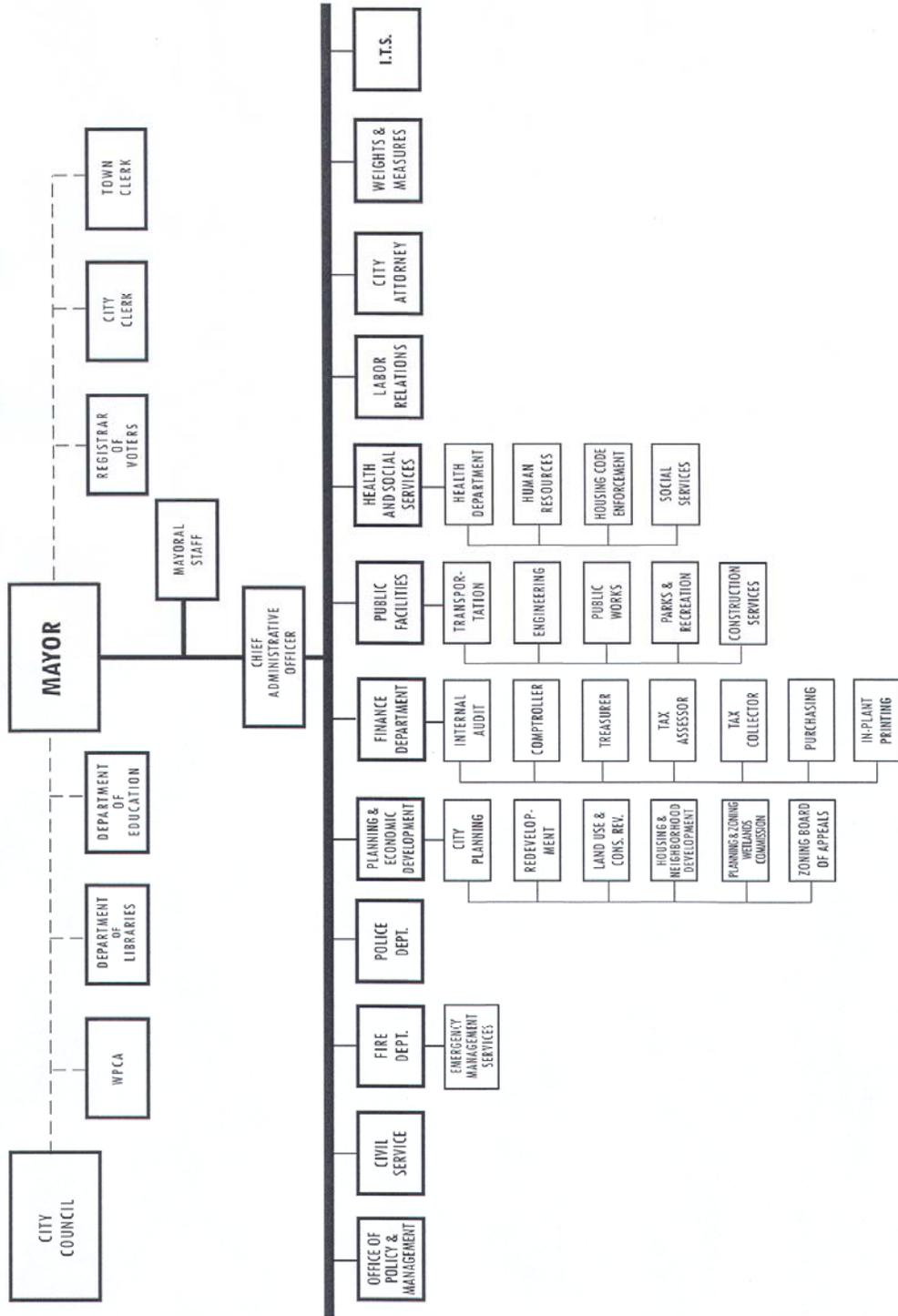
**City of Bridgeport
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITY OF BRIDGEPORT TABLE OF ORGANIZATION



CITY OF BRIDGEPORT, CONNECTICUT

LIST OF PRINCIPAL OFFICERS

<u>Office</u>	<u>Name</u>	<u>Manner of Selection and Term</u>
Mayor	Joseph P. Ganim	Elected – 4 Year Term
City Clerk	Lydia Martinez	Elected – 4 Year Term
Town Clerk	Charles Clemons	Elected – 4 Year Term
Chief Administrative Officer	John Gomes	Appointed by Mayor
Director of Finance	Kenneth Flatto	Appointed by Mayor
Treasurer/Deputy Director Of Finance	Terri Coward	Appointed by Mayor
City Attorney	R. Christopher Meyer	Appointed by Mayor
Director of Office of Policy & Management	Nestor Nkwo	Appointed by Mayor
Acting School Superintendent	Frances Rabinowitz	Board of Education

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

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

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the City of Bridgeport, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 15 to the financial statements, during the fiscal year ended June 30, 2015, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The net position of the City has been restated to recognize the net pension liability required in implementing both GASB No. 68 and GASB No. 71. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, the budgetary comparison information on pages 80 through 84, and the pension schedules on pages 85 through 96 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bridgeport, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Bridgeport, Connecticut, as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated December 27, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2014 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2014 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2014 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bridgeport, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
February 15, 2016

City of Bridgeport, Connecticut
Management's Discussion and Analysis
June 30, 2015

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, 2015. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

Financial Highlights

- ◆ On a government-wide basis, the assets of the City were slightly less than its liabilities, resulting in total net position at the close of the fiscal year of \$(50.3) million. The change from prior year is primarily due to the new effects of GASB No. 68 regarding the accounting and financial reporting for pensions. Total net position for Governmental Activities at fiscal year-end was \$(149.1) million and total net position for Business-Type Activities was \$98.8 million. The total unrestricted net deficit at June 30, 2015 was \$(776.0 million).
- ◆ On a government-wide basis, during the year, the City's net position decreased by \$40.1 million from \$(10.2) million to \$(50.3) million. Net position decreased by \$44.0 million for Governmental Activities and increased by \$3.8 million for Business-Type Activities. Government-wide expenses for governmental activities were \$771.5 million, while revenues were \$727.5 million.
- ◆ At the close of the year, the City's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$92.7 million, an increase of \$35.4 from the prior fiscal year. Of the total fund balance as of June 30, 2015, \$7.6 million represents the restricted fund balance, \$72.2 million committed or assigned and \$12.5 million unassigned in the general fund, special revenue funds, capital projects fund and permanent trust fund. The unassigned fund balance represents the positive fund balance that is available for spending at the City's discretion.
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund alone was \$13.7 million; \$13.4 million is unassigned. Available general fund, fund balance at year-end represents 2.4% of total general fund expenditures, \$552 million.
- ◆ The City's total long-term debt decreased by \$36.7 million during fiscal year 2015.

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 2006.

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 position presents information on all of the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position 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 position 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 position and statement of activities) can be found on Exhibits I and II of this report.

Fund Financial Statements

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

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

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

The City maintains 19 individual governmental funds. The General Fund, Education Grants Fund, and the Capital Projects Funds, are considered to be major funds. Information for each of the major governmental funds is provided in the balance sheet – governmental funds and statement of revenues, expenditures and changes in fund balances – governmental funds on Exhibits III and IV. Data from other governmental funds are combined into a single, aggregated presentation as Non-major Governmental Funds. Other non-major governmental funds for the City include the Health and Sanitation Fund, the Public Safety Fund, the Miscellaneous and Facility Fund, the Social Services Fund, the Community Development Block Grant Fund, the Housing Opportunities Aids Fund, the Home Program Fund, the Section 108 Loan Guarantee Fund, the Development Administration, the Library Fund, The Education Fund, the Miscellaneous Grants Fund, General Government Fund, all of which are considered Special Revenue Funds. In addition, the Conversion Capital Projects Fund is considered Capital Projects Fund. 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 Exhibit B-1 and in the combining statement of revenues, expenditures and changes in fund balance on Exhibit B-2.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the authorized budget. The schedule of revenues and other financing sources, and the schedule of expenditures and other financing used on a budgetary basis can be found on exhibits RSI 1 and RSI 2.

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-79 of this report.

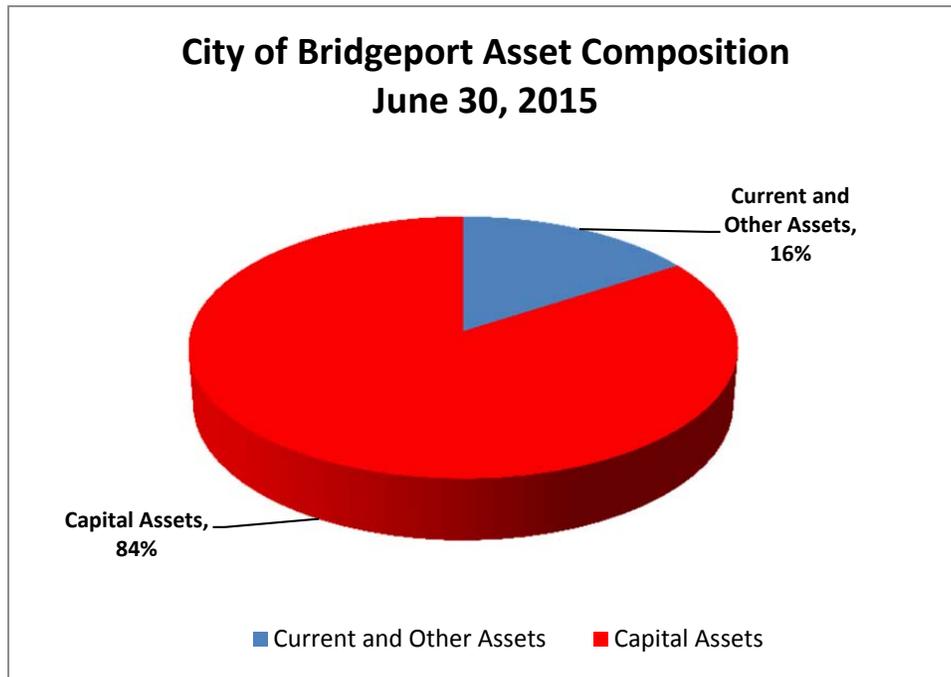
The notes to this report also contain certain information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the City's assets were slightly less than its liabilities decreased by \$50.3 million at June 30, 2015. This is a decrease of \$40.1 million from last year's net restated position of \$10.2 million. The change from prior year is primarily due to the new effects of GASB No. 68 regarding the accounting and financial reporting for pensions.

CITY OF BRIDGEPORT, CONNECTICUT NET POSITION (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014 Restated	2015	2014	2015	2014 Restated
Current and other assets	\$ 210,706	\$ 198,064	\$ 15,288	\$ 13,103	\$ 225,994	\$ 211,167
Capital assets	1,069,358	1,009,927	128,271	129,650	1,197,629	1,139,577
Total assets	<u>1,280,064</u>	<u>1,207,991</u>	<u>143,559</u>	<u>142,753</u>	<u>1,423,623</u>	<u>1,350,744</u>
Deferred outflows of resources	<u>37,533</u>	<u>25,729</u>	-	-	<u>37,533</u>	<u>25,729</u>
Other liabilities	76,310	95,426	44,778	47,748	121,088	143,174
Long-term debt outstanding	1,364,714	1,243,419	-	-	1,364,714	1,243,419
Total liabilities	<u>1,441,024</u>	<u>1,338,845</u>	<u>44,778</u>	<u>47,748</u>	<u>1,485,802</u>	<u>1,386,593</u>
Deferred inflows of resources	<u>25,664</u>	-	-	-	<u>25,664</u>	-
Net position:						
Net investment in capital assets	723,868	676,992	86,399	85,819	810,267	762,811
Restricted	3,093	3,120			3,093	3,120
Unrestricted	<u>(876,052)</u>	<u>(785,237)</u>	<u>12,382</u>	<u>9,186</u>	<u>(863,670)</u>	<u>(776,051)</u>
Total Net Position	<u>\$ (149,091)</u>	<u>\$ (105,125)</u>	<u>\$ 98,781</u>	<u>\$ 95,005</u>	<u>\$ (50,310)</u>	<u>\$ (10,120)</u>



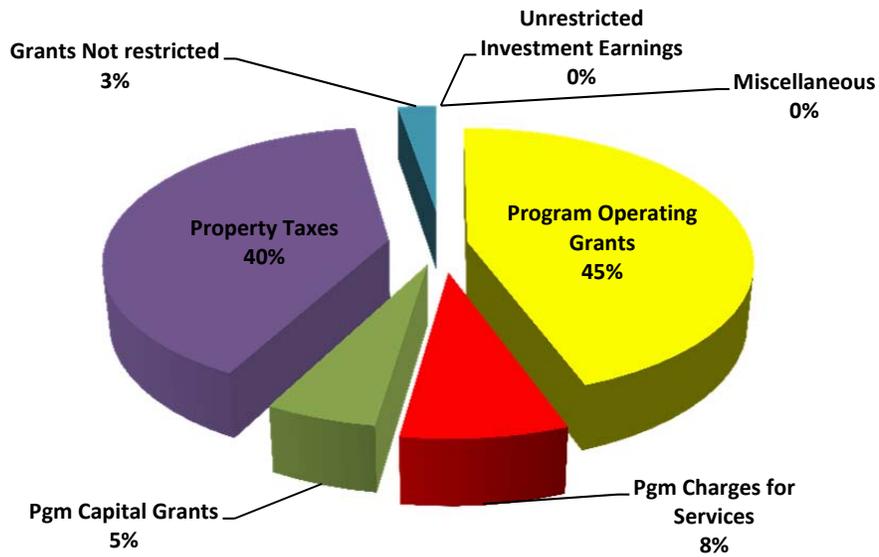
The portion of the City's net position, \$810 million, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), net of any outstanding debt related to these assets. The City uses these capital assets to provide services to citizens; consequently, these 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 position that is restricted, \$3.1 million, represents resources that are subject to external restrictions on how they may be used. Unrestricted net deficit of \$(863.7 million) 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 restatement of long-term pension liabilities as well as 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.
- ◆ The decrease in net position can primarily be explained by the decrease in noncurrent liabilities which are due in more than one year. New effects of GASB No. 68 regarding the accounting and financial reporting for pensions.

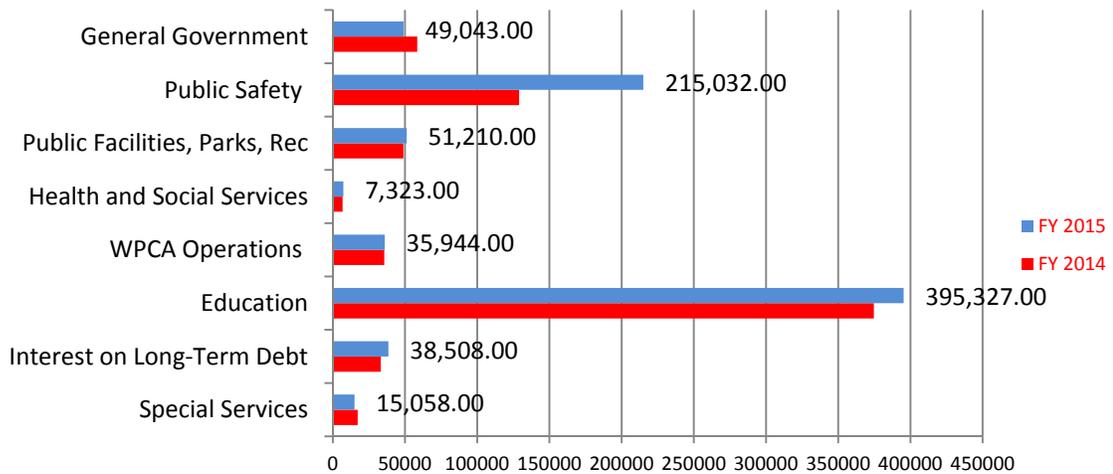
CITY OF BRIDGEPORT, CONNECTICUT
CHANGES IN NET POSITION
(In Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u> <u>Government-Wide</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for services	\$ 20,179	\$ 21,395	\$ 37,891	\$ 36,038	\$ 58,070	\$ 57,433
Operating grants and contributions	343,419	331,879			343,419	331,879
Capital grants and contributions	39,642	33,651	1,822	2,257	41,464	35,908
General revenues:						
Property taxes	303,837	296,276			303,837	296,276
Grants not restricted to specific programs	20,206	22,591			20,206	22,591
Unrestricted investment earnings	252	259	7	7	259	266
Total revenues	<u>727,535</u>	<u>706,051</u>	<u>39,720</u>	<u>38,302</u>	<u>767,255</u>	<u>744,353</u>
Expenses:						
General government	49,043	58,489			49,043	58,489
Public safety	215,032	129,070			215,032	129,070
Public facilities, parks and recreation, planning and development	51,210	48,867			51,210	48,867
Health and social services	7,323	6,732			7,323	6,732
Operations			35,944	35,625	35,944	35,625
Education	395,327	374,610			395,327	374,610
Interest on long-term debt	38,508	33,249			38,508	33,249
Special services	15,058	17,239			15,058	17,239
Total expenses	<u>771,501</u>	<u>668,256</u>	<u>35,944</u>	<u>35,625</u>	<u>807,445</u>	<u>703,881</u>
Change in net position	(43,966)	37,795	3,776	2,677	(40,190)	40,472
Net Position, beginning	<u>(105,125)</u>	198,352	<u>95,005</u>	<u>92,328</u>	<u>(10,120)</u>	290,680
Restatement		<u>(341,272)</u>				<u>(341,272)</u>
Net Position, Ending	<u>\$ (149,091)</u>	<u>\$ (105,125)</u>	<u>\$ 98,781</u>	<u>\$ 95,005</u>	<u>\$ (50,310)</u>	<u>\$ (10,120)</u>

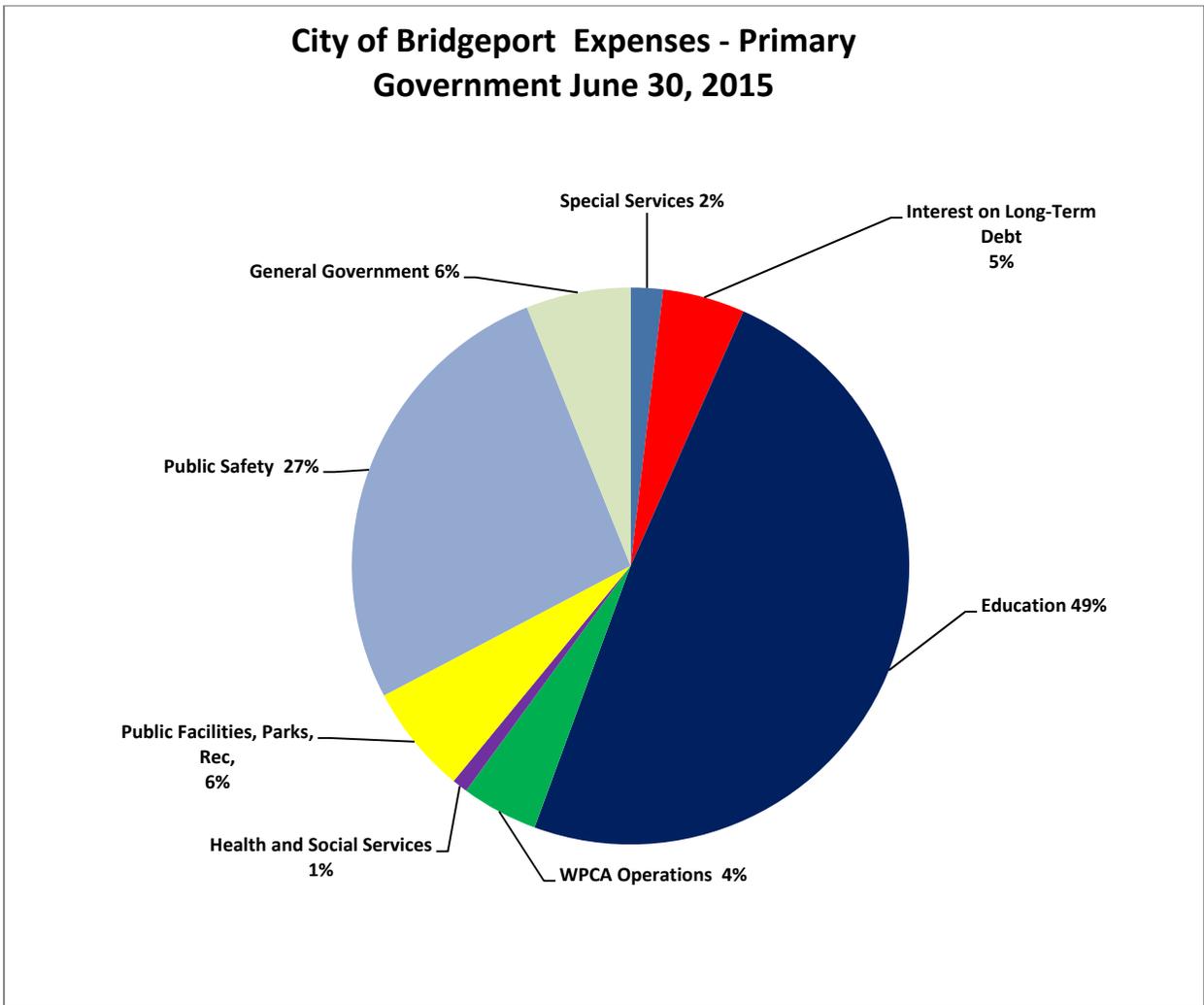
City of Bridgeport FY15 Revenues



City of Bridgeport Primary Government



City of Bridgeport Expenses - Primary Government June 30, 2015



Governmental Activities

Program revenues represented 45% of total revenues, followed by property taxes at 40%, and program capital other unrestricted grants at 8% and program charges for service at 8%.

Major revenue factors included:

- ◆ Property tax revenues recorded for fiscal year 2015 of \$303.8 million represents an increase of \$7.6 million from the prior fiscal year ended June 30, 2014.
- ◆ Program Revenue increased \$16.3 million from \$386.9 million in the prior fiscal year to \$403.2 million for the fiscal year ended June 30, 2015.

For Government-Wide Activities, 48% of the City's expenses relate to education; 17% relate to public safety; 1% relate to special services; 10% relate to interest and principal payments on long-term debt; 6% relate to public facilities, libraries and parks and recreation; 2% related to Water Pollution Control Authority operations; 5% relate to general government; and 1% relate to health and welfare.

Major expense factors include:

- ◆ During the 2014-2015 budget process, discretionary expenses held stable.
- ◆ Police, Fire and Public Facility overtime increased due to major winter storms during the year.

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, unassigned 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 \$92.7 million, an increase of \$35,434,557 from the prior year. Total General Fund balance increased \$317,645 from \$13.4 million to \$13.7 million. \$13.4 million constitutes unassigned fund balance that is available for spending at the City's discretion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned and assigned fund balance of the General Fund was \$13.7 million. As a measure of the General Fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. Total General Fund balance represents 2.4% of total General Fund expenditures.

The Capital Bond Issue Fund has a total fund balance of \$63.0 million up from \$29.5 million in the prior year. The change in fund balance can be explained by the timing of resources into and out of this fund for ongoing capital projects.

The Other Governmental Funds have a total fund balance of \$16.6 million, up from \$14.9 million in the prior year, mainly due to lower expenses in these funds.

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

Net position of the proprietary fund consisting of the Water Pollution Control Authority was \$98.8 million, as compared to \$95.0 million in the prior year.

The unrestricted net position of the Water Pollution Control Authority was \$12.4 million. The Water Pollution Control Authority experienced operating revenues of \$36.5 million from user fees. There was a total operating income for the WPCA of \$2.8 million before capital contributions of \$1.8 million. The change in net position for the fiscal year ended June 30, 2015 was \$3.8 million.

Net position of the Internal Service Fund was \$(67.9) million, as compared to \$(85.5) million in the prior year. This decrease is due to the lower accrued liability of workers' compensation and health insurance claims IBNR.

General Fund Budgetary Highlights

The City's fiscal 2015 budget was a balanced budget which kept the 1 mill rate increase for the library funding which was a voter-approved millage increase. Total expenditures and other financing use budget was \$523.6 million versus actual of \$525.2 million showing total expenditures and other financing uses higher than budget by \$1.6 million.

Over all total property taxes were more than the budgetary results for fiscal year 2015 by 2.3 million, while current tax collection rates remained strong at a 98.3%. The collection for the arrears was lower than budgetary expectations by \$1.4 million. Total revenues and other financing sources with a budgetary base of \$523.5 million showed an actual of \$525.5 resulting in actual above budgetary revenues of \$2.0 million

The City of Bridgeport's General Fund ended the FY 2014-2015 with a modest surplus of \$317,645.

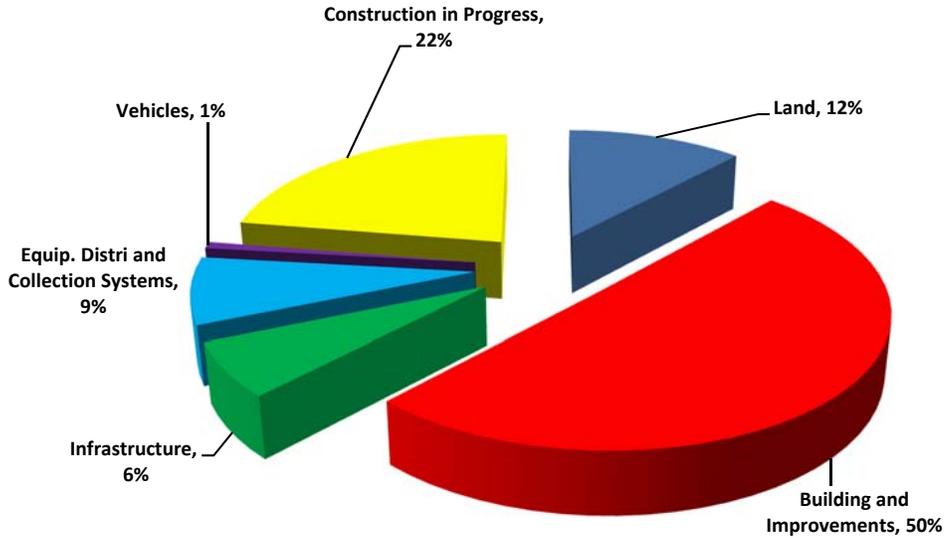
Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities, as of June 30, 2015, amounted to \$1,139.6 million, net of accumulated depreciation. This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges. The total increase in the City's investment in capital assets for the current fiscal year was \$58.0 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 142,214	\$ 142,063	\$	\$	\$ 142,214	\$ 142,063
Buildings and improvements	553,253	567,333	48,719	53,336	601,972	620,669
Infrastructure	78,450	67,006			78,450	67,006
Equipment, distribution and collection systems	36,788	35,237	60,390	61,672	97,178	96,909
Vehicles	9,210	10,573	409	332	9,619	10,905
Construction in progress	249,443	187,715	18,753	14,310	268,196	202,025
Total	\$ 1,069,358	\$ 1,009,927	\$ 128,271	\$ 129,650	\$ 1,197,629	\$ 1,139,577

**City Bridgeport Capital Assets - Primary
Government - June 30, 2015**



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

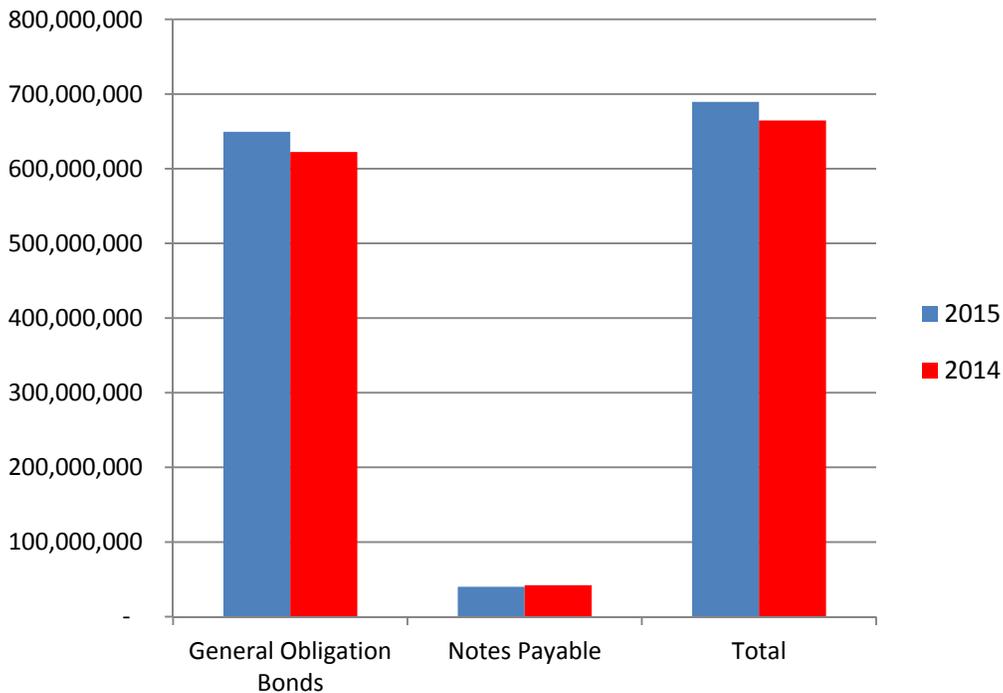
- ◆ Construction, improvements and renovations to school buildings and facilities.
- ◆ Continued rehabilitation of playgrounds and athletic fields.
- ◆ Infrastructure improvements including roads, bridges, and sanitary and sewer projects.
- ◆ Acquisition of parcels and remediation efforts for ongoing city development projects.

Additional information on the City's capital assets can be found in Note 7 of this report.

**CITY OF BRIDGEPORT, CONNECTICUT
OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds \$	645,979,133	\$ 618,715,724	\$ 3,475,867	\$ 3,679,276	\$ 649,455,000	\$ 622,395,000
Notes payable	1,826,000	2,114,000	38,276,341	40,025,053	40,102,341	42,139,053
Totals	\$ 647,805,133	\$ 620,829,724	\$ 41,752,208	\$ 43,704,329	\$ 689,557,341	\$ 664,534,053

Outstanding Debt - General Obligation and Revenue Bonds FY2015 vs FY2014



Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$715,214,321. 100% of this debt is backed by the full faith and credit of the City government. The Water Pollution Control Authority is expected to reimburse the City \$41.9 million through user fee charges.

The City's total long-term debt increased by \$34.8 million during fiscal 2015.

Moody's Investors Service, Inc. (Moody's), Standard & Poor's Rating Group (Standard & Poor's) and FitchRatings, Inc. (Fitch) have each assigned their underlying municipal bond rating of "A2", "A-", and "A", respectively, to the City. With respect to long-term debt of the City that is insured by Assured Guaranty Corp. or Assured Guaranty Municipal Corp. (formally FSA), Moody's and Standard & Poor's have each assigned their municipal bond rating of "AA3" and "AA-", respectively, with the understanding that there is an insurance policy insuring the payment when due of the principal and interest on the bonds. Fitch does not currently rate Assured Guaranty Corp. or Assured Guaranty Municipal Corp.

The overall statutory debt limit for the City is equal to seven times annual receipts from taxation or \$2.04 billion. As of June 30, 2015, the City recorded long-term debt of \$647.8 million related to Governmental Activities and \$41.8 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 8 of this report.

Economic Factors and Next Year's Budgets and Rates

The City, surrounding towns, and the State are still recuperating from the effects of the national economic downturn but all are starting to show a small improvement in their unemployment rate. As of June 30, 2015, the unemployment rate for the City of Bridgeport was 8.4%, down from 10.1% from the prior year. Connecticut's overall unemployment rate decreased to 5.6% from 8.1%, compared with the same period for the previous year.

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 999 Broad Street, CT 06604.

Basic Financial Statements

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2015**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 107,692,660	\$ 5,383,313	\$ 113,075,973
Investments	1,463,836		1,463,836
Receivables, net of allowances for collection losses:			
Property taxes	45,019,835		45,019,835
Sewer user fees and liens		9,622,799	9,622,799
Federal and state governments	46,213,244		46,213,244
Other	6,782,471	1,005,218	7,787,689
Internal balances	722,716	(722,716)	-
Other assets	2,811,540		2,811,540
Total current assets	<u>210,706,302</u>	<u>15,288,614</u>	<u>225,994,916</u>
Noncurrent:			
Capital assets not being depreciated	391,656,299	18,754,074	410,410,373
Capital assets being depreciated, net of depreciation	677,701,872	109,517,070	787,218,942
Total noncurrent assets	<u>1,069,358,171</u>	<u>128,271,144</u>	<u>1,197,629,315</u>
Total assets	<u>1,280,064,473</u>	<u>143,559,758</u>	<u>1,423,624,231</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	3,859,286		3,859,286
Changes in projected pension investment earnings	9,268,297		9,268,297
Pension contributions made subsequent to measurement date	24,404,803		24,404,803
Total deferred outflows of resources	<u>37,532,386</u>	<u>-</u>	<u>37,532,386</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	52,754,871	2,906,479	55,661,350
Due to fiduciary funds	2,230,124		2,230,124
Unearned revenue	5,302,011		5,302,011
Accrued interest payable	16,023,203		16,023,203
Current maturities of long-term obligations	65,876,643	5,757,051	71,633,694
Total current liabilities	<u>142,186,852</u>	<u>8,663,530</u>	<u>150,850,382</u>
Noncurrent liabilities:			
Due in more than one year	1,298,837,302	36,114,672	1,334,951,974
Total liabilities	<u>1,441,024,154</u>	<u>44,778,202</u>	<u>1,485,802,356</u>
Deferred Inflows of Resources:			
Changes in projected pension investment earnings	25,664,428		25,664,428
Total deferred inflows of resources	<u>25,664,428</u>	<u>-</u>	<u>25,664,428</u>
Net Position:			
Net investment in capital assets	723,867,957	86,399,421	810,267,378
Restricted for:			
Permanent funds, expendable	108,768		108,768
Permanent funds, nonexpendable	522,287		522,287
Self-insured claims	2,461,540		2,461,540
Unrestricted	(876,052,275)	12,382,135	(863,670,140)
Total Net Position	<u>\$ (149,091,723)</u>	<u>\$ 98,781,556</u>	<u>\$ (50,310,167)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ (49,042,611)	\$ 3,930,371	\$ 420,791	\$	\$ (44,691,449)	\$	\$ (44,691,449)
Public safety	(215,031,986)	5,604,016	43,870		(209,384,100)		(209,384,100)
Public facilities, parks and recreation	(46,823,535)	4,267,986	11,990,437	1,756,685	(28,808,427)		(28,808,427)
Planning and economic development	(4,385,793)	5,974,668	8,558,403		10,147,278		10,147,278
Health and social services	(7,322,735)	750,404	2,217,947		(4,354,384)		(4,354,384)
Education	(395,326,952)	787,178	310,324,708	37,877,509	(46,337,557)		(46,337,557)
Special services	(15,057,650)	(1,135,968)	8,573,446	7,799	(7,612,373)		(7,612,373)
Interest on long-term debt	(38,508,401)		1,289,418		(37,218,983)		(37,218,983)
Total governmental activities	(771,499,663)	20,178,655	343,419,020	39,641,993	(368,259,995)	-	(368,259,995)
Business-type activities:							
Water Pollution Control Authority	(35,943,716)	37,891,428		1,821,809		3,769,521	3,769,521
Total	\$ (807,443,379)	\$ 58,070,083	\$ 343,419,020	\$ 41,463,802	(368,259,995)	3,769,521	(364,490,474)
General revenues:							
Property taxes					303,836,495		303,836,495
Grants and contributions not restricted to specific programs					20,206,133		20,206,133
Unrestricted investment earnings					251,486	6,929	258,415
Total general revenues					324,294,114	6,929	324,301,043
Change in net position					(43,965,881)	3,776,450	(40,189,431)
Net Position, Beginning of Year, as Restated					(105,125,842)	95,005,106	(10,120,736)
Net Position, End of Year					\$ (149,091,723)	\$ 98,781,556	\$ (50,310,167)

The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>General</u>	<u>Education Grants</u>	<u>Capital Bond Issue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 26,753,392	\$ 2,132,977	\$ 68,645,106	\$ 9,058,827	\$ 106,590,302
Investments				1,463,836	1,463,836
Receivables, net:					
Property taxes	45,019,835				45,019,835
Intergovernmental	29,143,884	4,884,305	5,236,202	10,395,317	49,659,708
Other	2,701,449		28,036	606,522	3,336,007
Due from other funds	9,374,922	260,400	198,745	4,529,141	14,363,208
Other assets	350,000				350,000
Total Assets	<u>\$ 113,343,482</u>	<u>\$ 7,277,682</u>	<u>\$ 74,108,089</u>	<u>\$ 26,053,643</u>	<u>\$ 220,782,896</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 18,201,047	\$ 3,627,929	\$ 10,810,502	\$ 2,445,682	\$ 35,085,160
Accrued payroll liabilities	15,981,125	453,154		49,844	16,484,123
Due to other funds	14,849,261	1,503,685	315,203	5,038,347	21,706,496
Unearned revenues	1,049,664	2,296,569		1,955,778	5,302,011
Total liabilities	<u>50,081,097</u>	<u>7,881,337</u>	<u>11,125,705</u>	<u>9,489,651</u>	<u>78,577,790</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	44,458,367				44,458,367
Unavailable revenue - school construction	5,090,557				5,090,557
Total deferred inflows of resources	<u>49,548,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,548,924</u>
Fund Balances:					
Nonspendable	350,000				350,000
Restricted				7,578,873	7,578,873
Committed			62,982,384	9,268,574	72,250,958
Unassigned	13,363,461	(603,655)		(283,455)	12,476,351
Total fund balances	<u>13,713,461</u>	<u>(603,655)</u>	<u>62,982,384</u>	<u>16,563,992</u>	<u>92,656,182</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 113,343,482</u>	<u>\$ 7,277,682</u>	<u>\$ 74,108,089</u>	<u>\$ 26,053,643</u>	<u>\$ 220,782,896</u>

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2015

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

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

Fund balances - total governmental funds	\$ 92,656,182
--	---------------

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 1,439,045,771	
Less accumulated depreciation	<u>(369,687,600)</u>	
Net capital assets		1,069,358,171

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

Property tax receivables greater than 60 days	21,972,730
Interest receivable on property taxes	22,485,637
Receivable from the state for school construction projects	5,090,557
Deferred outflows - changes in projected pension investment earnings	9,268,297
Deferred outflows - Pension contributions made subsequent to measurement date	24,404,803

Internal service funds are used by management to charge the costs of
risk management to individual funds. The assets and liabilities of
the internal service funds are reported with governmental activities
in the statement of net position. (67,935,787)

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

Bonds and notes payable	(647,805,133)
Bond issuance premiums	(25,537,465)
Deferred amounts for refunding	3,859,286
Compensated absences	(29,554,216)
Landfill closure	(54,946)
OPEB obligation	(208,938,006)
Net pension obligation	(376,674,202)
Interest payable on bonds and notes	(16,023,203)
Deferred inflows - changes in projected pension investment earnings	<u>(25,664,428)</u>

Net Position of Governmental Activities (Exhibit I)	\$ <u><u>(149,091,723)</u></u>
---	--------------------------------

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>Education Grants</u>	<u>Capital Bond Issue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 297,658,389	\$	\$	\$	\$ 297,658,389
Intergovernmental	232,665,443	102,712,108	48,924,588	17,470,175	401,772,314
Fees, permits and licenses	19,169,677				19,169,677
Interest	33,020		173,850	44,616	251,486
Other	2,767,483		105,547	1,358,005	4,231,035
Total revenues	<u>552,294,012</u>	<u>102,712,108</u>	<u>49,203,985</u>	<u>18,872,796</u>	<u>723,082,901</u>
Expenditures:					
Current:					
General government	35,023,655			36,382	35,060,037
Public safety	126,909,760				126,909,760
Public facilities	38,734,364				38,734,364
Planning and economic development	4,063,198				4,063,198
Health and social services	4,975,373			1,859,003	6,834,376
Libraries	5,998,417			434,080	6,432,497
Education	264,104,051	102,712,108		1,917	366,818,076
Special services	233,108			14,789,128	15,022,236
Debt service:					
Principal retirements	38,379,591				38,379,591
Interest and other charges	33,797,961		5,380,344		39,178,305
Capital outlay			86,814,928		86,814,928
Total expenditures	<u>552,219,478</u>	<u>102,712,108</u>	<u>92,195,272</u>	<u>17,120,510</u>	<u>764,247,368</u>
Excess (Deficiency) of Revenues over Expenditures	<u>74,534</u>	<u>-</u>	<u>(42,991,287)</u>	<u>1,752,286</u>	<u>(41,164,467)</u>
Other Financing Sources (Uses):					
Transfers in	500,000		676,794	558,839	1,735,633
Transfers out	(558,839)		(500,000)	(676,794)	(1,735,633)
Bonds issued			66,580,000		66,580,000
Bond refunding issue	32,435,000				32,435,000
Premium on bonds issued	2,963,433		9,717,074		12,680,507
Payment to escrow agent	(35,096,483)				(35,096,483)
Total other financing sources (uses)	<u>243,111</u>	<u>-</u>	<u>76,473,868</u>	<u>(117,955)</u>	<u>76,599,024</u>
Net Change in Fund Balances	317,645	-	33,482,581	1,634,331	35,434,557
Fund Balances at Beginning of Year	<u>13,395,816</u>	<u>(603,655)</u>	<u>29,499,803</u>	<u>14,929,661</u>	<u>57,221,625</u>
Fund Balances at End of Year	<u>\$ 13,713,461</u>	<u>\$ (603,655)</u>	<u>\$ 62,982,384</u>	<u>\$ 16,563,992</u>	<u>\$ 92,656,182</u>

(Continued on next page)

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 35,434,557
---	---------------

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	87,897,911
Depreciation expense	(28,466,693)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	1,417,525
Property tax interest and lien revenue - accrual basis change	4,575,884
School building grant receipts	(1,542,527)
Deferred outflows - changes in projected pension investment earnings	9,268,297
Deferred outflows - Pension contributions made subsequent to measurement date	2,269,262

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

General obligation bonds issued	(66,580,000)
Refunding bonds issued	(32,435,000)
Bond and note principal payments	38,379,591
Payments to refunding bond escrow agent	35,096,483
SDE loan change	1,500,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Change in unamortized issuance premiums	(9,742,265)
Change in deferred amounts on refunding	(1,169,917)
Compensated absences	(748,565)
Landfill post closure care	24,806
OPEB obligation	(38,953,956)
Net pension liability	(71,010,063)
Accrued interest	(1,098,421)
Deferred inflows - changes in projected pension investment earnings	(25,664,428)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

<u>17,581,638</u>

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (43,965,881)</u>
--	------------------------

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
Assets:		
Current:		
Cash and cash equivalents	\$ 5,383,313	\$ 1,102,358
Receivables, net		
Unbilled usage charges	9,622,799	
Other receivables	1,005,218	
Due from other funds		7,626,941
Prepaid asset		2,461,540
Total current assets	<u>16,011,330</u>	<u>11,190,839</u>
Noncurrent:		
Capital assets not being depreciated	18,754,074	
Capital assets being depreciated, net of accumulated depreciation	<u>109,517,070</u>	
Total noncurrent assets	<u>128,271,144</u>	<u>-</u>
Total assets	<u>144,282,474</u>	<u>11,190,839</u>
Liabilities:		
Current:		
Current portion of long-term debt	5,757,051	
Accounts payable and accrued expenses	2,422,657	1,185,588
Accrued interest payable	351,772	
Construction contracts payable	132,050	
Due to other funds	722,716	1,791,061
Claims payable - current portion		17,250,035
Total current liabilities	<u>9,386,246</u>	<u>20,226,684</u>
Noncurrent:		
Claims payable - noncurrent portion		58,899,942
Long-term debt less current portion	<u>36,114,672</u>	
Total noncurrent liabilities	<u>36,114,672</u>	<u>58,899,942</u>
Total liabilities	<u>45,500,918</u>	<u>79,126,626</u>
Net Position:		
Net invested in capital assets	86,399,421	
Restricted for self-insured claims		2,461,540
Unrestricted	<u>12,382,135</u>	<u>(70,397,327)</u>
Total Net Position	<u>\$ 98,781,556</u>	<u>\$ (67,935,787)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Operating revenues:		
Sewer user fees	\$ 36,498,091	\$
Other operating income	1,393,337	
Charges for services		103,888,445
Total operating revenues	<u>37,891,428</u>	<u>103,888,445</u>
Operating expenses:		
Operation and maintenance	28,264,453	
Depreciation	6,868,130	
Claims		86,306,807
Total operating expenses	<u>35,132,583</u>	<u>86,306,807</u>
Operating income	<u>2,758,845</u>	<u>17,581,638</u>
Nonoperating revenue (expense):		
Interest income	6,929	
Interest expense	<u>(811,133)</u>	
Total nonoperating expense	<u>(804,204)</u>	<u>-</u>
Income before capital contributions	1,954,641	17,581,638
Capital contributions	<u>1,821,809</u>	<u>-</u>
Change in Net Position	3,776,450	17,581,638
Net Position, Beginning of Year	<u>95,005,106</u>	<u>(85,517,425)</u>
Net Position, End of Year	<u>\$ 98,781,556</u>	<u>\$ (67,935,787)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>	<u>Governmental Activities</u> <u>Internal Service Fund</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 37,736,597	\$
Payments to suppliers	(27,424,722)	
Payments to employees	(967,962)	
Cash received for interfund services used		6,567,531
Cash paid for interfund services used	(190,464)	
Cash received from charges for services		103,888,445
Cash paid to vendors and beneficiaries		(110,446,048)
Net cash provided by operating activities	<u>9,153,449</u>	<u>9,928</u>
Cash flows from capital and related financing activities:		
Principal payments on debt	(5,415,220)	
Interest paid on debt	(659,668)	
Proceeds from notes payable	3,463,099	
Proceeds received on capital grants	1,821,809	
Purchase of capital assets	(6,530,111)	
Net cash used in capital and related financing activities	<u>(7,320,091)</u>	<u>-</u>
Cash flows from investing activities:		
Interest received on investments	6,929	
Net cash provided by investing activities	<u>6,929</u>	<u>-</u>
Net increase in cash and cash equivalents	1,840,287	9,928
Cash and cash equivalents at beginning of year	<u>3,543,026</u>	<u>1,092,430</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,383,313</u>	<u>\$ 1,102,358</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 2,758,845	\$ 17,581,638
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	6,868,130	
(Increase) decrease in accounts receivable and unbilled usage charges	(5,709)	
(Increase) decrease in other receivables	(281,237)	
Increase (decrease) in provision for uncollectible accounts	132,115	
(Increase) decrease in due to (from) other funds	(190,464)	6,567,531
Increase (decrease) in accounts payable and accrued expenses	(128,231)	470,860
Increase (decrease) in claims payable		(24,610,101)
Net Cash Provided by Operating Activities	<u>\$ 9,153,449</u>	<u>\$ 9,928</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
Assets:		
Cash and cash equivalents	\$ 4,527,859	\$ 583,397
Investments:		
Certificates of deposit	254,535	
U.S. Government agency obligation	11,272,075	
U.S. Government security obligations	10,901,372	
Corporate bonds	11,373,091	
Common stocks	92,872,246	
Private hedge fund	6,117,360	
Mutual funds - equities	43,752,387	
Alternative investments	14,013,619	
Total investments	<u>190,556,685</u>	<u>-</u>
Due from other funds	2,230,124	
Contributions receivable	<u>126,895</u>	<u>-</u>
Total assets	<u>197,441,563</u>	<u>\$ 583,397</u>
Liabilities:		
Due to student groups		<u>\$ 583,397</u>
Net Position Held in Trust for Pension Benefits	<u>\$ 197,441,563</u>	

The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Pension Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 12,269,094
Plan members	56,702
Annuity proceeds	791,042
Total contributions	<u>13,116,838</u>
Investment income:	
Net appreciation in fair value of investments	(946,582)
Interest and dividends	4,185,718
	<u>3,239,136</u>
Less investment expenses:	
Investment management fees	<u>(1,090,445)</u>
Net investment income	<u>2,148,691</u>
Total additions	<u>15,265,529</u>
Deductions:	
Benefits	41,502,536
Administration	310,036
Total deductions	<u>41,812,572</u>
Change in Net Position	(26,547,043)
Net Position, Beginning of Year	<u>223,988,606</u>
Net Position, End of Year	<u>\$ 197,441,563</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the Codification, Section 2100, have been considered, and, as a result, there are no agencies or entities that should be, but are not, combined with the basic financial statements of the City.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for Agency Funds, which have no measurement focus. 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.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, except for debt service expenditures and expenditures related to compensated absences which are recorded only when payment is due (matured).

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

The City reports the following major governmental funds.

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

The Education Grants Fund accounts for U.S. Department of Education grants as well as local grants relating to education.

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

The Agency Fund accounts for monies held as a custodian for outside groups.

The Internal Service Fund accounts for the revenues and related expenses for the health, workers compensation and heart and hypertension self-insurance plan for the employees and retirees of the City.

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

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

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

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. 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.

E. Investments

Investments are primarily stated at fair value using quoted market prices.

F. 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.

G. 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 \$811,133. Of this amount, \$160,439 was included as part of the cost of capital assets under construction in connection with wastewater treatment facilities' construction projects.

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

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

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

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pensions in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). For governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and long-term school construction receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. Claims and Judgments

This liability relates to the City's self-insurance programs. 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. This liability is paid out of the Internal Service Fund.

J. 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.

K. 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 position. Bond premiums and discounts 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

L. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

M. Net OPEB Obligations

The net OPEB obligation represents the cumulative difference between the annual OPEB cost and the City's contributions to the plans. These amounts are calculated on an actuarial basis and are recorded as noncurrent assets and/or noncurrent liabilities, accordingly, in the government-wide financial statements.

N. Fund Equity and Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position

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 Position

This category represents the amount not restricted for any project or other purpose or the deficiency that will need to be provided for from future operations.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (City Council). Amounts remain committed until action is taken by the City Council (resolution) to remove or revise the limitations.

Assigned Fund Balance

This represents amounts constrained for the intent to be used for a specific purpose by City Council, which has been delegated authority to assign amounts by the City Charter.

Unassigned Fund Balance

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

O. 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 either restricted, committed or assigned fund balance depending on the level of restriction, as they do not constitute expenditures or liabilities.

P. 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.

2. BUDGETS AND BUDGETARY ACCOUNTING

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

Mayor Recommended Preparation

City departments begin preparation and documentation processes for the budget in January. The Office of Policy & Management reviews all submitted department requested documents, verifies contractual obligation thresholds, calculates all formula-driven data, and presents a draft budget to the Mayor and selected staff. In accordance with the City Charter, Chapter 9, Section 5(c) the Mayor, no later than the first Tuesday in April of each year, must present to the City Council a proposed budget for the ensuing fiscal year as prescribed in that same section.

City Council Process

The City Council's Budget and Appropriations Committee, under City Council rules, will set a schedule for budget deliberations and in accordance with City Charter, shall hold at least one public hearing before taking final action on the proposed budget and mill rate. The City Council Budgets & Appropriations Committee reports its changes to the Council as a whole in the form of a budget amendment resolution. The City Council has the power to reduce or delete any item in the budget recommended by the Mayor by a majority vote of the council members present and voting. It shall have the power to increase any item in said budget or add new items to said budget only on a two-thirds (2/3) affirmative vote of the entire membership of the council. The budget adopted by the City Council shall be submitted to the Mayor not later than the second Tuesday in May of each year. The Mayor shall sign the adopted budget or within fourteen days after adoption of the budget, the Mayor may veto any action taken by the City Council. The veto power of the Mayor shall be that of line item veto only, and any such veto may be overridden by a two-thirds (2/3) vote of the entire membership of the City Council. If the Mayor shall disapprove any action of the City Council, he shall, no later than the close of business of the fourteenth day, return the proposed budget to the City Council with a statement of objections. Thereupon, the President of the City Council shall call a meeting to be held no later than seven days after the receipt of the Mayor's veto. If the City Council fails to adopt a budget by the second Tuesday in May of any year, the proposed budget of the Mayor shall become the budget of the City for the ensuing year.

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

General governmental revenues and expenditures accounted for in the General Fund are controlled by formal integrated budgetary accounting systems in accordance with various legal requirements which govern the City's operations. The City is required to adopt a budget for its General Fund. The City is not required to prepare budgets for special revenue, capital project, proprietary and trust funds. Accordingly, the budget and actual comparisons are only presented for the General Fund.

For financial statement comparisons, budgetary results have been reconciled to GAAP. Budgeted amounts are as originally adopted or as amended by the City Council. Supplemental budget amendments totaling \$700,000 were made to the adopted fiscal year 2015 General Fund budget to increase total appropriations.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

During the year ended June 30, 2015, the following line items had overexpended appropriations:

	<u>Final Appropriation</u>	<u>Expenditures, Encumbrances and Other Financing Uses</u>	<u>Balance Overexpended</u>
Mayor's office	\$ 988,992	\$ 1,020,966	\$ 31,974
Registrars of voters	688,293	732,990	44,697
City attorney	4,475,813	4,579,666	103,853
Police department	90,806,428	91,026,763	220,335
Fire department	58,142,628	62,183,010	4,040,382
Weights and measures	134,166	150,236	16,070
Emergency operation center	5,338,873	5,742,112	403,239
Roadway	3,690,064	4,282,276	592,212
Sanitation	5,661,041	6,054,906	393,865
Recreation	928,257	988,261	60,004
Department of aging	527,671	528,470	799
Zoo	1,449,956	1,456,180	6,224
Communicable disease clinic	471,728	473,328	1,600
Environmental health	823,525	844,892	21,367
Human service administration	95,215	101,341	6,126
Supportive contributions	495,275	507,607	12,332
Food services	14,046,472	14,095,810	49,338

Special Revenue Funds

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

Capital Projects Fund

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

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Deficit Fund Equity

Fund balance and net position deficits existed as of June 30, 2015 in the following funds:

Special Revenue Fund:		
Education Grants	\$	603,655
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Community Development Block Grant		237,837
Social Services		45,618
Proprietary Funds:		
Internal Service Fund		67,935,787

The City anticipates eliminating the fund deficits through future grants and revenues. The Education Grants fund deficit will be funded by the Board of Education through transfers from the operating budget.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

**CITY OF BRIDGEPORT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$96,706,108 of the City’s bank balance of \$99,289,507 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 86,835,497
Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name	<u>9,870,611</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 96,706,108</u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2015 the City’s cash equivalents amounted to \$29,559,597. The following table provides a summary of the City’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard & Poor’s</u>
State Short-Term Investment Fund (STIF)	AAAm
People’s Securities*	
UBS*	
Raymond James*	
Dain Rauscher*	
Wright Investors*	
Merrill Lynch*	
JP Morgan Chase*	
Morgan Stanley*	

*Not rated

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

B. Investments

The investment and credit risk policies of the City conform to the policies as set forth by the State of Connecticut. The City policy allows investments in the pension funds in the following: 1) equity securities, including exchange-traded and over-the-counter common and preferred stocks, warrants, rights, convertible securities, depository receipts and shares, trust certificates, limited partnership interests, shares of other investment companies and real estate investment trusts and equity participations; 2) securities of certain foreign entities and securities quoted or denominated in foreign currencies; 3) fixed income securities, including bonds, notes, mortgage-related and asset-backed securities, CMOs, convertible securities, Eurodollar and Yankee dollar instruments, preferred stocks and money market instruments subject to approved issuance requirements and credit and diversification restrictions; 4)* fixed income securities that are within approved credit ratings; 5)* unrated securities of the U.S. Treasury and U.S. Government Agencies are permitted; 6)* money market funds and money market instruments of an investment grade commonly held in money market funds such as repurchase agreements, bankers' acceptances, and commercial paper; 7)* SEC registered mutual funds and bank and insurance company commingled funds that invest in stocks and bonds; 8)* closed end SEC registered mutual funds that invest within the overall policy of allowable investments; 9) real estate properties determined to be appropriate for investment, including appropriate limited partnerships and real estate investment trusts; 10) futures contracts only when used by the fund as a hedge against portfolio loss, or if used by an equity index fund as a temporary substitute for investment in equity securities, or if used by a debt index fund as a temporary substitute for investment in debt securities; and 11) notwithstanding other limitations included herein, assets may be invested in certain hedge fund investments subject to the guidelines set forth in the Supplemental Investment Policy Statement for Hedge Fund Investments that may be adopted by the Trustees. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund.

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

The pension fund asset allocation parameters are explained in more detail in Note 11.

Interest Rate Risk

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

Concentrations

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

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) in a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City and the pension funds do not have a custodial credit risk policy for investments.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Investments of the City consist of the following at June 30, 2015:

Investments:	
Permanent Trust Fund:	
U.S. Government Securities	\$ <u>425,028</u> *
Special Revenue Fund:	
U.S. Government Securities	<u>1,038,808</u> *
Pension Trust Funds:	
Certificate of Deposit	254,535
U.S. Government Agencies	11,272,075 *
Corporate Bonds	11,373,091 *
U.S. Government Securities	10,901,372 *
Alternative Investments	14,013,619 *
Common and Preferred Stocks	92,872,246 *
Mutual Funds	43,752,387
Private Hedge Fund	<u>6,117,360</u>
Total Pension Trust Funds	<u>190,556,685</u>
Total Investments	\$ <u><u>192,020,521</u></u>

* These investments are uninsured and unregistered, with securities held by the counterparty's trust department or agent, but not in the City's name.

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

Statement of net position:	
Cash and cash equivalents	\$ 113,075,973
Investments	<u>1,463,836</u>
	<u>114,539,809</u>
Fiduciary funds:	
Cash and cash equivalents	5,111,256
Investments	<u>190,556,685</u>
	<u>195,667,941</u>
Total Cash, Cash Equivalents and Investments	\$ <u><u>310,207,750</u></u>

Interest Rate Risk

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the exposure of the City's debt type investments to this risk using the segmented time distribution model is as follows:

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-10 Years</u>	<u>Over 10 Years</u>
Type of Investment:				
Certificate of Deposit	\$ 254,535	\$	\$ 254,535	\$
U.S. Government Securities	12,365,208	2,040,102	5,254,294	5,070,812
U.S. Government Agencies	11,272,075	1,462,451	9,011,093	798,531
Corporate Bonds	<u>11,373,091</u>	<u>2,070,276</u>	<u>8,594,935</u>	<u>707,880</u>
Total	<u>\$ 35,264,909</u>	<u>\$ 5,572,829</u>	<u>\$ 23,114,857</u>	<u>\$ 6,577,223</u>

Credit Risk

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

<u>Average Rating</u>	<u>Corporate Bonds</u>	<u>U.S. Government Agency Obligation</u>	<u>Certificate of Deposit</u>
Aaa	\$	\$ 15,680,739	\$
Aa2	18,431		
Aa3	231,997		
A1	3,376,298	384,855	
A2	2,571,997		
A3	1,646,909	625,466	
Baa1	1,392,680	1,233,309	
Baa2	965,066	718,951	
Baa3	501,494	394,301	
Ba1		429,433	
Ba2		620,100	
Ba3	506,195		
B1		239,994	
Caa2		25,621	
Caa3		245,683	
Ca		125,808	
C		31,107	
Unrated	<u>162,024</u>	<u>2,881,916</u>	<u>254,535</u>
	<u>\$ 11,373,091</u>	<u>\$ 23,637,283</u>	<u>\$ 254,535</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

4. RECEIVABLES - FUND BASIS

Receivables at June 30, 2015 for the City's individual major funds and nonmajor and fiduciary funds in aggregate, including the applicable allowances for collection losses, are as follows:

	<u>General</u>	<u>Education Grants</u>	<u>Capital Bond Issue</u>	<u>Enterprise</u>	<u>Nonmajor and Other Funds</u>	<u>Totals</u>
Property taxes	\$ 47,546,275	\$	\$	\$	\$	\$ 47,546,275
Interest on property taxes	22,485,637					22,485,637
Contributions					126,895	126,895
Sewer user fees				14,797,424		14,797,424
Intergovernmental	29,143,884	4,884,305	5,236,202		10,395,317	49,659,708
Other	<u>2,701,449</u>		<u>28,036</u>	<u>1,005,218</u>	<u>606,522</u>	<u>4,341,225</u>
Gross receivables	101,877,245	4,884,305	5,264,238	15,802,642	11,128,734	138,957,164
Less allowance for collection losses	<u>25,012,077</u>			<u>5,174,625</u>		<u>30,186,702</u>
Net Receivables	<u>\$ 76,865,168</u>	<u>\$ 4,884,305</u>	<u>\$ 5,264,238</u>	<u>\$ 10,628,017</u>	<u>\$ 11,128,734</u>	<u>\$ 108,770,462</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

5. INTERFUND ACCOUNTS

As of June 30, 2015, amounts due from and to other funds were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 9,374,922	\$ 14,849,261
Education grants	<u>260,400</u>	<u>1,503,685</u>
Capital Bond Issue Fund	<u>198,745</u>	<u>315,203</u>
Special revenue funds:		
Health and sanitation	249,015	
Public safety	690,729	
Facility and miscellaneous	632,876	653,035
Social services	396,514	202,315
Community Development Block Grant		1,337,956
Housing Opportunities AIDS		737,842
HOME Program	25,246	583,200
Section 108 Loan Guarantee		743,882
Development administration state grant	4,130	1,664,843
Library	2,421	
Library operations	2,687,526	
Miscellaneous grants	58,174	
General government	<u>273,833</u>	
Total special revenue funds	<u>5,020,464</u>	<u>5,923,073</u>
Capital projects funds:		
Conversion capital projects	<u>392,635</u>	
Permanent trust funds:		
Education	<u>768</u>	
Enterprise funds:		
WPCA		<u>722,716</u>
Pension trust funds:		
Public Safety Plan A	<u>2,230,124</u>	
Internal service fund:		
City health insurance	<u>7,626,941</u>	<u>1,791,061</u>
Nonmajor governmental fund elimination	<u>(884,726)</u>	<u>(884,726)</u>
Total	<u>\$ 24,220,273</u>	<u>\$ 24,220,273</u>

**CITY OF BRIDGEPORT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

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

Interfund transfers during the year ended June 30, 2015 were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Capital Bond Issue	\$ 500,000
Library Operating Fund	General Fund	558,839
Capital Bond Issue	Nonmajor Governmental Funds	<u>676,794</u>
	Total	<u>\$ 1,735,633</u>

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

6. BULK LIEN SALES

During the year ended June 30, 2015, the City executed a bulk sale of property tax liens and collected proceeds of \$8,204,855. 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.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposal/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 142,063,093	\$ 151,275	\$	\$ 142,214,368
Construction in progress	187,714,453	75,416,624	(13,689,146)	249,441,931
Total capital assets not being depreciated	<u>329,777,546</u>	<u>75,567,899</u>	<u>(13,689,146)</u>	<u>391,656,299</u>
Capital assets being depreciated:				
Buildings and improvements	750,160,505	2,100,798		752,261,303
Machinery and equipment	62,468,305	6,196,213		68,664,518
Infrastructure	161,135,323	16,820,498		177,955,821
Vehicles	48,070,227	901,649	(464,046)	48,507,830
Total capital assets being depreciated	<u>1,021,834,360</u>	<u>26,019,158</u>	<u>(464,046)</u>	<u>1,047,389,472</u>
Less accumulated depreciation for:				
Buildings and improvements	182,826,596	16,180,007		199,006,603
Machinery and equipment	27,231,433	4,645,562		31,876,995
Infrastructure	94,129,163	5,377,120		99,506,283
Vehicles	37,497,761	2,264,004	(464,046)	39,297,719
Total accumulated depreciation	<u>341,684,953</u>	<u>28,466,693</u>	<u>(464,046)</u>	<u>369,687,600</u>
Total capital assets being depreciated, net	<u>680,149,407</u>	<u>(2,447,535)</u>	<u>-</u>	<u>677,701,872</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,009,926,953</u>	<u>\$ 73,120,364</u>	<u>\$ (13,689,146)</u>	<u>\$ 1,069,358,171</u>
	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Disposals/ Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 14,310,154	\$ 4,443,920	\$	\$ 18,754,074
Capital assets being depreciated:				
Buildings and improvements	115,322,751	11,969	(152,728)	115,181,992
Machinery and equipment	18,555,605	206,590	(5,242,724)	13,519,471
Distribution and collection systems	76,405,557	704,543		77,110,100
Vehicles	2,938,995	213,108	(424,822)	2,727,281
Total capital assets being depreciated	<u>213,222,908</u>	<u>1,136,210</u>	<u>(5,820,274)</u>	<u>208,538,844</u>
Less accumulated depreciation for:				
Buildings and improvements	61,986,440	4,616,698	(139,820)	66,463,318
Machinery and equipment	12,651,213	1,008,454	(5,164,379)	8,495,288
Distribution and collection systems	20,637,607	1,106,953		21,744,560
Vehicles	2,607,405	136,025	(424,822)	2,318,608
Total accumulated depreciation	<u>97,882,665</u>	<u>6,868,130</u>	<u>(5,729,021)</u>	<u>99,021,774</u>
Total capital assets being depreciated, net	<u>115,340,243</u>	<u>(5,731,920)</u>	<u>(91,253)</u>	<u>109,517,070</u>
Business-Type Activities Capital Assets, Net	<u>\$ 129,650,397</u>	<u>\$ (1,288,000)</u>	<u>\$ (91,253)</u>	<u>\$ 128,271,144</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

Governmental Activities:	
General government	\$ 4,367,416
Public safety	2,532,268
Public facilities, parks and recreation	7,382,100
Health and social services	7,484
Libraries	259,378
Education	<u>13,918,047</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>28,466,693</u></u>
 Business-Type Activities:	
WPCA	<u>\$ 6,868,130</u>

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds and notes payable:					
General obligation bonds	\$ 618,715,724	\$ 99,015,000	\$ 71,751,591	\$ 645,979,133	\$ 38,336,933
Notes payable	2,114,000		288,000	1,826,000	243,000
Premium	15,795,200	12,680,507	2,938,242	25,537,465	2,928,857
Total bonds and notes payable	<u>636,624,924</u>	<u>111,695,507</u>	<u>74,977,833</u>	<u>673,342,598</u>	<u>41,508,790</u>
Claims and judgments	100,760,087	86,306,807	110,916,917	76,149,977	17,250,035
Compensated absences	28,805,651	7,661,921	6,913,356	29,554,216	7,093,012
Landfill closure costs	79,752		24,806	54,946	24,806
State Department of Education loan	1,500,000		1,500,000	-	
OPEB obligation	169,984,050	38,953,956		208,938,006	
Net pension liability	<u>305,664,139</u>	<u>71,010,063</u>		<u>376,674,202</u>	
 Governmental Activity Long-Term Liabilities	 <u>\$ 1,243,418,603</u>	 <u>\$ 315,628,254</u>	 <u>\$ 194,332,912</u>	 <u>\$ 1,364,713,945</u>	 <u>\$ 65,876,643</u>
Business-type activities:					
Bonds and notes payable:					
General obligation bonds	\$ 3,679,276		\$ 203,409	\$ 3,475,867	\$ 208,067
Bond premiums	127,005		7,490	119,515	
Notes payable	<u>40,025,053</u>	<u>3,463,099</u>	<u>5,211,811</u>	<u>38,276,341</u>	<u>5,548,984</u>
 Business-Type Activity Long-Term Liabilities	 <u>\$ 43,831,334</u>	 <u>\$ 3,463,099</u>	 <u>\$ 5,422,710</u>	 <u>\$ 41,871,723</u>	 <u>\$ 5,757,051</u>

**CITY OF BRIDGEPORT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

Compensated absences, OPEB obligation and net pension liability are generally liquidated by the General Fund.

Notes Payable

Notes payable as of June 30, 2015 include the following:

Governmental Activities:	
Department of Housing and Urban Development Section 108 Loans, due in varying installments plus interest at 2.00% - 7.64% through 2016	\$ 1,826,000
Business-Type Activities:	
Clean Water Program, due in varying installments, plus interest at 2% through 2039	<u>38,276,341</u>
Total	<u>\$ 40,102,341</u>

General Obligation Bonds

As of June 30, 2015, the City had the following general obligation bonds outstanding:

Governmental Activities:	
Pension, 2.5% to 7.6%	\$ 264,870,000
General Purpose, 2.5% to 6.6%	249,230,054
School, 4.0% to 6.8%	<u>131,879,079</u>
	<u>\$ 645,979,133</u>
Business-Type Activities:	
General Purpose, 1.68% to 6.388%	<u>\$ 3,475,867</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

A schedule of bonds at June 30, 2015 is presented below:

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>General Obligation Bonds</u>	<u>Fiscal Year Maturity</u>
08/29/00	Pension	6.92 - 7.64%	\$ 350,000,000	\$ 264,870,000	2030
08/12/04	General Purpose	3.0 - 5.50%	48,035,600	35,858,600	2022
08/12/04	Schools	3.0 - 5.50%	10,544,400	7,871,400	2022
04/27/06	General Purpose-Refunding	4.0 - 4.5%	18,456,000	15,684,000	2025
04/27/06	Schools-Refunding	4.0 - 4.5%	12,304,000	10,456,000	2025
06/06/06	General Purpose	4.0- 5.0%	30,789,200	21,587,800	2025
06/06/06	Schools	4.0- 5.0%	28,420,800	19,927,200	2025
06/06/06	General Purpose-Refunding	4.0- 5.0%	4,669,650	413,100	2016
06/06/06	Schools-Refunding	4.0- 5.0%	1,095,350	96,900	2016
06/28/07	General Purpose	4.125 - 6.0%	16,449,200	453,900	2027
06/28/07	Schools	4.125 - 6.0%	31,930,800	881,100	2027
12/15/09	General Purpose	3.98 - 6.571%	13,614,785	13,614,786	2029
12/15/09	Schools	3.98 - 6.571%	15,520,215	15,520,215	2029
12/15/09	Schools	0.06821	4,000,000	4,000,000	2030
07/22/10	General Purpose	1.68 - 6.388%	19,440,000	16,165,000	2030
07/22/10	General Purpose-Refunding	2.50 - 3.0%	6,324,318	4,334,148	2019
07/22/10	Schools-Refunding	2.50 - 3.0%	3,685,682	2,525,852	2019
06/14/12	General Purpose	3.0 - 5.0%	55,940,355	52,045,200	2032
06/14/12	Schools	3.0 - 5.0%	11,989,645	11,154,800	2032
07/12/12	General Purpose-Refunding	2.0 - 5.0%	41,971,000	32,512,800	2022
07/12/12	Schools-Refunding	2.0 - 5.0%	13,254,000	10,267,200	2022
07/11/13	General Purpose-Refunding	0.05	8,235,327	6,007,928	2019
07/11/13	Schools-Refunding	0.05	6,054,673	4,417,073	2019
08/28/14	General Purpose	0.03525	43,077,260	43,077,260	2034
08/28/14	Schools	0.03525	23,502,740	23,502,740	2034
11/18/14	General Purpose-Refunding	4.0-4.5%	11,027,900	10,951,400	2026
11/18/14	Schools-Refunding	4.0-4.5%	21,407,100	21,258,600	2026
	Total		<u>\$ 851,740,000</u>	649,455,000	
	Less amount representing business-type activities			<u>(3,475,867)</u>	
	Total Outstanding, Governmental Activities			<u>\$ 645,979,133</u>	

Designation of 2010 Series B Bonds as Build America Bonds

The federal American Recovery and Reinvestment Act of 2009, Pub. L No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009 (the Recovery Act) permits the City to issue taxable bonds referred to as "Build America Bonds" to finance capital expenditures for which it could otherwise issue tax-exempt bonds, and to elect to receive payments from the federal government equal to 35% of the corresponding interest payable on such taxable bonds (the BAB Subsidy Payments). The City elected to designate the 2010 Series B Bonds as "Build America Bonds" for purposes of the Recovery Act and to receive BAB Subsidy Payments from the United States Treasury in connection therewith. BAB Subsidy Payments for the 2010 Series B Bonds will be paid to the City on or about each interest

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

payment date; the holders of the 2010 Series B Bonds are not entitled to a tax credit. Such BAB Subsidy Payments are not pledged to pay the 2010 Series B Bonds, nor is their receipt by the City a condition of payment of any portion of the principal and interest on the 2010 Series B Bonds. For the fiscal year ended June 30, 2015, the City received \$964,277 in interest subsidy.

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

Year Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 38,579,933	\$ 38,730,937	\$ 77,310,870	\$ 5,757,051	\$ 1,027,902	\$ 6,784,953
2017	40,304,694	35,899,387	76,204,081	4,096,003	725,423	4,821,426
2018	43,795,669	33,602,558	77,398,227	3,838,959	641,436	4,480,395
2019	45,944,187	31,164,737	77,108,924	3,718,961	903,539	4,622,500
2020	46,837,256	28,592,952	75,430,208	3,634,171	542,741	4,176,912
2021	40,430,209	26,228,074	66,658,283	2,104,372	477,045	2,581,417
2022	42,672,480	23,918,066	66,590,546	2,047,294	430,073	2,477,367
2023	39,324,076	21,585,467	60,909,543	2,045,624	381,527	2,427,151
2024	41,629,878	19,201,765	60,831,643	1,878,266	337,019	2,215,285
2025	40,230,451	16,750,429	56,980,880	1,872,847	290,296	2,163,143
2026	40,081,846	14,311,320	54,393,166	1,806,085	246,873	2,052,958
2027	37,552,893	11,912,232	49,465,125	1,708,975	204,594	1,913,569
2028	36,093,267	9,558,849	45,652,116	1,678,145	163,016	1,841,161
2029	38,512,027	7,044,637	45,556,664	1,529,755	121,265	1,651,020
2030	41,100,564	4,354,110	45,454,674	1,317,740	82,561	1,400,301
2031	9,320,673	1,624,035	10,944,708	660,317	56,136	716,453
2032	9,790,030	1,152,251	10,942,281	614,531	40,218	654,749
2033	4,945,000	656,625	5,601,625	335,006	25,658	360,664
2034	5,195,000	403,125	5,598,125	320,501	19,224	339,725
2035	5,465,000	136,625	5,601,625	268,936	12,943	281,879
2036				152,651	8,963	161,614
2037				151,456	5,932	157,388
2038				151,456	2,903	154,359
2039				63,106	316	63,422
Total	\$ <u>647,805,133</u>	\$ <u>326,828,181</u>	\$ <u>974,633,314</u>	\$ <u>41,752,208</u>	\$ <u>6,747,603</u>	\$ <u>48,499,811</u>

The State of Connecticut reimburses the City for eligible school bond principal and interest costs. The amount of principal reimbursement for the year ended June 30, 2015 was \$1,542,527. Additional principal reimbursements of \$5,090,557 are expected to be received through the bonds' maturity dates.

**CITY OF BRIDGEPORT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

Legal Debt Limit

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 670,119,426	\$ 278,294,650	\$ 391,824,776
Schools	1,340,238,852	202,725,631	1,137,513,221
Sewers	1,116,865,710	41,752,208	1,075,113,502
Urban renewal	967,950,282	1,826,000	966,124,282
Unfunded pension	893,492,568	264,870,000	628,622,568

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$2,084,815,992. All long-term debt obligations are retired through General Fund appropriations or user charges.

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

General purpose	\$ 29,064,596
Schools	<u>75,937,109</u>
	<u>\$ 105,001,705</u>

Tax Anticipation Notes Payable

On April 15, 2014, the City issued a tax anticipation note in the amount of \$20,000,000 to fund cash flows for operating expenses. The note matured on August 15, 2014 with an interest rate of 1.0%.

On November 19, 2014, the City issued a tax anticipation note in the amount of \$50,000,000 to fund cash flows for operating expenses. The note matured on February 19, 2015 with an interest rate of 2.00%.

On November 25, 2015, the City issued a tax anticipation note in the amount of \$50,000,000 to fund cash flows for operating expenses. The note will mature on February 11, 2016 with an interest rate of .48%.

General Obligation Bonds Refunding

On November 18, 2014, the City issued \$32,435,000 of general obligation refunding bonds with interest rates of 2.0-5.0%. The bonds were issued to pay outstanding principal amounts of the 2007A general obligation bonds of the City. The net proceeds of \$35,096,483 (after an original issue premium of \$2,963,433 and payment of \$301,950 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated November 18, 2014 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the City for payment of the refunded bonds. The City refunded the above bonds to reduce total debt service payments over the next 12 years by \$2,185,407 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,103,913. The refunded

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

bonds are considered defeased. As of June 30, 2015, the amount of defeased debt outstanding but removed from the governmental activities column of the statement of net position is \$32,665,000 and the escrow balance is \$35,096,483.

Prior Year Defeasance of Debt

In prior years, the City defeased various bond issues. As of June 30, 2015, the amount of defeased debt outstanding but removed from the governmental activities column of the statement of net position amounted to \$240,000.

9. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2015 are as follows:

	<u>General Fund</u>	<u>Education Grants Fund</u>	<u>Capital Bond Issue Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Prepays	\$ 350,000	\$	\$	\$	\$ 350,000
Restricted for:					
Grants				6,947,818	6,947,818
Library trust fund				522,287	522,287
Education trust fund				108,768	108,768
Committed to:					
General government projects			2,111,316		2,111,316
Public safety projects			643,402		643,402
Public facilities projects			34,725,515		34,725,515
OPED and other projects			25,502,151	4,313,024	29,815,175
Library				4,632,658	4,632,658
General special revenue				83,697	83,697
Education				239,195	239,195
Unassigned	<u>13,363,461</u>	<u>(603,655)</u>		<u>(283,455)</u>	<u>12,476,351</u>
Total Fund Balances	<u>\$ 13,713,461</u>	<u>\$ (603,655)</u>	<u>\$ 62,982,384</u>	<u>\$ 16,563,992</u>	<u>\$ 92,656,182</u>

10. COMMITMENTS AND CONTINGENCIES

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

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Personal Injury and Other Actions

There are presently pending certain major personal injury and other claims and lawsuits that the City is actively defending for which, in the event the City is held liable, the amount of recovery could, under certain circumstances, total between \$10 and \$20 million dollars in the aggregate. Any recovery under such actions will be paid by the City, which is self-insured for such risks.

Wheelabrator Bridgeport, L.P. Real and Personal Property Tax Valuation Appeal

Wheelabrator Bridgeport L.P. (Wheelabrator), operator of the solid waste to energy facility that is currently the City's largest taxpayer, has filed tax valuation appeals for the 2007, 2008, 2009, 2010, 2011, 2012, 2013 and 2014 Tax Grand Lists.

The City assessed Wheelabrator's property at the following assessed values (70% of fair market value): for 2007 - \$256 million for real property and \$12 million for personal property; for 2008 - \$281 million for real property and \$7.3 million for personal property; for 2009 - \$281 million for real property and \$39 million for personal property; for 2010 - \$285 million for real property and \$32.5 million for personal property; for 2011 - \$310 million for real property and \$33.2 million for personal property; for 2012 - \$310 million for real property and \$33.5 million for personal property; for 2013 - \$310 million for real property and \$33.2 million for personal property; and for 2014 - \$282 million for real property and \$40.6 million for personal property.

These assessed valuations formed the basis for tax bills as follows: For the last six months of 2007 - \$5,704,847 for real property and \$538,414.91 for personal property; 2008 - \$10,891,256 for real property and \$286,353 for personal property; 2009 - \$11,144,279.00 for real property and \$1,535,398.59 for personal property; 2010 - \$11,308,438 for real property and \$1,290,862.41 for personal property; 2011 - \$12,772,848 for real property and \$1,367,586.48 for personal property; 2012 - \$13,004,319.24 for real property and \$1,402,212 for personal property; for 2013 - \$13,110,889 for real property and \$1,403,210 for personal property; and for 2014 - \$11,919,065 for real property and \$1,712,513 for personal property.

The trial of the Wheelabrator tax valuation appeals concluded in March 2012. On June 28, 2013, Judge Trial Referee Arnold W. Aronson rendered the Court's decision. Wheelabrator's appeal of its real property and personal property assessments on the 2007, 2008 and 2009 Grand Lists were dismissed on jurisdictional grounds. The assessor's valuation of Wheelabrator's real property on the 2010, 2011 and 2012 Grand Lists was reduced to a fair market value of \$314,017,430 (an assessed value of \$219,812,201 (70% of fair market value)). The assessments of its personal property on the 2010, 2011 and 2012 Grand Lists were not reduced.

On July 18, 2013, Wheelabrator appealed the Superior Court's decision to the Connecticut Appellate Court. The City filed a cross appeal of the Court's decision pertaining to the 2010, 2011 and 2012 Grand List real property assessments to the Connecticut Appellate Court. On March 3, 2014, the Connecticut Supreme Court transferred this appeal to itself. Wheelabrator's appeal brief was filed on June 20, 2014. The City's appeal brief was filed on or about October 24, 2014. On January 28, 2016, the Supreme Court ruled that the Lower Court erred on facts of law and remanded this case back to the Trial Court for a full retrial.

The tax bills pertaining to Wheelabrator's real property will not be changed unless required by subsequent judicial action.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

As described above under "TAX BASE DATA - Assessments," the City, pursuant to state statutory authority, postponed the revaluation scheduled for the 2013 assessment year until the 2015 assessment year. The Tax Assessor certified the Grand List for the 2013 assessment year based upon the assessments for the 2012 assessment year, subject to transfers of ownership, additions for new construction and reductions for demolitions. As a result, Wheelabrator's tax valuation appeal and the resultant court action will also apply to the 2013 and 2014 Grand Lists.

In July 2013, Wheelabrator commenced a separate appeal of the penalty assessments imposed with respect to the 2010, 2011 and 2012 Grand Lists for which Wheelabrator failed to file certain Income and Expense Information with the City. By statute, the assessor is required to impose a 10% penalty on the assessed value of the real property for a taxpayer's failure to file the requested Income and Expense Information. The City is asserting that Wheelabrator did not timely appeal the imposition of the penalties for the 2010 and 2011 Grand Lists and is seeking to bar these claims. The foregoing assessed values and tax bills for all grand lists include any penalty applied. On January 28, 2016, the Supreme Court decision stated that the City position was not upheld and remanded this case back to the Trial Court for a full retrial.

In June 2014, Wheelabrator filed another appeal, which appears to repeat and amplify earlier claims. The appeal relates to Wheelabrator's real property tax values on the 2010, 2011, and 2012 Grand Lists which have already been addressed by the Superior Court decision discussed above. This appeal also concerns Wheelabrator's real and personal property tax values on the 2013 Grand List. On January 28, 2016, the Supreme Court ruled that the Lower Court erred on facts of law and remanded this case back to the Trial Court for a full retrial.

Beardsley Zoo

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

The City also entered into a service agreement with the Society in which the City is required to provide operating assistance to the Society for such costs as personnel, supplies, services, materials, utilities, maintenance, equipment and vehicles, that it currently provides to the Zoo, which approximated \$1,456,180 during the year ended June 30, 2015, before the subsidy referred to below. These levels can be adjusted up or down depending on changes to the Zoo such as expansion. However, the Society is required to pay the City any subsidy received from the State. A subsidy of \$353,913 was received for the year ended June 30, 2015. The Society retains any revenues from admissions, vending, concessions, other grants or bequests.

WPCA Privatization Agreement

On October 8, 2013, the WPCA entered into a ten-year agreement (the Agreement) with a new independent contractor (the Contactor) to provide operations, maintenance and management services to its two wastewater treatment facilities and collection system. This agreement took effect on January 1, 2014. This Agreement replaced the previous contractor who had agreed to stay through December 31, 2013.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Consent Decrees

Under various consent decrees issued by the State of Connecticut Department of Environmental Protection (consent decrees), the WPCA is required to bring both of its treatment facilities in compliance with federal standards and eliminate certain combined storm and sanitary sewers. The estimated cost of these improvements is \$244,000,000. As of June 30, 2015, approximately \$191,000,000 relating to these projects, including capitalized interest, has been incurred and included in property and equipment. Based on current engineering estimates, completion of these projects will be within the next six 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, 2015, the State is committed to providing the WPCA additional funding in the form of loans and grants of approximately \$6,718,000 and \$6,145,000 respectively.

Municipal Solid Waste Service Agreement

Bridgeport is one of twelve municipalities that entered into a Greater Bridgeport Regional Solid Waste Interlocal Agreement ("Interlocal Agreement"), which creates the Greater Bridgeport Regional Solid Waste Committee ("Operating Committee") as a public body comprised of various southwest Connecticut municipalities (including but not limited to Bridgeport, Trumbull, Fairfield, Milford and Westport) for the purpose of, and with the authority to, contract with a solid waste facility for the disposal of municipal solid waste. The Bridgeport City Council authorized and directed the Mayor to enter into this Interlocal Agreement effective July 1, 2015, and such agreement has replaced the prior Interlocal Agreement with CRRA that expired June 30, 2014.

The Operating Committee entered into a contract agreement with Wheelabrator, signed on June 27, 2014, which owns and operates the regional solid waste facility used by these municipalities. As part of this agreement, Wheelabrator agreed to contract terms of \$60.00 per ton up to 175,000 aggregate annual tonnage for a term of up to 20 years with a \$1.00 per ton decrease for each new 25,000 tons the Operating Committee attracts and an annual Consumer Price Index escalator at 75% of the change, subject to an executable contract and Wheelabrator Board approvals.

Bridgeport is also part of an Inter-Community Agreement dated September 15, 1989 establishing a regional recycling program. The Southwest Connecticut Regional Recycling Operating Committee (SWEROC) was established to implement a regional recycling program to meet the State of Connecticut mandated program for recycling, per Sections 22a-241 through 22a-241i of the Connecticut General Statutes. Bridgeport is one of seventeen "Contracting Communities" participating in the SWEROC recycling program. The City is committed to supply recyclables annually consisting of: food and beverage containers made of glass, metal and certain plastics, and newspapers. Other defined residential recyclables are cardboard.

11. PENSION PLANS

A. Municipal Employees' Retirement System

Plan Description

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 Municipal Employees' Retirement System (MERS). MERS is a cost-sharing multiple-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

Benefit Provisions

The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 year of active aggregate service, or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members.

Normal Retirement

For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1 1/2% of the average of the three highest paid years of service not in excess of the year's breakpoint plus 2% of average of the three highest paid years of service in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

Early Retirement

Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement - Service Connected

Employees who are totally and permanently disabled and such disability has arisen out of an in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability. are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement - Non-Service Connected

Employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Death Benefit

Employees who are eligible for service, disability or early retirement and married for at least 12 months preceding death. Benefits are calculated based on the average of the three highest paid years of service and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and reduced 50% joint and survivor allowance.

Contributions

Member

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2 ¼% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

Employer

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reports a total liability of \$63,021,443 in Exhibit I for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2015, the City's proportion was 26.47% percent. Due to this year being the first year of implementation, the increase or decrease in proportion from June 30, 2014 is not available.

For the year ended June 30, 2015, the City recognized pension expense of \$15,573,523 in Exhibit II. At June 30, 2015, the City reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earning on pension plan investments	\$	\$ 25,664,428
Contributions made subsequent to the measurement date	<u>24,404,803</u>	<u> </u>
Total	<u>\$ 24,404,803</u>	<u>\$ 25,664,428</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30,

2016	\$ (6,416,105)
2017	(6,416,105)
2018	(6,416,105)
2019	(6,416,113)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increase	4.25-11.00%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Mortality Table for annuitants and non-annuitants (set forward one year for males and set back one year for females).

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	16.0%	5.8%
Developed non-U.S. equities	14.0%	6.6%
Emerging markets (non-U.S.)	7.0%	8.3%
Core fixed income	8.0%	1.3%
Inflation linked bond	5.0%	1.0%
Emerging market bond	8.0%	3.7%
High yield bonds	14.0%	3.9%
Real estate	7.0%	5.1%
Private equity	10.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity fund	3.0%	0.4%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate of 8.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability	\$ 157,559,355	\$ 63,021,443	\$ (16,459,371)

B. Teachers Retirement

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

**CITY OF BRIDGEPORT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>304,339,743</u>
Total	<u>\$ 304,339,743</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2015, the City recognized pension expense and revenue of \$22,834,182 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	70.0%
Liquidity fund	6.0%	0.0%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The City's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan.

C. Single Employer Defined Benefit Plans

Pension Trust Funds

The City maintains and administers four single employer defined benefit pension plans that cover substantially all of the employees of the City with the exception of those covered under Municipal Employees' Retirement System and the Connecticut 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

Management of the plans rests with the Trustees for each pension plan. The Trustees of pension Plan A consist of 3 members, The Mayor, The Finance Director and the Treasurer. The police commissioners for plan B consist of seven members and are also the Trustees for Police pension plan B. The Mayor, in December of each odd numbered year, shall appoint with the approval of the city council. The Fire commissioners for plan B consist of seven members and are also the Trustees for the Fire pension plan B. The Mayor, in December of each odd numbered year, shall appoint with the approval of the city council. The Board of Education committee members are also the trustees for the Engineers and Janitors pension plan. The committee consists of nine members.

The Police Retirement Plan B and Firefighters' Retirement Plan B are funded on an actuarial basis; the Janitors' and Engineers' Retirement Plan is funded on a "pay-as-you-go" basis; that is, the City's contribution to the plan is the amount necessary to pay annual benefits. The City makes contributions to Plan A are actuarially determined. Plan A is a closed plan and as such no new enrollments have been allowed since January 1, 1984.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

In August 1985, the City purchased an annuity contract for approximately \$75 million to fund a portion of the net pension liability for Plan A. The plan assets available for benefits and the net pension liability amounts for Plan A exclude the plan assets and pension liability covered by the above-mentioned annuity contract. For the year ended June 30, 2015, \$791,042 of benefits was provided through this annuity contract.

In August 2000, the City issued \$350,000,000 of taxable general obligation pension funding bonds. The proceeds of these bonds were transferred into Plans A's Investment Trust (the A Trust). The proceeds and any future investment earnings are to be used to make contributions to the Plan A or to pay benefits on behalf of the Plan. The City can, however, withdraw from the Plan A Trust the greater of: 1) 20% of the amount by which the Plan A Trust assets exceed the present value of accrued Plan benefits (\$294,737,010 based on the July 1, 2014 actuarial valuation) or 2) the amount of the Plan A Trust assets in excess of 110% of the present value of accrued Plan benefits.

Under State statutes regarding pension obligation bonds, the City shall make a contribution to such pension plan as follows: (a) at the beginning of each fiscal year, the City's actuary shall determine the unfunded actuarial accrued liability for such pension plan using actuarial methods and assumptions based on actuarial standards of practice, and a level per cent amortization of the unfunded actuarial accrued liability using a five per cent growth rate; (b) the amortization period shall be twenty-four years for the fiscal year ended June 30, 2013, and shall decline by one year annually for each subsequent fiscal year; and (c) the amount of contribution shall be recalculated each fiscal year, so any gains and losses experienced by such pension plan are taken into account. For the fiscal year ended June 30, 2015, the actuarially required contribution is \$11,407,599, of which the City contributed \$11,407,599.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Provisions of Pension Plans	Public Safety Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan
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
Plan Status	Closed	Closed, Active participants transferred to CMERS effective July 1, 2013	Closed, Active participants transferred to CMERS effective April 1, 2012	Closed
Benefit provisions	50% of compensation plus 2-1/2% for each year of service in excess of 20 years, maximum 75%	2% of annual salary for each full year of service plus 50% of subsequent compensation increase, maximum 70%	2% of annual salary for each year of service plus 50% of subsequent compensation increase, maximum 70%	2% of 3 year average compensation for each year of service, up to 33 years plus 1% of 3 year compensation thereafter
Definition of "Compensation"	Maximum yearly compensation currently being paid to members in the department in the same position that the employee held at the time of retirement	Maximum yearly compensation currently being paid to members in the department in the same position which the employee held at the time of retirement	Maximum yearly compensation currently being paid to members in the department in the same position which the employee held at the time of retirement	Average of three highest years
Eligibility requirements	Vest after 10 years of service	Vest after 5 years of service	Vest after 5 years of service	Vest after the earlier of 10 years of continuous or 15 years of aggregate service
Obligation to contribute in accordance with funding policy: Employee Employer	8% of earnings \$ 11,407,599 (Normal Cost)	6% of earnings \$ 1,333,325	6% of earnings \$ 515,442	5% of earnings Pay as you go
Authority under which benefit provisions established	Contract negotiation	Contract negotiation	Contract negotiation	Contract negotiation

**CITY OF BRIDGEPORT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

At June 30, 2015, Plan membership consisted of the following:

	Public Safety Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan
Inactive employees or beneficiaries currently receiving benefits	740	130	69	35
Inactive employees entitled to but not yet receiving benefits		6	9	
Active employees				
Total Number of Participants	<u>740</u>	<u>136</u>	<u>78</u>	<u>35</u>

Summary of Significant Accounting Policies

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments

Investments are reported at market value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Investments

Investment Policy

The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board’s adopted asset allocation policy as of June 30, 2015:

Public Safety Plan A

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	50.0%
International equity	10.0%
Core fixed income	12.5%
High yield fixed income	12.5%
Emerging markets	5.0%
Hedge Funds and alternatives	<u>10.0%</u>
Total	<u><u>100.0%</u></u>

Police Retirement Plan B

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	77.0%
Core fixed income	<u>23.0%</u>
Total	<u><u>100.0%</u></u>

Firefighters’ Retirement Plan B

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	65.0%
Core fixed income	<u>35.0%</u>
Total	<u><u>100.0%</u></u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for each pension plan is as follows:

Public Safety Plan A	0.72%
Police Retirement Plan B	2.46%
Firefighters' Retirement Plan B	0.68%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2015, were as follows:

	<u>Public Safety Plan A</u>	<u>Police Retirement Plan B</u>	<u>Firefighters' Retirement Plan B</u>	<u>Janitors' and Engineers' Retirement Plan</u>
Total pension liability	\$ 351,341,616	\$ 103,489,274	\$ 47,570,840	\$ 8,692,592
Plan fiduciary net position	<u>97,991,000</u>	<u>61,251,485</u>	<u>38,195,645</u>	<u>3,433</u>
Net Pension Liability	<u>\$ 253,350,616</u>	<u>\$ 42,237,789</u>	<u>\$ 9,375,195</u>	<u>\$ 8,689,159</u>
Plan fiduciary net position as a percentage of the total pension liability	27.89%	59.19%	80.29%	0.04%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Public Safety Plan A</u>	<u>Police Retirement Plan B</u>	<u>Firefighters' Retirement Plan B</u>	<u>Janitors' and Engineers' Retirement Plan</u>
Actuarial valuation date	June 30, 2015	June 30, 2015	June 30, 2015	July 1, 2014
Measurement date	June 30, 2015	June 30, 2015	June 30, 2015	June 30, 2015
Inflation	2.30%	2.30%	2.30%	N/A
Salary increases including inflation	N/A	N/A	N/A	N/A
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

**CITY OF BRIDGEPORT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Public Safety Plan A

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic equity	6.70%
International equity	7.40%
Core fixed income	1.60%
High yield fixed income	4.45%
Emerging markets	9.70%
Hedge Funds and alternatives	3.60%

Police Retirement Plan B and Firefighters' Retirement Plan B

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic equity	6.70%
Core fixed income	1.60%

Discount Rate

The discount rate used to measure the total pension liability was 8.00% for Public Safety Plan A, 4.92% for Police Retirement Plan B, 5.13% for Firefighters' Plan B and 4.29% for Janitors' and Engineers' Retirement Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Changes in the Net Pension Liability

Public Safety Plan A			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2014	\$ 294,737,010	\$ 119,631,213	\$ 175,105,797
Changes for the year:			
Interest on total pension liability	22,225,409		22,225,409
Differences between expected and actual experience	13,730,638		13,730,638
Changes in assumptions	54,487,379		54,487,379
Employer contributions		11,407,599	(11,407,599)
Member contributions		12,334	(12,334)
Net investment income		778,674	(778,674)
Benefit payments, including refund to employee contributions	<u>(33,838,820)</u>	<u>(33,838,820)</u>	-
Net changes	<u>56,604,606</u>	<u>(21,640,213)</u>	<u>78,244,819</u>
Balances as of June 30, 2015	<u>\$ 351,341,616</u>	<u>\$ 97,991,000</u>	<u>\$ 253,350,616</u>

Police Retirement Plan B			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2014	\$ 85,254,763	\$ 64,924,654	\$ 20,330,109
Changes for the year:			
Interest on total pension liability	4,100,080		4,100,080
Differences between expected and actual experience	7,644,858		7,644,858
Changes in assumptions	10,329,185		10,329,185
Member contributions		44,368	(44,368)
Net investment income		427,232	(427,232)
Benefit payments, including refund to employee contributions	(3,839,612)	(3,839,612)	-
Administrative expenses		(305,157)	305,157
Net changes	<u>18,234,511</u>	<u>(3,673,169)</u>	<u>21,907,680</u>
Balances as of June 30, 2015	<u>\$ 103,489,274</u>	<u>\$ 61,251,485</u>	<u>\$ 42,237,789</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Firefighters' Retirement Plan B

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2014	\$ 45,551,431	\$ 39,429,306	\$ 6,122,125
Changes for the year:			
Interest on total pension liability	2,281,088		2,281,088
Differences between expected and actual experience	130,083		130,083
Changes in assumptions	1,779,805		1,779,805
Net investment income		942,785	(942,785)
Benefit payments, including refund to employee contributions	(2,171,567)	(2,171,567)	-
Administrative expenses		(4,879)	4,879
Net changes	<u>2,019,409</u>	<u>(1,233,661)</u>	<u>3,253,070</u>
Balances as of June 30, 2015	<u>\$ 47,570,840</u>	<u>\$ 38,195,645</u>	<u>\$ 9,375,195</u>

Janitors' and Engineers' Retirement Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2014	\$ 8,861,652	\$ 3,433	\$ 8,858,219
Changes for the year:			
Interest on total pension liability	361,880		361,880
Changes in assumptions	330,555		330,555
Employer contributions		861,495	(861,495)
Benefit payments, including refund to employee contributions	(861,495)	(861,495)	-
Net changes	<u>(169,060)</u>	<u>-</u>	<u>(169,060)</u>
Balances as of June 30, 2015	<u>\$ 8,692,592</u>	<u>\$ 3,433</u>	<u>\$ 8,689,159</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the current discount rate, as well as what the City's net pension liability would be for each Retirement Plan if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Public Safety Plan A

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net Pension Liability	\$ <u>285,593,877</u>	\$ <u>253,350,616</u>	\$ <u>225,731,982</u>

Police Retirement Plan B

	<u>1% Decrease 3.58%</u>	<u>Current Discount Rate 4.58%</u>	<u>1% Increase 5.58%</u>
Net Pension Liability	\$ <u>60,527,595</u>	\$ <u>42,237,789</u>	\$ <u>28,039,703</u>

Firefighters' Retirement Plan B

	<u>1% Decrease 4.33%</u>	<u>Current Discount Rate 5.33%</u>	<u>1% Increase 6.33%</u>
Net Pension Liability	\$ <u>17,071,163</u>	\$ <u>9,375,195</u>	\$ <u>3,294,238</u>

Janitors' and Engineers' Retirement Plan

	<u>1% Decrease 2.80%</u>	<u>Current Discount Rate 3.80%</u>	<u>1% Increase 4.80%</u>
Net Pension Liability	\$ <u>9,447,251</u>	\$ <u>8,689,159</u>	\$ <u>8,041,969</u>

**CITY OF BRIDGEPORT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$106,237,306. At June 30, 2015, the City reported deferred outflows of resources related to pension from the following sources:

Public Safety Plan A	Deferred Outflows of Resources
Net difference between projected and actual earning on pension plan investments	\$ <u>6,316,054</u>
Police Retirement Plan B	Deferred Outflows of Resources
Net difference between projected and actual earning on pension plan investments	\$ <u>2,132,953</u>
Firefighters' Retirement Plan B	Deferred Outflows of Resources
Net difference between projected and actual earning on pension plan investments	\$ <u>819,290</u>

Amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2016	\$ 2,317,075
2017	2,317,075
2018	2,317,075
2019	2,317,072

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Schedule of Plan Net Position - June 30, 2015

	Public Safety Investment and Pension Trust Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Total
Assets:					
Cash and cash equivalents	\$ 2,025,431	\$ 1,531,762	\$ 967,233	\$ 3,433	\$ 4,527,859
Investments, at fair value:					
Certificate of deposits		254,535			254,535
U.S. Government Agency Bonds		5,073,631	6,198,444		11,272,075
U.S. Government Security Bonds	10,901,372				10,901,372
Corporate bonds		7,076,782	4,296,309		11,373,091
Common stocks	48,253,684	23,739,519	20,879,043		92,872,246
Private hedge fund	6,117,360				6,117,360
Mutual funds - equities	14,322,515	23,575,256	5,854,616		43,752,387
Alternative investments	14,013,619				14,013,619
Total investments	<u>93,608,550</u>	<u>59,719,723</u>	<u>37,228,412</u>	<u>-</u>	<u>190,556,685</u>
Due from other funds of the City of Bridgeport	<u>2,230,124</u>				<u>2,230,124</u>
Contributions receivable	<u>126,895</u>				<u>126,895</u>
Total assets	<u>97,991,000</u>	<u>61,251,485</u>	<u>38,195,645</u>	<u>3,433</u>	<u>197,441,563</u>
Total Net Position	<u>\$ 97,991,000</u>	<u>\$ 61,251,485</u>	<u>\$ 38,195,645</u>	<u>\$ 3,433</u>	<u>\$ 197,441,563</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Schedule of Changes in Plan Net Position for the Year Ended June 30, 2015

	Public Safety Investment and Pension Trust Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Total
Additions:					
Contributions:					
Employer	\$ 11,407,599	\$	\$	\$ 861,495	\$ 12,269,094
Plan members	12,334	44,368			56,702
Annuity proceeds	791,042				791,042
Total contributions	<u>12,210,975</u>	<u>44,368</u>	<u>-</u>	<u>861,495</u>	<u>13,116,838</u>
Investment income:					
Net appreciation (depreciation) in fair value of investments	(31,834)	(1,162,335)	247,587		(946,582)
Interest and dividends	1,482,407	1,751,630	951,681		4,185,718
	<u>1,450,573</u>	<u>589,295</u>	<u>1,199,268</u>	<u>-</u>	<u>3,239,136</u>
Net investment income	<u>778,674</u>	<u>427,232</u>	<u>942,785</u>	<u>-</u>	<u>2,148,691</u>
Total additions	<u>12,989,649</u>	<u>471,600</u>	<u>942,785</u>	<u>861,495</u>	<u>15,265,529</u>
Deductions:					
Benefits	34,629,862	3,839,612	2,171,567	861,495	41,502,536
Administration		305,157	4,879		310,036
Total deductions	<u>34,629,862</u>	<u>4,144,769</u>	<u>2,176,446</u>	<u>861,495</u>	<u>41,812,572</u>
Change in net position	(21,640,213)	(3,673,169)	(1,233,661)	-	(26,547,043)
Net position - Beginning of year	<u>119,631,213</u>	<u>64,924,654</u>	<u>39,429,306</u>	<u>3,433</u>	<u>223,988,606</u>
Net Position - End of Year	<u>\$ 97,991,000</u>	<u>\$ 61,251,485</u>	<u>\$ 38,195,645</u>	<u>\$ 3,433</u>	<u>\$ 197,441,563</u>

12. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

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

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

At July 1, 2014 plan membership consisted of the following:

Number of members:	
Active	4,067
Retired members	<u>3,359</u>
Total Participants	<u><u>7,426</u></u>

B. Funding Policy

The City currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2015, the City has not established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the City are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Eligibility:

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

**CITY OF BRIDGEPORT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015**

Medical Benefit:

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

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

*Assumed from current negotiations, currently Social Workers are at 2.5% and Firefighters pay \$78/month.

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

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Annual OPEB Cost and Net OPEB Obligations

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (asset):

Annual required contribution (ARC)	\$ 70,570,886
Interest on net OPEB obligation	7,649,282
Adjustment to annual required contribution	<u>(5,921,111)</u>
Annual OPEB cost	72,299,057
Contributions made	<u>33,345,101</u>
Increase in net OPEB obligation	38,953,956
Net OPEB obligation, beginning of year	<u>169,984,050</u>
Net OPEB Obligation, End of Year	<u>\$ 208,938,006</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three fiscal years is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2013	\$ 50,127,033	\$ 25,803,694	51.5%	\$ 144,507,188
6/30/2014	53,928,632	28,451,770	52.8	169,984,050
6/30/2015	72,299,057	33,345,101	46.1	208,938,006

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

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Underfunded AAL (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	OAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2010	\$ -	\$ 915,806,973	\$ 915,806,973	0.00%	\$ 180,948,566	506.1%
7/1/2012	-	723,711,649	723,711,649	0.00%	221,438,910	326.8%
7/1/2014	-	1,003,337,378	1,003,337,378	0.00%	236,179,687	424.8%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
2010	\$ 54,129,700	59.0%
2011	57,100,111	51.9
2012	61,100,372	54.1
2013	47,743,386	54.0
2014	51,062,573	55.7
2015	70,570,886	47.3

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

In the July 1, 2014 actuarial valuation, the entry age normal cost method was used. The ARC effects a closed 30-year, level percent amount amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include an inflation rate of 3%, a 4.5% discount rate and projected salary increase of 4.5%. The medical assumption begins at 8% and decreases to a 5.0% long-term trend rate for all healthcare benefits after 9 years. The dental assumption is a long-term trend rate of 4.0%. Additionally, the Medicare Part B assumption is a long-term trend rate of 5.0%.

13. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

A portion of the Bridgeport Seaside Landfill was used for disposal of materials classified as hazardous waste from 1974 until late 1981 when it stopped accepting waste. The hazardous waste area of the landfill is subject to federal and state laws and regulations that 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, postclosure 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 30 years after closure. The estimated total current cost of the postclosure care of \$54,946 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, 2015. The actual cost of postclosure care costs may be higher due to inflation, changes in technology or changes in federal, state or local laws and regulations.

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

14. RISK MANAGEMENT

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

Workers' Compensation

The City carries no insurance coverage for losses arising out of workers' compensation claims. These claims are paid from the Internal Service 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 Internal Service Fund.

Group Health Insurance

The City maintains a group health plan providing both insured and self-insured medical, prescription drug, dental and vision plan benefits as described below:

The following programs are provided under self-insured administrative only contracts:

- Medical benefits for all employees and Non-Medicare-Eligible Retirees
- Prescription benefits for all employees and all retirees except Medicare-eligible fire and police retirees
- Dental benefit for all employees and retired teachers and school system administrators
- Vision plan benefits for City and BOE employees excluding teachers and school system administrators

The following programs are provided under fully insured contracts:

- Medical benefits for Medicare-eligible retirees
- Prescription benefits for Medicare-eligible fire and police retirees
- Dental HMO benefits for approximately 300 people

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Approximately 4,151 employees and 3,763 retirees receive their health benefits through these plans. Payments related to these claims are made by outside administrators under administrative services contracts and are accounted for in the Internal Service Fund. The current contracts require that approximately \$2,461,540 be deposited with amount being recorded as a prepaid asset in the accompanying balance sheet. As of June 30, 2015, the amount of prepaid asset in the fund is \$2,461,540.

Reconciliation of Liabilities

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

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
2014	\$ 104,770,856	\$ 109,095,945	\$ 113,106,723	100,760,078
2015	100,760,078	76,864,705	101,474,806	76,149,977

The current portion of claims incurred but not reported as of June 30, 2015 is \$17,250,035, which relates to Group Health Insurance Claims of \$5,739,076 and \$11,510,959 of general liability and workmen's compensation claims and is reported in the Internal Service Fund. The remaining liability for general liability and workmen's compensation claims of \$58,899,942 is recorded as long-term liability.

15. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning of net position of the governmental activities as a result of implementation of GASB Statement No 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and GASB Statement No. 71, *Pension Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68:

Governmental Activities:

Net position at June 30, 2014, as previously reported	\$ 236,146,543
Adjustments:	
Eliminate net pension obligation reported per GASB No. 27	2,182,686
Eliminate net pension assets reported per GASB No. 27	(59,926,473)
Record net pension liability per GASB No. 68	(305,664,139)
Record deferred outflows for contributions made after the measurement date per GASB No. 71	<u>22,135,541</u>
Net Position at July 1, 2014, as Restated	<u>\$ (105,125,842)</u>

Required Supplementary Information

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues and Other Financing Sources:				
Property taxes:				
Current taxes	\$ 288,202,427	\$ 288,202,427	\$ 291,661,070	\$ 3,458,643
Interest - current	1,705,480	1,705,480	1,967,984	262,504
Arrears - principal	3,504,769	3,504,769	3,001,595	(503,174)
Arrears - interest	1,810,000	1,810,000	853,817	(956,183)
Lien fees	175,000	175,000	173,923	(1,077)
Total property taxes	<u>295,397,676</u>	<u>295,397,676</u>	<u>297,658,389</u>	<u>2,260,713</u>
Intergovernmental:				
Elderly exemption refund	701,000	701,000	787,193	86,193
Elderly freeze program	16,334	16,334	8,000	(8,334)
DCA tax abatement			29,641	29,641
Distressed municipalities	211,000	211,000	322,834	111,834
Education cost sharing	164,195,344	164,895,344	165,082,005	186,661
School construction refunds	1,872,098	1,872,098	1,867,668	(4,430)
Transportation	1,485,004	1,485,004	1,527,064	42,060
Aid to non-public schools	155,000	155,000	142,421	(12,579)
Town aid roads	1,379,983	1,379,983	2,353,290	973,307
Legally blind	140,000	140,000		(140,000)
Miscellaneous PILOTs	1,300,911	1,300,911	1,198,053	(102,858)
Tax exempt colleges and hospitals	7,958,258	7,958,258	7,962,794	4,536
Breakfast program:				
State	206,064	206,064	126,065	(79,999)
Federal	4,459,647	4,459,647	4,467,868	8,221
Nutrition Center:				
Federal	152,000	152,000	156,619	4,619
State	8,791,351	8,791,351	8,791,351	-
Mashantucket Pequot funds	6,226,406	6,226,406	6,192,581	(33,825)
Manufacturing Machinery & Equipment	896,106	896,106		(896,106)
Beardsley Zoo subsidy	360,000	360,000	353,913	(6,087)
Build America Bonds subsidy	883,285	883,285	964,277	80,992
State-owned property	2,934,499	2,934,499	3,012,598	78,099
Total intergovernmental	<u>204,324,290</u>	<u>205,024,290</u>	<u>205,346,235</u>	<u>321,945</u>
Fees, permits and licenses:				
Finance:				
Comptroller Copies/Books/Miscellaneous	25,100	25,100	143,884	118,784
Comptroller Court Fine/CARC	5,000	5,000	82,493	77,493
Information Technology Services	250	250	1,539	1,289
Total finance	<u>30,350</u>	<u>30,350</u>	<u>227,916</u>	<u>197,566</u>
Town Clerk:				
Licenses and Town Fund	1,200	1,200	(6,219)	(7,419)
Notaries/late fees	2,800	2,800	2,337	(463)
Farm fund			23,087	23,087
Assignments	900,000	900,000	1,010,865	110,865
Certification	425,000	425,000	604,261	179,261
Other licenses	23,100	23,100	3,277	(19,823)
Total town clerk	<u>1,352,100</u>	<u>1,352,100</u>	<u>1,637,608</u>	<u>285,508</u>

(Continued on next page)

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Building Department:				
Building permits	\$ 4,829,500	\$ 4,829,500	\$ 4,711,809	\$ (117,691)
Sign permits	18,000	18,000	10,580	(7,420)
Certificate of occupancy fees	62,500	62,500	69,700	7,200
Copies	500	500	557	57
Total building department	<u>4,910,500</u>	<u>4,910,500</u>	<u>4,792,646</u>	<u>(117,854)</u>
Police Department:				
Traffic violations	1,100,000	1,100,000	964,081	(135,919)
Photocopy fees	14,000	14,000	11,499	(2,501)
Outside overtime	4,948,000	4,948,000	3,999,834	(948,166)
Overtime surcharge			165,801	165,801
Reclaimed dog fees	2,000	2,000	1,534	(466)
Vendor annual registration fees	25,000	25,000	30,320	5,320
Towing fines	187,000	187,000	74,145	(112,855)
Alarms	25,600	25,600	16,036	(9,564)
Ordinance violations	12,000	12,000		(12,000)
Other	70,950	70,950	62,555	(8,395)
Total police department	<u>6,384,550</u>	<u>6,384,550</u>	<u>5,325,805</u>	<u>(1,058,745)</u>
Public facilities:				
Dump license fees	18,000	18,000	10,000	(8,000)
Commercial dump fees	65,000	65,000	56,604	(8,396)
Street excavation license	3,300	3,300	200	(3,100)
Public facility enforcement	19,400	19,400	10,267	(9,133)
Sewer permits	4,000	4,000	3,230	(770)
CRRA host revenue	105,000	105,000	224,107	119,107
Congress Plaza	10,000	10,000	12,000	2,000
Annual rent	445,000	445,000	904,130	459,130
Parking meters	420,000	420,000	413,985	(6,015)
Engineering map sales	5,000	5,000	4,885	(115)
Contractors license	127,500	127,500	116,860	(10,640)
Zoning appeals fees	37,000	37,000	36,683	(317)
Tavern zoning permits	168,400	168,400	244,232	75,832
Other revenues	170,000	170,000	131,397	(38,603)
Total public facilities	<u>1,597,600</u>	<u>1,597,600</u>	<u>2,168,580</u>	<u>570,980</u>
Parks and recreation:				
Golf course revenues	1,865,000	1,865,000	1,574,489	(290,511)
Wonderland of Ice	137,106	137,106	66,000	(71,106)
Kennedy Stadium	10,000	10,000		(10,000)
Leases/W.I.C.C.	10,500	10,500	10,500	-
Flea market/ball field	67,000	67,000	62,093	(4,907)
Miscellaneous	446,000	446,000	433,048	(12,952)
Parking stickers	30,000	30,000	267,752	237,752
Apartment rental	6,000	6,000	4,800	(1,200)
City concessions	10,000	10,000	7,500	(2,500)
Total parks and recreation	<u>2,581,606</u>	<u>2,581,606</u>	<u>2,426,182</u>	<u>(155,424)</u>
Civil service:				
Label/Admin fees	90,200	90,200	63,337	(26,863)

(Continued on next page)

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Health Department:				
Vital statistics	\$ 490,580	\$ 490,580	\$ 433,741	\$ (56,839)
Business license	354,200	354,200	273,820	(80,380)
Housing code	17,700	17,700	14,605	(3,095)
Total health department	<u>862,480</u>	<u>862,480</u>	<u>722,166</u>	<u>(140,314)</u>
Education and Nutrition Center:				
Cafeteria	695,000	695,000	762,158	67,158
Summer school tuition	25,000	25,000	25,020	20
Total Education and Nutrition Center	<u>720,000</u>	<u>720,000</u>	<u>787,178</u>	<u>67,178</u>
Sikorsky Airport:				
Airport fees	65,000	65,000	73,708	8,708
Shared revenue	85,000	85,000	127,233	42,233
Airport leases	741,700	741,700	620,557	(121,143)
Total Sikorsky Airport	<u>891,700</u>	<u>891,700</u>	<u>821,498</u>	<u>(70,202)</u>
Fire Department:				
Firewatch reimbursement	115,150	115,150	128,928	13,778
Copies	1,500	1,500	851	(649)
Permit	87,775	87,775	63,032	(24,743)
Tank installation	3,000	3,000	3,950	950
Total fire department	<u>207,425</u>	<u>207,425</u>	<u>196,761</u>	<u>(10,664)</u>
Total fees, permits and licenses	<u>19,628,511</u>	<u>19,628,511</u>	<u>19,169,677</u>	<u>(458,834)</u>
Interest	<u>125,000</u>	<u>125,000</u>	<u>33,020</u>	<u>(91,980)</u>
Other:				
Property rental			4,400	4,400
O.T.B. income	450,000	450,000	344,964	(105,036)
State Bingo	200	200	52	(148)
Weights and measures	76,000	76,000	81,450	5,450
Sale of City-owned property	275,000	275,000	877,136	602,136
Miscellaneous	156,100	156,100	76,541	(79,559)
Foreclosure cost recovery	5,000	5,000	100	(4,900)
Restitution	5,000	5,000	5,387	387
Comptroller miscellaneous revenue	1,875,502	1,875,502	1,377,453	(498,049)
Total other	<u>2,842,802</u>	<u>2,842,802</u>	<u>2,767,483</u>	<u>(75,319)</u>
Total revenues	<u>522,318,279</u>	<u>523,018,279</u>	<u>524,974,804</u>	<u>1,956,525</u>
Other financing sources:				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>\$ 522,818,279</u>	<u>\$ 523,518,279</u>	<u>525,474,804</u>	<u>\$ 1,956,525</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	22,834,182
The Board of Education does not budget for excess cost grant payments, which are credited against expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.	4,485,026
Proceeds from bond refunding.	32,435,000
Proceeds from premium on bond refunding.	<u>2,963,433</u>

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV \$ 588,192,445

CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General government:				
Mayor's office	\$ 988,992	\$ 988,992	\$ 1,020,966	\$ (31,974)
Central grants	449,691	449,691	368,177	81,514
Finance divisions	5,977,469	6,040,679	5,318,645	722,034
Registrar of voters	688,293	688,293	732,990	(44,697)
City clerk	443,473	443,473	387,295	56,178
City attorney	4,475,813	4,475,813	4,579,666	(103,853)
Archives and records	89,988	89,988	89,345	643
Civil service	1,012,423	1,012,423	825,308	187,115
Labor relations/benefits/pensions	16,709,850	16,646,639	16,293,509	353,130
Town Clerk	757,594	757,594	733,793	23,801
Legislative department	287,446	287,446	114,362	173,084
Office of policy and management	766,257	766,257	655,108	111,149
Ethics commission	3,344	3,344	850	2,494
Chief administrative officer	1,129,151	1,129,151	863,396	265,755
Information technology service	3,150,618	3,150,619	2,843,353	307,266
Minority business enterprise office	228,136	228,136	196,892	31,244
Total general government	<u>37,158,538</u>	<u>37,158,538</u>	<u>35,023,655</u>	<u>2,134,883</u>
Public Safety:				
Police department	90,913,910	90,806,428	91,026,763	(220,335)
Fire department	58,142,628	58,142,628	62,183,010	(4,040,382)
Weights and measures	134,166	134,166	150,236	(16,070)
Emergency Operation Center	5,338,873	5,338,873	5,742,112	(403,239)
Total public safety	<u>154,529,577</u>	<u>154,422,095</u>	<u>159,102,121</u>	<u>(4,680,026)</u>
Public facilities:				
Airport	1,315,962	1,315,962	1,306,231	9,731
Engineering	474,385	496,884	483,213	13,671
Harbor master	192,385	192,385	176,786	15,599
Maintenance	11,581,709	11,581,709	11,455,107	126,602
Municipal garage	2,716,869	2,716,869	2,628,267	88,602
Public facilities administration	16,312,919	16,312,919	16,274,229	38,690
Roadway	3,690,064	3,690,064	4,282,276	(592,212)
Sanitation	5,661,041	5,661,041	6,054,906	(393,865)
Transfer station	1,993,134	1,993,134	1,969,783	23,351
Recreation	928,257	928,257	988,261	(60,004)
Department on aging	527,671	527,671	528,470	(799)
Parks administration	513,585	513,585	460,588	52,997
Parks	2,662,703	2,662,704	2,596,250	66,454
Zoo	1,449,956	1,449,956	1,456,180	(6,224)
Golf course	1,521,109	1,521,109	1,437,742	83,367
Total public facilities	<u>51,541,749</u>	<u>51,564,249</u>	<u>52,098,289</u>	<u>(534,040)</u>

(Continued on next page)

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Planning and Economic Development:				
OPED administration	\$ 9,206,219	\$ 9,206,220	\$ 8,970,035	\$ 236,185
Building department	1,281,432	1,307,484	1,177,201	130,283
Zoning board of appeals	100,345	100,345	84,800	15,545
Zoning commission	566,426	566,426	530,328	36,098
Total planning and economic development	<u>11,154,422</u>	<u>11,180,475</u>	<u>10,762,364</u>	<u>418,111</u>
Health and social services:				
Health and social services administration	371,638	421,048	369,406	51,642
Vital statistics	331,091	331,091	305,279	25,812
Communicable disease clinic	471,727	471,728	473,328	(1,600)
Environmental health	839,877	823,525	844,892	(21,367)
Housing code enforcement	628,424	628,424	612,862	15,562
Lead prevention program	167,950	167,951	163,747	4,204
Human services administration	95,215	95,215	101,341	(6,126)
Persons with disabilities	45,926	45,926	43,707	2,219
Veterans' affairs	156,903	156,903	151,289	5,614
Lighthouse/Youth services	1,761,761	1,761,761	1,672,709	89,052
Social services	237,890	263,759	236,813	26,946
Total health and social services	<u>5,108,402</u>	<u>5,167,331</u>	<u>4,975,373</u>	<u>191,958</u>
Libraries	<u>6,829,089</u>	<u>6,829,089</u>	<u>6,829,089</u>	<u>-</u>
Special services:				
Other financing uses	21,217	21,217	(297,591)	318,808
Supportive contributions	495,275	495,275	507,607	(12,332)
Citywide memberships	24,000	24,000	23,092	908
Debt service	3,662,604	3,662,604	3,115,279	547,325
Total special services	<u>4,203,096</u>	<u>4,203,096</u>	<u>3,348,387</u>	<u>854,709</u>
Education:				
Schools	222,013,896	222,713,896	222,689,033	24,863
Food services	14,046,472	14,046,472	14,095,810	(49,338)
Board of education debt service	16,233,038	16,233,038	16,233,038	-
Total education	<u>252,293,406</u>	<u>252,993,406</u>	<u>253,017,881</u>	<u>(24,475)</u>
Total Expenditures and Other Financing Uses	\$ <u>522,818,279</u>	\$ <u>523,518,279</u>	525,157,159	\$ <u>(1,638,880)</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	22,834,182
The Board of Education does not budget for excess cost payments made by the State Department of Education, which are credited against expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.	4,485,026
Payment to escrow agent for refunding bonds	35,096,483
Bond refunding costs not budgeted by the City	<u>301,950</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 587,874,800

CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PLAN A
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Interest	\$ 22,225,409	\$ 24,079,006
Changes of benefit terms		
Differences between expected and actual experience	13,730,638	(22,337,660)
Changes of assumptions	54,487,379	(22,732,874)
Benefit payments, including refunds of member contributions	<u>(33,838,820)</u>	<u>(30,964,004)</u>
Net change in total pension liability	56,604,606	(51,955,532)
Total pension liability - beginning	<u>294,737,010</u>	<u>346,692,542</u>
Total pension liability - ending	<u>351,341,616</u>	<u>294,737,010</u>
Plan fiduciary net position:		
Contributions - employer	11,407,599	11,600,000
Contributions - member	12,334	143,974
Net investment income	778,674	15,837,803
Benefit payments, including refunds of member contributions	<u>(33,838,820)</u>	<u>(30,964,004)</u>
Net change in plan fiduciary net position	(21,640,213)	(3,382,227)
Plan fiduciary net position - beginning	<u>119,631,213</u>	<u>123,013,440</u>
Plan fiduciary net position - ending	<u>97,991,000</u>	<u>119,631,213</u>
Net Pension Liability - Ending	<u>\$ 253,350,616</u>	<u>\$ 175,105,797</u>
Plan fiduciary net position as a percentage of the total pension liability	27.89%	40.59%
Covered-employee payroll	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A
Discount rate	7.00%	8.00%

Notes to Schedule:

Benefit changes: None

Assumption changes: The mortality table was updated to RP-2014 (adjusted back to 2006) projected generationally with Scale MP2015 as of June 30, 2015.

CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE RETIREMENT PLAN B
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Interest	\$ 4,100,080	\$ 4,435,830
Differences between expected and actual experience	7,644,858	(991,025)
Changes of assumptions	10,329,185	(6,081,926)
Benefit payments, including refunds of member contributions	<u>(3,839,612)</u>	<u>(3,804,480)</u>
Net change in total pension liability	18,234,511	(6,441,601)
Total pension liability - beginning	<u>85,254,763</u>	<u>91,696,364</u>
Total pension liability - ending	<u>103,489,274</u>	<u>85,254,763</u>
Plan fiduciary net position:		
Contributions - member	44,368	181,840
Net investment income	427,232	9,633,316
Benefit payments, including refunds of member contributions	(3,839,612)	(3,852,737)
Administrative expense	<u>(305,157)</u>	<u>(215,762)</u>
Net change in plan fiduciary net position	(3,673,169)	5,746,657
Plan fiduciary net position - beginning	<u>64,924,654</u>	<u>59,177,997</u>
Plan fiduciary net position - ending	<u>61,251,485</u>	<u>64,924,654</u>
Net Pension Liability - Ending	<u>\$ 42,237,789</u>	<u>\$ 20,330,109</u>
Plan fiduciary net position as a percentage of the total pension liability	59.19%	76.15%
Covered-employee payroll	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A
Discount rate	4.58%	4.92%

Notes to Schedule:

Benefit changes: None

Assumption changes: The mortality table was updated to RP-2006 projected generationally with Scale MP2015 as of June 30, 2015

CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' RETIREMENT PLAN B
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Interest	\$ 2,281,088	\$ 2,283,352
Differences between expected and actual experience	130,083	(133,251)
Changes of assumptions	1,779,805	63,339
Benefit payments, including refunds of member contributions	<u>(2,171,567)</u>	<u>(2,170,390)</u>
Net change in total pension liability	2,019,409	43,050
Total pension liability - beginning	<u>45,551,431</u>	<u>45,508,381</u>
Total pension liability - ending	<u>47,570,840</u>	<u>45,551,431</u>
Plan fiduciary net position:		
Net investment income	942,785	5,310,728
Benefit payments, including refunds of member contributions	(2,171,567)	(2,170,390)
Administrative expense	<u>(4,879)</u>	<u>(23,230)</u>
Net change in plan fiduciary net position	(1,233,661)	3,117,108
Plan fiduciary net position - beginning	<u>39,429,306</u>	<u>36,312,198</u>
Plan fiduciary net position - ending	<u>38,195,645</u>	<u>39,429,306</u>
Net Pension Liability - Ending	<u>\$ 9,375,195</u>	<u>\$ 6,122,125</u>
Plan fiduciary net position as a percentage of the total pension liability	80.29%	86.56%
Covered-employee payroll	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A
Discount rate	5.33%	5.13%

Notes to Schedule:

Benefit changes: None

Assumption changes: The mortality table was updated to RP-2006 projected generationally with Scale MP2015 as of June 30, 2015

CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
JANITORS' AND ENGINEERS' RETIREMENT PLAN
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Interest	\$ 361,880	\$ 401,794
Changes of assumptions	330,555	226,706
Benefit payments, including refunds of member contributions	<u>(861,495)</u>	<u>(889,803)</u>
Net change in total pension liability	(169,060)	(261,303)
Total pension liability - beginning	<u>8,861,652</u>	<u>9,122,955</u>
Total pension liability - ending	<u>8,692,592</u>	<u>8,861,652</u>
Plan fiduciary net position:		
Contributions - employer	861,495	889,803
Benefit payments, including refunds of member contributions	<u>(861,495)</u>	<u>(889,803)</u>
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	<u>3,433</u>	<u>3,433</u>
Plan fiduciary net position - ending	<u>3,433</u>	<u>3,433</u>
Net Pension Liability - Ending	<u>\$ 8,689,159</u>	<u>\$ 8,858,219</u>
Plan fiduciary net position as a percentage of the total pension liability	0.04%	0.04%
Covered-employee payroll	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A
Discount rate at end of year	3.80%	4.29%

Notes to Schedule:

Benefit changes: None

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PUBLIC SAFETY PLAN A
LAST TEN FISCAL YEARS
(In Thousands)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 11,408	\$ 12,624	\$ 11,554	\$ 9,794	\$ 13,557	\$ 12,352	\$ 9,621	\$ 8,876	\$ 8,115	\$ 6,473
Contributions in relation to the actuarially determined contribution	11,408	11,600	10,500	7,000	50,000	4,726	6,220	4,552	3,125	68
Contribution Deficiency (Excess)	\$ -	\$ 1,024	\$ 1,054	\$ 2,794	\$ (36,443)	\$ 7,626	\$ 3,401	\$ 4,324	\$ 4,990	\$ 6,405
Covered-employee payroll	N/A	N/A	\$ 1,675	\$ 2,077	\$ 2,556	\$ 2,551	\$ 307	\$ 3,617	\$ 4,326	\$ 4,569
Contributions as a percentage of covered-employee payroll	N/A	N/A	626.87%	337.02%	1956.18%	185.26%	2026.06%	125.85%	72.24%	1.49%

Notes to Schedule

Valuation timing Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method N/A. All participants are inactive.
Amortization method Closed, increasing 5% per year
Remaining amortization period 21 years
Asset valuation method Market value. (Previously market value of assets less unrecognized returns in each of the last five years.) Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 30% of the market value.

Actuarial assumptions:

Investment rate of return 7.00% (previously 8.00%)
Inflation 2.30% (previously 2.60%)
Salary increases N/A
Cost of living adjustment 3.00% for the Fire group and 2.50% for the Police group
Mortality RP - 2014 (adjusted back to 2006), projected generationally with Scale MP2015.

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE RETIREMENT PLAN B
LAST TEN FISCAL YEARS
(In Thousands)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2009</u>	<u>2010</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined contribution	\$ 1,333	\$ 1,852	\$ 7,793	\$ 6,314	\$ 5,351	\$ 3,544	\$ 4,481	\$ 3,617	\$ 3,212	\$ 3,047
Contributions in relation to the actuarially determined contribution			<u>5,895</u>	<u>5,475</u>	<u>6,176</u>	<u>3,396</u>	<u>4,340</u>	<u>4,590</u>	<u>3,188</u>	<u>2,987</u>
Contribution Deficiency (Excess)	<u>\$ 1,333</u>	<u>\$ 1,852</u>	<u>\$ 1,898</u>	<u>\$ 839</u>	<u>\$ (825)</u>	<u>\$ 148</u>	<u>\$ 141</u>	<u>\$ (973)</u>	<u>\$ 24</u>	<u>\$ 60</u>
Covered-employee payroll	N/A	N/A	N/A	\$ 26,876	\$ 25,620	\$ 23,937	\$ 24,797	\$ 24,832	\$ 22,511	\$ 22,296
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	20.37%	24.11%	14.19%	17.50%	18.48%	14.16%	13.40%

Notes to Schedule

Valuation timing Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method N/A. All participants are inactive.
Amortization method Closed level dollar for remaining unfunded liability
Remaining amortization period 23 years
Asset valuation method Market value of assets. Previously, 5-year smoothing.
Actuarial assumptions:
Investment rate of return 6.25% (previously 5.5%)
Inflation 2.3% (previously 2.6%)
Salary increases N/A
Cost of living adjustment 2.5%
Mortality RP - 2014 (adjusted back to 2006), projected generationally with Scale MP2015.
Previously, RP-2000 Combined Healthy Mortality, projected generationally with Scale AA.

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' RETIREMENT PLAN B
LAST TEN FISCAL YEARS
(In Thousands)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined contribution	\$ 515	\$ 519	\$	\$ 4,300	\$ 3,937	\$ 3,351	\$ 2,505	\$ 2,157	\$ 1,885	\$ 1,530
Contributions in relation to the actuarially determined contribution				<u>2,939</u>	<u>4,207</u>	<u>3,302</u>	<u>2,435</u>	<u>2,485</u>	<u>1,773</u>	<u>798</u>
Contribution Deficiency (Excess)	<u>\$ 515</u>	<u>\$ 519</u>	<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ (270)</u>	<u>\$ 49</u>	<u>\$ 70</u>	<u>\$ (328)</u>	<u>\$ 112</u>	<u>\$ 732</u>
Covered-employee payroll	N/A	N/A	N/A	\$ 15,918	\$ 16,163	15,815	\$ 16,018	\$ 14,364	\$ 13,727	\$ 13,674
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	18.46%	26.03%	20.88%	15.20%	17.30%	12.92%	5.84%

Notes to Schedule

Valuation timing Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	N/A. All participants are inactive.
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	23 years
Asset valuation method	Market value of assets (previously, 5-year smoothing)
Actuarial assumptions:	
Investment rate of return	6.25% (previously, 5.5%)
Inflation	2.3% (previously 2.6%)
Salary increases	N/A
Cost of living adjustment	3.0%
Mortality	RP - 2014 (adjusted back to 2006), projected generationally with Scale MP2015. Previously, RP-2000 Combined Healthy Mortality, projected generationally with Scale AA.

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
JANITORS' AND ENGINEERS' RETIREMENT PLAN
LAST TEN FISCAL YEARS
(In Thousands)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined contribution	\$ 836	\$ 873	\$ 893	\$ 895	\$ 6	\$ 877	\$ 877	\$ 897	\$ 897	\$ 839
Contributions in relation to the actuarially determined contribution	<u>861</u>	<u>890</u>	<u>936</u>	<u>914</u>	<u>891</u>	<u>985</u>	<u>1,032</u>	<u>1,013</u>	<u>1,020</u>	<u>1,067</u>
Contribution Deficiency (Excess)	<u>\$ (25)</u>	<u>\$ (17)</u>	<u>\$ (43)</u>	<u>\$ (19)</u>	<u>\$ (885)</u>	<u>\$ (108)</u>	<u>\$ (155)</u>	<u>\$ (116)</u>	<u>\$ (123)</u>	<u>\$ (228)</u>
Covered-employee payroll	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule

Valuation timing Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Pro rata projected unit credit
Amortization method	None
Remaining amortization period	N/A
Asset valuation method	N/A
Actuarial assumptions:	
Cost of living adjustment	3%
Salary increases	N/A
Retirement age	N/A
Mortality	UP 1994 Projected with Scale AA to 2015

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
PENSION PLANS
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense:		
Public Safety Plan A	0.72%	14.26%
Police Retirement Plan B	2.46%	15.11%
Firefighters' Retirement Plan B	0.68%	16.82%

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST FISCAL YEAR**

	<u>2015</u>
City's proportion of the net pension liability	0.00%
City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>304,339,743</u>
Total	<u>\$ 304,339,743</u>
City's covered-employee payroll	\$ 118,922,621
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	61.51%
Plan fiduciary net position as a percentage of the total pension liability	0.00%

Notes to Schedule

Changes in benefit terms

Changes of assumptions

During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.

Actuarial cost method

Entry age

Amortization method

Level percent of salary, closed

Remaining amortization period

22.4 years

Asset valuation method

4-year smoothed market

**CITY OF BRIDGEPORT, CONNECTICUT
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 MUNICIPAL EMPLOYEES RETIREMENT FUND
 LAST FISCAL YEAR**

	<u>2015</u>
City's proportion of the net pension liability	26.47%
City's proportionate share of the net pension liability	\$ 63,021,443
City's covered-employee payroll	\$ 145,741,934
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	90.48%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2012.
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market

**CITY OF BRIDGEPORT, CONNECTICUT
 SCHEDULE OF EMPLOYER CONTRIBUTIONS - MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 24,404,803	\$ 20,033,088	\$ 12,847,194	\$ 9,589,103	\$ 7,199,397	\$ 5,559,696	\$ 5,243,868	\$ 5,410,000	\$ 5,312,000	\$ 4,749,000
Contributions in relation to the actuarially determined contribution	24,404,803	20,033,088	12,847,194	9,589,103	7,199,397	5,559,696	5,243,868	5,410,000	5,312,000	4,749,000
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 145,741,934	\$ 139,687,029	\$ 110,276,343	\$ 82,309,897	\$ 75,783,126	\$ 79,424,228	\$ 74,912,400	\$ 77,285,714	\$ 75,885,714	\$ 67,842,857
Contributions as a percentage of covered employee payroll	16.75%	14.34%	11.65%	11.65%	9.50%	7.00%	7.00%	7.00%	7.00%	7.00%

Notes to Schedule

Valuation date: June 30, 2014
 Measurement date: June 30, 2014
 Actuarially determined contribution rates are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry Age
- Amortization method: Level dollar, closed
- Single equivalent amortization period: 27 years
- Asset valuation method: 5 years smoothed market (20% write up)
- Inflation
- Salary increases: 4.25% - 11%, including inflation
- Investment rate of return: 8%, net of investment related expense
- Changes in assumptions: In 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to more closely reflect actual and anticipated experience.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

General Fund

GENERAL FUND

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

**CITY OF BRIDGEPORT, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 26,753,392	\$ 38,737,637
Receivables:		
Property taxes, net of allowance for uncollectible amounts of \$25,012,077 in 2015 and \$26,190,890 in 2014	45,019,835	39,100,713
Intergovernmental	29,143,884	30,764,438
Other	2,701,449	2,776,382
Due from other funds	9,374,922	19,116,344
Other assets	<u>350,000</u>	<u>350,000</u>
Total assets	<u>\$ 113,343,482</u>	<u>\$ 130,845,514</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts and other payables	\$ 18,201,047	\$ 18,544,400
Accrued liabilities	15,981,125	16,759,782
Due to other funds	14,849,261	16,086,763
Unearned revenue	1,049,664	960,711
Notes payable		<u>20,000,000</u>
Total liabilities	<u>50,081,097</u>	<u>72,351,656</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	44,458,367	38,464,958
Unavailable revenue - school construction	<u>5,090,557</u>	<u>6,633,084</u>
Total deferred inflows of resources	<u>49,548,924</u>	<u>45,098,042</u>
Fund Balance:		
Nonspendable	350,000	350,000
Unassigned	<u>13,363,461</u>	<u>13,045,816</u>
Total fund balance	<u>13,713,461</u>	<u>13,395,816</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 113,343,482</u>	<u>\$ 130,845,514</u>

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2015**

Grand List Year	Balance Uncollected July 1, 2014	Current Levy	Net Adjustments	Transfers to Suspense	Adjusted Taxes Collectible	Collections				Balance Uncollected June 30, 2015
						Taxes	Interest	Lien Fees	Total	
1999	\$ 1,949,132		\$ (6,235)	\$ (615)	\$ 1,942,282	\$ 11,647	\$ 35,586	\$ 177	\$ 47,410	\$ 1,930,635
2000	1,816,224		(6,858)	(2,135)	1,807,231	11,546	26,553	160	38,259	1,795,685
2001	2,055,337		(10,085)	(3,275)	2,041,977	13,122	29,727	212	43,061	2,028,855
2002	1,925,172		(11,778)	(3,948)	1,909,446	14,015	32,674	299	46,988	1,895,431
2003	1,175,677		(10,253)	(1,601)	1,163,823	9,399	16,325	376	26,099	1,154,424
2004	1,491,939		(11,735)	(3,801)	1,476,403	20,131	34,148	434	54,713	1,456,272
2005	1,696,003		(15,025)	(5,605)	1,675,373	22,321	35,845	731	58,897	1,653,052
2006	2,307,764		(15,777)	(164,136)	2,127,851	35,162	43,577	752	79,491	2,092,689
2007	3,741,106		(20,583)	(3,569)	3,716,954	46,142	55,272	697	102,111	3,670,812
2008	3,737,223		(27,191)	(1,640)	3,708,392	52,420	53,775	919	107,114	3,655,972
2009	4,096,447		(32,603)	(2,113)	4,061,731	107,123	83,808	1,233	192,164	3,954,608
2010	5,725,885		133,475	(1,800)	5,857,560	282,484	82,123	1,695	366,302	5,575,076
2011	5,133,361		(68,310)	(3,506)	5,061,545	398,242	136,366	3,585	538,193	4,663,303
2012	8,918,080		(299,569)	(7,081)	8,611,430	1,662,853	306,846	34,844	2,004,543	6,948,577
2013		301,507,539	(5,193,622)	(4,051)	296,309,866	291,238,982	1,967,984	127,788	293,334,754	5,070,884
	<u>\$ 45,769,350</u>	<u>\$ 301,507,539</u>	<u>\$ (5,596,149)</u>	<u>\$ (208,876)</u>	<u>\$ 341,471,864</u>	<u>\$ 293,925,589</u>	<u>\$ 2,940,607</u>	<u>\$ 173,901</u>	<u>\$ 297,040,097</u>	<u>\$ 47,546,275</u>

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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.

Public Safety Fund - is used to account for state and federal grants used for public safety programs such as victim assistance, weed and seed; JAG; and other homeland security special revenues.

Facility and Miscellaneous Fund - is used to account for state and local grants for such programs as Veteran Affairs and Light House programs; School Security and other special revenue projects. The new fund is now called Facility and Miscellaneous (fund 24). Please provide description.

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

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

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

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

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

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

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

Library Operations Fund - is used to account for charges for services, donations and income from miscellaneous sources to fund 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.

Miscellaneous Grants Fund - is used to account for Local Capital Improvement (LOCIP), as well as other miscellaneous federal and state grants.

General Government Fund - is used to account for special revenues for Library Historic Document Preservation; Business Expo and other general government grants.

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.

Conversion Capital Projects Fund - is used to account for older miscellaneous projects bonded for prior to 1997 for miscellaneous construction and renovation projects

Permanent Funds

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

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

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

**CITY OF BRIDGEPORT, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue Funds									
	Health and Sanitation	Public Safety	Facility and Miscellaneous	Social Services	Community Development Block Grant	Housing Opportunities AIDS	HOME Program	Section 108 Loan Guarantee	Development Administration State Grant	
ASSETS										
Cash and cash equivalents	\$	\$ 607,246	\$	\$	\$ 9,462	\$ 85,195	\$ 182,324	\$ 499,998	\$ 1,915,410	
Investments										
Receivables:										
Intergovernmental		1,872,012	2,616,229	43,208	1,329,009	1,256,591	245,443	1,039,237	1,516,650	
Other							577,522			
Due from other funds		690,729	632,876	396,514			25,246		4,130	
Total Assets	\$	\$ 441,487	\$ 3,169,987	\$ 3,249,105	\$ 439,722	\$ 1,338,471	\$ 1,341,786	\$ 1,030,535	\$ 1,539,235	\$ 3,436,190
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable and other liabilities	\$	120,922	\$ 575,214	\$ 595,856	\$ 239,033	\$ 223,489	\$ 193,117	\$ 10,722	\$ 32,177	\$ 393,786
Accrued payroll liabilities		32,181			2,281	14,863	519			
Due to other funds				653,035	202,315	1,337,956	737,842	583,200	743,882	1,664,843
Unearned revenues		78,961	577,213	35,294	41,711		35,048	84,747		162,760
Total liabilities		232,064	1,152,427	1,284,185	485,340	1,576,308	966,526	678,669	776,059	2,221,389
Fund Balances:										
Restricted		209,423	2,017,560	1,964,920			375,260	351,866	763,176	1,214,801
Committed										
Unassigned					(45,618)	(237,837)				
Total fund balances		209,423	2,017,560	1,964,920	(45,618)	(237,837)	375,260	351,866	763,176	1,214,801
Total Liabilities and Fund Balances	\$	\$ 441,487	\$ 3,169,987	\$ 3,249,105	\$ 439,722	\$ 1,338,471	\$ 1,341,786	\$ 1,030,535	\$ 1,539,235	\$ 3,436,190

(Continued on next page)

**CITY OF BRIDGEPORT, CONNECTICUT
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015**

	Special Revenue Funds					Capital Projects	Permanent Trusts		Interfund Eliminations	Total Nonmajor Governmental Funds
	Library	Library Operations	Education	Miscellaneous Grants	General Government	Conversion Capital Projects	Library	Education		
ASSETS										
Cash and cash equivalents	\$ 874,903		\$ 239,195	\$ 52,456		\$ 4,387,379	\$ 97,259	\$ 108,000		\$ 9,058,827
Investments	1,038,808						425,028			1,463,836
Receivables:										
Intergovernmental						284,466				10,395,317
Other	29,000									606,522
Due from other funds	2,421	2,687,526		58,174	273,833	392,635		768	(884,726)	4,529,141
Total Assets	\$ 1,945,132	\$ 2,687,526	\$ 239,195	\$ 110,630	\$ 273,833	\$ 5,064,480	\$ 522,287	\$ 108,768	\$ (884,726)	\$ 26,053,643
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable and other liabilities	\$	\$	\$	\$ 59,818	\$ 1,508	\$ 40	\$	\$	\$	\$ 2,445,682
Accrued payroll liabilities										49,844
Due to other funds									(884,726)	5,038,347
Unearned revenues					188,628	751,416				1,955,778
Total liabilities	-	-	-	59,818	190,136	751,456	-	-	(884,726)	9,489,651
Fund Balances:										
Restricted				50,812			522,287	108,768		7,578,873
Committed	1,945,132	2,687,526	239,195		83,697	4,313,024				9,268,574
Unassigned										(283,455)
Total fund balances	1,945,132	2,687,526	239,195	50,812	83,697	4,313,024	522,287	108,768	-	16,563,992
Total Liabilities and Fund Balances	\$ 1,945,132	\$ 2,687,526	\$ 239,195	\$ 110,630	\$ 273,833	\$ 5,064,480	\$ 522,287	\$ 108,768	\$ (884,726)	\$ 26,053,643

**CITY OF BRIDGEPORT, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue								
	Health and Sanitation	Public Safety	Facility and Miscellaneous	Social Services	Community Development Block Grant	Housing Opportunities AIDS	HOME Program	Section 108 Loan Guarantee	Development Administration State Grant
Revenues:									
Intergovernmental	\$ 838,846	\$ 6,943,781	\$ 1,388,561	\$ 880,095	\$ 3,623,987	\$ 860,081	\$ 1,781,616	\$	\$ 1,038,453
Interest		1,393							4,531
Other	1,735	48,151	441,351	168,736				376,151	122,875
Total revenues	<u>840,581</u>	<u>6,993,325</u>	<u>1,829,912</u>	<u>1,048,831</u>	<u>3,623,987</u>	<u>860,081</u>	<u>1,781,616</u>	<u>376,151</u>	<u>1,165,859</u>
Expenditures:									
General government									
Health and social services	1,029,485					829,518			
Libraries									
Education									
Special services		5,694,119	1,514,490	1,491,366	3,377,985		1,261,930		1,449,238
Total expenditures	<u>1,029,485</u>	<u>5,694,119</u>	<u>1,514,490</u>	<u>1,491,366</u>	<u>3,377,985</u>	<u>829,518</u>	<u>1,261,930</u>	<u>-</u>	<u>1,449,238</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(188,904)</u>	<u>1,299,206</u>	<u>315,422</u>	<u>(442,535)</u>	<u>246,002</u>	<u>30,563</u>	<u>519,686</u>	<u>376,151</u>	<u>(283,379)</u>
Other Financing Sources:									
Transfers in		11,379							
Transfers out									
Total other financing sources	<u>-</u>	<u>11,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(188,904)</u>	<u>1,310,585</u>	<u>315,422</u>	<u>(442,535)</u>	<u>246,002</u>	<u>30,563</u>	<u>519,686</u>	<u>376,151</u>	<u>(283,379)</u>
Fund Balances at Beginning of Year	<u>398,327</u>	<u>706,975</u>	<u>1,649,498</u>	<u>396,917</u>	<u>(483,839)</u>	<u>344,697</u>	<u>(167,820)</u>	<u>387,025</u>	<u>1,498,180</u>
Fund Balances at End of Year	<u>\$ 209,423</u>	<u>\$ 2,017,560</u>	<u>\$ 1,964,920</u>	<u>\$ (45,618)</u>	<u>\$ (237,837)</u>	<u>\$ 375,260</u>	<u>\$ 351,866</u>	<u>\$ 763,176</u>	<u>\$ 1,214,801</u>

(Continued on next page)

**CITY OF BRIDGEPORT, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue					Capital Projects	Permanent Trusts		Interfund Eliminations	Total Nonmajor Governmental Funds
	Library	Library Operations	Education	Miscellaneous Grants	General Government	Conversion Capital Projects	Library	Education		
Revenues:										
Intergovernmental	\$	\$	\$	\$	\$ 114,755	\$	\$	\$	\$	\$ 17,470,175
Interest	433		87	76		8,984	29,073	39		44,616
Other	157,516				41,490					1,358,005
Total revenues	<u>157,949</u>	<u>-</u>	<u>87</u>	<u>76</u>	<u>156,245</u>	<u>8,984</u>	<u>29,073</u>	<u>39</u>	<u>-</u>	<u>18,872,796</u>
Expenditures:										
General government					36,382					36,382
Health and social services										1,859,003
Libraries	130,650	247,393					56,037			434,080
Education			1,885					32		1,917
Special services										14,789,128
Total expenditures	<u>130,650</u>	<u>247,393</u>	<u>1,885</u>	<u>-</u>	<u>36,382</u>	<u>-</u>	<u>56,037</u>	<u>32</u>	<u>-</u>	<u>17,120,510</u>
Excess (Deficiency) of Revenues over Expenditures	<u>27,299</u>	<u>(247,393)</u>	<u>(1,798)</u>	<u>76</u>	<u>119,863</u>	<u>8,984</u>	<u>(26,964)</u>	<u>7</u>	<u>-</u>	<u>1,752,286</u>
Other Financing Sources:										
Transfers in		558,839							(11,379)	558,839
Transfers out					(688,173)				11,379	(676,794)
Total other financing sources	<u>-</u>	<u>558,839</u>	<u>-</u>	<u>-</u>	<u>(688,173)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(117,955)</u>
Net Change in Fund Balances	27,299	311,446	(1,798)	76	(568,310)	8,984	(26,964)	7	-	1,634,331
Fund Balances at Beginning of Year	<u>1,917,833</u>	<u>2,376,080</u>	<u>240,993</u>	<u>50,736</u>	<u>652,007</u>	<u>4,304,040</u>	<u>549,251</u>	<u>108,761</u>	<u>-</u>	<u>14,929,661</u>
Fund Balances at End of Year	<u>\$ 1,945,132</u>	<u>\$ 2,687,526</u>	<u>\$ 239,195</u>	<u>\$ 50,812</u>	<u>\$ 83,697</u>	<u>\$ 4,313,024</u>	<u>\$ 522,287</u>	<u>\$ 108,768</u>	<u>\$ -</u>	<u>\$ 16,563,992</u>

Fiduciary Fund

FIDUCIARY FUND

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

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

Student Activities Fund

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
Student Activities Fund				
Assets:				
Cash and Cash Equivalents	\$ <u>440,627</u>	\$ <u>1,542,767</u>	\$ <u>1,399,997</u>	\$ <u>583,397</u>
Liabilities:				
Due to Student Groups	\$ <u>440,627</u>	\$ <u>1,542,767</u>	\$ <u>1,399,997</u>	\$ <u>583,397</u>

Statistical Section

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF BRIDGEPORT, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 723,867,957	\$ 676,991,832	\$ 637,950,314	\$ 552,338,566	\$ 480,649,847	\$ 444,946,155	\$ 444,537,656	\$ 344,230,733	\$ 209,090,671	\$ 127,514,772
Restricted	3,092,595	3,119,552	5,161,248	3,161,264	3,161,236	3,161,176	3,161,212	3,161,212	3,161,212	3,161,212
Unrestricted	(876,052,275)	(443,964,841)	(439,224,801)	(400,754,807)	(343,798,284)	(297,902,514)	(302,776,953)	(226,824,933)	(168,193,991)	(151,356,989)
Total Governmental Activities Net Position	<u>(149,091,723)</u>	<u>236,146,543</u>	<u>203,886,761</u>	<u>154,745,023</u>	<u>140,012,799</u>	<u>150,204,817</u>	<u>144,921,915</u>	<u>120,567,012</u>	<u>44,057,892</u>	<u>(20,681,005)</u>
Business-type activities:										
Invested in capital assets, net of related debt	86,399,421	85,819,063	83,954,414	80,642,078	75,601,133	73,751,510	74,449,447	73,809,271	71,647,808	70,239,858
Restricted					923,098	820,556	1,433,775	1,290,387	582,299	1,005,237
Unrestricted	<u>12,382,135</u>	<u>9,186,043</u>	<u>8,373,469</u>	<u>8,865,646</u>	<u>6,991,988</u>	<u>6,079,946</u>	<u>4,424,261</u>	<u>566,363</u>	<u>196,996</u>	<u>(531,792)</u>
Total Business-Type Activities Net Position	<u>98,781,556</u>	<u>95,005,106</u>	<u>92,327,883</u>	<u>89,507,724</u>	<u>83,516,219</u>	<u>80,652,012</u>	<u>80,307,483</u>	<u>75,666,021</u>	<u>72,427,103</u>	<u>70,713,303</u>
Primary Government:										
Net investment in capital assets	810,267,378	762,810,895	721,904,728	632,980,644	556,250,980	518,697,665	518,987,103	418,040,004	280,738,479	197,754,630
Restricted	3,092,595	3,119,552	5,161,248	3,161,264	4,084,334	3,981,732	4,594,987	4,451,599	3,743,511	4,166,449
Unrestricted	<u>(863,670,140)</u>	<u>(434,778,798)</u>	<u>(430,851,332)</u>	<u>(391,889,161)</u>	<u>(336,806,296)</u>	<u>(291,822,568)</u>	<u>(298,352,692)</u>	<u>(226,258,570)</u>	<u>(167,996,995)</u>	<u>(151,888,781)</u>
Total Primary Government Net Position	<u>\$ (50,310,167)</u>	<u>\$ 331,151,649</u>	<u>\$ 296,214,644</u>	<u>\$ 244,252,747</u>	<u>\$ 223,529,018</u>	<u>\$ 230,856,829</u>	<u>\$ 225,229,398</u>	<u>\$ 196,233,033</u>	<u>\$ 116,484,995</u>	<u>\$ 50,032,298</u>

**CITY OF BRIDGEPORT, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental activities:										
General government	\$ 49,042,611	\$ 58,489,188	\$ 50,229,529	\$ 47,585,310	\$ 72,446,991	\$ 59,866,015	\$ 91,804,266	\$ 86,823,753	\$ 40,345,741	\$ 41,722,180
Public safety	215,031,986	129,070,130	128,334,652	127,416,487	123,045,441	113,047,552	74,990,792	83,787,624	84,118,885	84,409,628
Public facilities, parks and recreation	46,823,535	44,866,708	42,355,324	40,813,295	36,878,325	35,788,530	31,183,603	23,239,850	33,603,711	23,565,756
Parks and recreation							5,898,866	6,024,774	6,716,385	6,583,851
Planning and economic development	4,385,793	4,000,056	3,804,545	3,630,343	3,610,102	3,441,668				
Health and social services	7,322,735	6,732,534	7,373,284	7,514,927	11,567,506	12,951,797	12,656,636	18,589,707	20,437,426	18,690,534
Education	395,326,952	374,610,065	358,684,463	341,738,042	343,046,242	331,514,612	319,481,793	364,900,855	316,003,326	275,174,924
Special services	15,057,650	17,238,984	21,196,639	16,736,988	20,432,503	26,640,656	19,319,483	30,381,114	41,536,847	23,419,505
Interest on long-term debt	38,508,401	33,248,783	36,008,703	41,869,525	41,407,157	38,620,545	46,224,302	40,053,878	40,704,065	41,900,200
Total governmental activities expenses	771,499,663	668,256,448	647,987,139	627,304,917	652,434,267	621,871,375	601,559,741	653,801,555	583,466,386	515,466,578
Business-type activities:										
Water Pollution Control Authority	35,943,716	35,625,341	28,399,775	26,387,727	26,011,481	27,836,743	24,894,883	25,457,947	23,879,708	22,869,459
Total primary government expenses	807,443,379	703,881,789	676,386,914	653,692,644	678,445,748	649,708,118	626,454,624	679,259,502	607,346,094	538,336,037
Program revenue:										
Governmental activities:										
Charges for services:										
General government	3,930,371	4,296,733	3,766,901	3,632,801	5,681,830	3,728,748	3,330,184	8,914,116	11,067,469	23,874,846
Public safety	5,604,016	6,418,090	6,077,391	6,263,832	6,217,889	5,281,305	7,713,796	9,856,899	4,905,692	4,476,760
Public facilities, parks and recreation	4,267,986	3,882,782	4,217,714	4,008,679	5,225,479	4,350,689	2,792,042	2,985,124	10,182,342	6,647,338
Parks and recreation								2,514,238	2,318,393	1,518,799
Planning and economic development	5,974,668	4,386,547	2,904,860	4,102,402	2,292,655	2,749,419				
Health and social services	750,404	1,125,770	2,013,222	865,318	1,502,929	924,169	570,541	817,350	1,991,980	2,155,194
Education	787,178	735,122	704,164	702,587	756,596	817,448	900,591	1,018,406	1,276,551	1,423,341
Special services	(1,135,968)	549,529	1,468,921		832,216				1,061,769	178,938
Operating grants and contributions:										
General government	420,791	196,264	704,873	425,724	975,269	773,282	3,152	11,467		14,992
Public safety	43,870	58,274	64,006	77,404	530,148	4,148,209			5,698,748	4,380,797
Public facilities	11,990,437	11,210,773	1,619,514	4,279,642	1,560,017	738,415	816,659	1,528,445		
Parks and recreation										
Planning and economic development	8,558,403	11,141,789	12,587,947	12,320,951	7,291,614	20,985,448				
Health and social services	2,217,947	4,920,034	3,892,593	5,916,291	8,662,148	9,402,270	11,890,493	14,951,983		
Education	310,324,708	299,181,796	276,324,293	257,452,149	265,667,950	255,015,046	251,852,265	309,252,770	215,343,447	210,955,679
Special services	8,573,446	3,813,519	8,993,807	3,880,602	6,890,585	1,627,623	25,798,114	25,282,869	41,522,707	20,301,961
Interest on long-term debt	1,289,418	1,356,816	1,526,001	1,570,900	1,703,694	798,503	1,350,146			
Capital grants and contributions:										
General government						849,366				
Education	37,877,509	29,876,935	60,215,806	35,750,724	26,475,637	24,941,420	35,296,564	87,193,304	64,067,911	36,550,562
Public facilities	1,756,685	3,522,581	1,205,943	1,188,554	324,725			8,343,237	16,809,428	
Public safety									2,500,000	
Special services	7,799	251,000	310,000							
Total governmental activities program revenue	403,239,668	386,924,354	388,597,956	342,438,560	342,591,381	337,131,360	344,828,785	472,474,363	377,946,843	312,686,591

(Continued on next page)

**CITY OF BRIDGEPORT, CONNECTICUT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Business-type activities:										
Charges for services:										
Water Pollution Control Authority	\$ 37,891,428	\$ 36,038,499	\$ 28,159,305	\$ 28,083,135	\$ 28,076,908	\$ 26,813,200	\$ 28,099,203	\$ 27,538,494	\$ 24,437,184	\$ 22,715,548
Capital grants and contributions:										
Water Pollution Control Authority	1,821,809	2,256,871	3,052,731	4,284,004	775,944	1,342,985	1,404,430	1,158,371	1,156,324	1,557,806
Total business-type activities program revenues	<u>39,713,237</u>	<u>38,295,370</u>	<u>31,212,036</u>	<u>32,367,139</u>	<u>28,852,852</u>	<u>28,156,185</u>	<u>29,503,633</u>	<u>28,696,865</u>	<u>25,593,508</u>	<u>24,273,354</u>
Total primary government program revenues	<u>442,952,905</u>	<u>425,219,724</u>	<u>419,809,992</u>	<u>374,805,699</u>	<u>371,444,233</u>	<u>365,287,545</u>	<u>374,332,418</u>	<u>501,171,228</u>	<u>403,540,351</u>	<u>336,959,945</u>
Net (expense) revenue:										
Governmental activities	(368,259,995)	(281,332,094)	(259,389,183)	(284,866,357)	(309,842,886)	(284,740,015)	(256,730,956)	(181,327,192)	(205,519,543)	(202,779,987)
Business-type activities	3,769,521	2,670,029	2,812,261	5,979,412	2,841,371	319,442	4,608,750	3,238,918	1,713,800	1,403,895
Total primary government net expense	<u>(364,490,474)</u>	<u>(278,662,065)</u>	<u>(256,576,922)</u>	<u>(278,886,945)</u>	<u>(307,001,515)</u>	<u>(284,420,573)</u>	<u>(252,122,206)</u>	<u>(178,088,274)</u>	<u>(203,805,743)</u>	<u>(201,376,092)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	303,836,495	296,275,535	284,379,599	278,055,567	277,621,119	267,026,434	247,817,417	220,435,186	226,471,874	210,007,626
Grants and contributions not restricted to specific programs	20,206,133	22,591,287	23,820,702	21,237,067	21,546,933	22,625,844	32,403,834	32,440,856	35,588,659	32,127,837
Unrestricted investment earnings	251,486	259,308	307,620	305,947	468,605	370,639	864,608	4,115,785	8,197,907	4,234,990
Miscellaneous			23,000							
Transfers					14,211					
Total governmental activities	<u>324,294,114</u>	<u>319,126,130</u>	<u>308,530,921</u>	<u>299,598,581</u>	<u>299,650,868</u>	<u>290,022,917</u>	<u>281,085,859</u>	<u>256,991,827</u>	<u>270,258,440</u>	<u>246,370,453</u>
Business-type activities:										
Investment earnings	6,929	7,194	7,898	12,093	22,836	25,087	32,712			158,903
Total primary government	<u>324,301,043</u>	<u>319,133,324</u>	<u>308,538,819</u>	<u>299,610,674</u>	<u>299,673,704</u>	<u>290,048,004</u>	<u>281,118,571</u>	<u>256,991,827</u>	<u>270,258,440</u>	<u>246,529,356</u>
Changes in Net Position:										
Governmental activities	(43,965,881)	37,794,036	49,141,738	14,732,224	(10,192,018)	5,282,902	24,354,903	75,664,635	64,738,897	43,590,466
Business-type activities	3,776,450	2,677,223	2,820,159	5,991,505	2,864,207	344,529	4,641,462	3,238,918	1,713,800	1,562,798
Total Primary Government	<u>\$ (40,189,431)</u>	<u>\$ 40,471,259</u>	<u>\$ 51,961,897</u>	<u>\$ 20,723,729</u>	<u>\$ (7,327,811)</u>	<u>\$ 5,627,431</u>	<u>\$ 28,996,365</u>	<u>\$ 78,903,553</u>	<u>\$ 66,452,697</u>	<u>\$ 45,153,264</u>

**CITY OF BRIDGEPORT, CONNECTICUT
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

Function/Program	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
General government	\$ 4,351,162	\$ 4,492,997	\$ 4,471,774	\$ 4,058,525	\$ 6,657,099	\$ 5,351,396	\$ 3,333,336	\$ 8,925,583	\$ 11,067,469	\$ 23,889,838
Public safety	5,647,886	6,476,364	6,141,397	6,341,236	6,748,037	9,429,514	7,713,796	9,856,899	13,104,440	8,857,557
Public facilities	18,015,108	18,616,136	7,043,171	9,476,875	7,110,221	5,089,104	3,608,701	12,856,806	26,991,770	6,647,338
Parks and recreation							2,514,238	2,318,393	1,518,799	1,726,183
Planning and economic development	14,533,071	15,528,336	15,492,807	16,423,353	9,584,269	23,734,867				
Health and social services	2,968,351	6,045,804	5,905,815	6,781,609	10,165,077	10,326,439	12,461,034	15,769,333	1,991,980	2,155,194
Education	348,989,395	329,793,853	337,244,263	293,905,460	292,900,183	280,773,914	288,049,420	397,464,480	280,687,909	248,929,582
Special services	7,445,277	4,614,048	10,772,728	3,880,602	7,722,801	1,627,623	25,798,114	25,282,869	42,584,476	20,480,899
Interest on long-term debt	1,289,418	1,356,816	1,526,001	1,570,900	1,703,694	798,503	1,350,146			
Total governmental activities	<u>403,239,668</u>	<u>386,924,354</u>	<u>388,597,956</u>	<u>342,438,560</u>	<u>342,591,381</u>	<u>337,131,360</u>	<u>344,828,785</u>	<u>472,474,363</u>	<u>377,946,843</u>	<u>312,686,591</u>
Business-type activities:										
Water Pollution Control Authority	<u>39,713,237</u>	<u>38,295,370</u>	<u>31,212,036</u>	<u>32,367,139</u>	<u>28,852,852</u>	<u>28,156,185</u>	<u>29,503,633</u>	<u>28,696,865</u>	<u>25,593,508</u>	<u>24,273,354</u>
Total Government	<u>\$ 442,952,905</u>	<u>\$ 425,219,724</u>	<u>\$ 419,809,992</u>	<u>\$ 374,805,699</u>	<u>\$ 371,444,233</u>	<u>\$ 365,287,545</u>	<u>\$ 374,332,418</u>	<u>\$ 501,171,228</u>	<u>\$ 403,540,351</u>	<u>\$ 336,959,945</u>

CITY OF BRIDGEPORT, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$ 30,876	\$	\$	\$	\$ 4,127,588
Unreserved						15,611,351	10,752,753	10,605,102	29,241,106	24,686,939
Nonspendable	350,000	350,000	350,000	350,000	350,000					
Assigned				3,222,700	5,222,700					
Unassigned	<u>13,363,461</u>	<u>13,045,816</u>	<u>12,574,082</u>	<u>9,147,814</u>	<u>10,987,910</u>					
Total General Fund	<u>\$ 13,713,461</u>	<u>\$ 13,395,816</u>	<u>\$ 12,924,082</u>	<u>\$ 12,720,514</u>	<u>\$ 16,560,610</u>	<u>\$ 15,642,227</u>	<u>\$ 10,752,753</u>	<u>\$ 10,605,102</u>	<u>\$ 29,241,106</u>	<u>\$ 28,814,527</u>
All Other Governmental Funds:										
Reserved	\$	\$	\$	\$	\$	\$ 10,068,125	\$ 5,068,118	\$ 114,188,749	\$ 101,323,449	\$ 132,000,973
Unreserved, reported in:										
Special revenue funds						(5,968,762)	(1,854,831)	(14,537,239)	(8,379,055)	(19,480,868)
Capital projects funds						53,320,116	29,831,588	(12,518,325)	14,104,079	(13,936,725)
Permanent fund						59,770	47,182	35,573	3,126	661,212
Restricted	7,578,873	4,864,914	4,592,021	1,910,141	1,398,998					
Committed	72,250,958	38,990,756	67,334,090	97,217,290	60,355,682					
Unassigned	<u>(887,110)</u>	<u>(29,861)</u>	<u>(1,132,864)</u>	<u>(2,933,603)</u>	<u>(4,216,210)</u>					
Total All Other Governmental Funds	<u>\$ 78,942,721</u>	<u>\$ 43,825,809</u>	<u>\$ 70,793,247</u>	<u>\$ 96,193,828</u>	<u>\$ 57,538,470</u>	<u>\$ 57,479,249</u>	<u>\$ 33,092,057</u>	<u>\$ 87,168,758</u>	<u>\$ 107,051,599</u>	<u>\$ 99,244,592</u>

Note: The City implemented GASB Statement No. 54 in fiscal year 2011. Fund Balances prior to fiscal year 2011 were not restated to conform with GASB Statement No. 54 requirements

TABLE 5

**CITY OF BRIDGEPORT, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Property taxes	\$ 297,658,389	\$ 290,690,776	\$ 285,962,925	\$ 274,118,745	\$ 272,206,146	\$ 268,637,066	\$ 248,743,175	\$ 227,028,207	\$ 228,593,633	\$ 218,013,347
Intergovernmental	401,772,314	387,013,540	391,193,349	346,936,724	340,359,992	340,863,435	355,431,137	475,240,256	383,345,871	306,711,917
Fees, permits and licenses	19,169,677	17,937,764	15,953,121	16,664,394	15,355,420	15,454,092	16,100,329	19,942,980	20,844,855	20,727,139
Interest	251,486	259,308	307,039	305,673	467,604	370,639	864,608	4,115,785	8,184,000	4,169,012
Other	4,231,035	6,248,652	7,046,473	4,347,520	9,412,146	5,023,480	7,183,515	11,122,689	12,340,020	20,826,665
Total revenues	<u>723,082,901</u>	<u>702,150,040</u>	<u>700,462,907</u>	<u>642,373,056</u>	<u>637,801,308</u>	<u>630,348,712</u>	<u>628,322,764</u>	<u>737,449,917</u>	<u>653,308,379</u>	<u>570,448,080</u>
Expenditures:										
Governmental and community services:										
General government	35,060,037	39,060,527	39,691,634	39,935,817	38,663,676	39,461,942	84,165,283	77,150,939	78,130,009	108,862,558
Public safety	126,909,760	119,804,154	121,687,093	115,629,783	107,582,600	99,874,176	65,494,093	72,907,644	63,938,653	63,669,135
Public facilities	38,734,364	37,473,983	36,166,380	34,490,427	33,119,337	32,932,515	26,706,098	27,997,221	26,303,916	24,479,831
Parks and recreation							5,368,932	5,675,667	5,969,788	5,818,319
Planning and economic development	4,063,198	4,000,056	3,804,545	3,630,343	3,610,102	3,441,668				
Health and social services	6,834,376	6,847,381	6,962,930	6,536,848	11,501,774	12,954,954	13,378,869	18,483,802	18,206,936	16,087,863
Charities and hospitals							123,835	184,968		90,833
Libraries	6,432,497	6,576,900	6,166,881	6,034,045	5,392,768	4,660,185				
Education	366,818,076	353,994,653	332,092,576	312,976,935	317,360,583	306,601,910	302,812,667	357,577,107	279,762,589	232,779,256
Special services	15,022,236	20,274,199	20,237,367	17,368,994	21,096,024	27,006,901	27,925,851	30,945,946	40,966,303	22,892,503
Debt service:										
Principal retirements	38,379,591	38,143,098	27,717,065	31,183,000	31,641,000	32,375,000	30,961,925	26,232,000	23,579,000	26,435,988
Interest and other charges	39,178,305	35,880,297	38,484,830	39,791,002	41,269,592	40,933,701	41,594,667	41,521,922	41,852,539	46,276,800
Capital outlay	86,814,928	66,802,507	93,042,777	74,551,555	45,222,964	41,669,094	83,719,594	118,136,031	114,737,164	63,239,695
Total expenditures	<u>764,247,368</u>	<u>728,857,755</u>	<u>726,054,078</u>	<u>682,128,749</u>	<u>656,460,420</u>	<u>641,912,046</u>	<u>682,251,814</u>	<u>776,813,247</u>	<u>693,446,897</u>	<u>610,632,781</u>
Excess of revenues over (under) expenditures	<u>(41,164,467)</u>	<u>(26,707,715)</u>	<u>(25,591,171)</u>	<u>(39,755,693)</u>	<u>(18,659,112)</u>	<u>(11,563,334)</u>	<u>(53,929,050)</u>	<u>(39,363,330)</u>	<u>(40,138,518)</u>	<u>(40,184,701)</u>
Other financing sources (uses):										
Transfers in	1,735,633	3,410,284	500,000	500,000	500,000	205,649,402	224,867,074	219,222,813	212,264,417	175,331,870
Transfers out	(1,735,633)	(3,410,284)	(500,000)	(500,000)	(500,000)	(205,649,402)	(224,867,074)	(219,222,813)	(212,264,417)	(175,331,870)
Bonds issued	66,580,000			67,930,000	19,440,000	40,840,000			47,890,000	95,735,000
Bond refunding issue	32,435,000	14,290,000	55,225,000							
Premium on long-term debt	12,680,507	1,150,189	4,874,093	6,641,055					482,104	895,239
Payments to escrow agent	(35,096,483)	(15,228,178)	(59,704,935)							(34,330,000)
Total other financing sources (uses)	<u>76,599,024</u>	<u>212,011</u>	<u>394,158</u>	<u>74,571,055</u>	<u>19,440,000</u>	<u>40,840,000</u>	<u>-</u>	<u>-</u>	<u>48,372,104</u>	<u>62,300,239</u>
Net Changes in Fund Balance	<u>\$ 35,434,557</u>	<u>\$ (26,495,704)</u>	<u>\$ (25,197,013)</u>	<u>\$ 34,815,362</u>	<u>\$ 780,888</u>	<u>\$ 29,276,666</u>	<u>\$ (53,929,050)</u>	<u>\$ (39,363,330)</u>	<u>\$ 8,233,586</u>	<u>\$ 22,115,538</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>11.5%</u>	<u>11.2%</u>	<u>10.5%</u>	<u>11.7%</u>	<u>12.0%</u>	<u>12.4%</u>	<u>12.3%</u>	<u>10.5%</u>	<u>11.5%</u>	<u>13.3%</u>

**CITY OF BRIDGEPORT, CONNECTICUT
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)**

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
2006	\$ 174,424,859	\$ 20,446,933	\$ 13,770,384	\$ 208,642,176
2007	183,690,496	22,352,699	15,270,656	221,313,851
2008	183,892,848	27,243,385	15,891,974	227,028,207
2009	230,926,963	24,496,725	14,343,553	269,767,241
2010	224,429,907	31,097,659	15,181,089	270,708,655
2011	235,380,246	31,814,553	14,853,112	282,047,911
2012	231,147,846	31,242,492	17,044,538	279,434,876
2013	237,452,454	28,608,729	20,026,111	286,087,294
2014	247,634,510	29,273,456	20,620,272	297,528,238
2015	249,909,726	30,117,975	21,608,636	301,636,337
Change 2006-2015	<u>43.28%</u>	<u>47.30%</u>	<u>56.92%</u>	<u>44.57%</u>

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

TABLE 7

CITY OF BRIDGEPORT, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In Thousands)
(Unaudited)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Miscellaneous Land	Personal Property	Motor Vehicle	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Value as a Percentage of Actual Value
2006	\$ 3,182,882	\$ 996,112	\$ 188,513	\$ 41,072	\$ 543,985	\$ 348,997	\$ 5,301,561	1.58%	40.32	\$ 7,573,659	70.00%
2007	3,199,609	998,510	188,631	41,104	588,791	372,428	5,389,073	1.65%	42.28	7,698,676	70.00%
2008	3,258,061	1,026,195	171,007	35,280	718,127	397,042	5,605,712	4.02%	41.28	8,008,160	70.00%
2009	4,087,787	1,256,373	291,075	79,212	703,831	379,451	6,797,729	21.30%	38.74	9,711,041	70.00%
2010	4,084,631	922,699	578,540	75,833	784,502	382,974	6,829,179	0.4%	39.64	9,755,970	70.00%
2011	4,159,228	877,194	421,714	84,023	804,932	396,467	7,022,705	0.2%	39.64	10,159,571	70.00%
2012	4,089,937	1,192,378	564,301	119,384	636,574	412,029	7,014,603	0.0%	41.11	10,020,861	70.00%
2013	4,082,205	1,225,399	587,398	125,387	698,880	419,227	7,138,496	0.2%	41.86	10,197,851	70.00%
2014	4,085,344	1,197,586	552,296	124,698	714,071	430,836	7,104,831	0.0%	42.20	10,149,759	70.00%
2015	4,085,727	1,220,504	552,923	129,092	734,447	442,829	7,165,522	0.0%	42.20	10,236,460	70.00%

Source: City of Bridgeport Tax Assessor's Office

TABLE 8

**CITY OF BRIDGEPORT, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
FY 2015 and 2006
(Unaudited)**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
CRRA/US Bank NAT Assoc James E. Mogavero	\$ 282,455,690	1	29.77%	\$ 54,812,359	4	12.29%
United Illuminating Co. Inc.	260,203,862	2	27.42%	83,752,150	1	18.77%
PSEG Power Connecticut LLC*	92,741,423	3	9.77%	62,199,063	3	13.94%
People's United Bank	54,431,367	4	5.74%			
Connecticut Light & Power	52,614,652	5	5.55%			
Bridgeport Energy LLC	49,995,398	6	5.27%	54,564,491	5	12.23%
Dominion Bpt Fuel Cell LLC	44,541,034	7	4.69%	32,196,075	6	7.22%
Southern CT Gas Co.-Energy EA	40,821,083	8	4.30%			
Wheelabrator BPT LP	40,577,772	9	4.28%	24,585,924	7	5.51%
Watermark 3030 Park LLC*	30,404,440	10	3.20%			
Cingular Wireless LLC				80,663,062	2	18.08%
Success Village Apts Inc.				14,641,200	10	3.28%
Aquarian Water Co. of CT*				23,302,683	8	5.22%
Bridgeport Lafayette 2005 LLC				15,400,000	9	3.45%
TOTAL	\$ 948,786,721		100.00%	\$ 446,117,007		100.00%

* Note: Name change occurred during period.

Source: City of Bridgeport - Assessor's Office

TABLE 9

**CITY OF BRIDGEPORT, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30:	Grand List Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2006	2004	\$ 210,375,902	\$ 202,659,104	96.33%	\$ 3,291,241	\$ 205,950,345	97.90%
2007	2005	224,126,241	215,656,891	96.22%	4,489,860	215,656,891	96.22%
2008	2006	222,282,166	215,712,695	97.04%	385,291	215,712,695	97.04%
2009	2007	250,083,276	243,126,091	97.22%	1,634,940	243,126,091	97.22%
2010	2008	267,703,716	260,055,196	97.14%	2,599,244	262,654,440	98.11%
2011	2009	273,823,500	267,033,575	97.52%	1,969,582	269,003,157	98.23%
2012	2010	275,342,274	267,783,020	97.25%	2,463,132	270,246,152	98.15%
2013	2011	286,087,294	278,613,368	97.39%	2,826,411	281,439,779	98.38%
2014	2012	297,528,238	284,699,957	96.96%	4,559,726	289,259,683	98.52%
2015	2013	296,309,866	291,238,982	98.29%	2,686,607	293,925,589	99.20%

Source: City of Bridgeport - Tax Collector's Office

TABLE 10

**CITY OF BRIDGEPORT, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Debt Per Capita	Business-Type Activities			Total Primary Government	Percentage of Per Capita Income	Per Capita
	General Obligation Bonds	Less Amount Available in Debt Services	Net General Bonded Debt			Loan Payable	General Obligation Bonds	Revenue Bonds			
2006	\$ 719,810	\$ -	\$ 719,810	9.50%	\$ 5,159	\$ 51,778	\$ -	\$ -	\$ 771,588	33.92%	\$ 5,530
2007	772,389	-	772,389	10.01%	5,536	49,552	490	-	822,431	29.03%	5,894
2008	684,228	-	684,228	8.54%	4,904	51,713	490	-	736,431	26.00%	5,278
2009	654,200	-	654,200	6.74%	4,689	49,486	450	-	704,136	24.86%	5,046
2010	669,140	-	669,140	6.86%	4,796	44,509	2,255	-	715,904	29.23%	5,131
2011	651,890	-	651,890	6.42%	4,520	43,621	2,152	-	697,663	29.66%	4,837
2012	689,265	-	689,265	6.80%	4,779	42,812	4,008	-	736,085	27.00%	5,104
2013	654,330	-	654,330	6.38%	4,493	44,866	3,874	-	703,070	24.00%	4,828
2014	636,625	-	636,625	6.08%	4,315	40,025	3,679	-	680,329	23.12%	4,618
2015	673,343	-	673,343	6.34%	4,399	38,276	3,595	-	715,214	23.26%	4,683

Source: City of Bridgeport Treasurer's Records

TABLE 11

**CITY OF BRIDGEPORT, CONNECTICUT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Governmental Activities		Percentage of Actual Property Value	Debt Per Capita	Business-Type Activities		Total Primary Government	Percentage of Per Capita Income	Per Capita
	General Obligation Bonds	Net General Bonded Debt			General Obligation Bonds				
2006	\$ 719,810	\$ 719,810	9.50%	\$ 5,159	\$ -	\$ 719,810	25.41%	\$ 5,530	
2007	772,389	772,389	10.01%	5,536	490	772,879	27.28%	5,894	
2008	684,228	684,228	8.54%	4,904	490	684,718	24.17%	5,278	
2009	654,200	654,200	6.74%	4,689	450	654,650	23.11%	5,046	
2010	669,140	669,140	6.86%	4,796	2,255	671,395	23.70%	5,131	
2011	651,890	651,890	6.42%	4,520	2,152	654,042	24.22%	4,837	
2012	689,265	689,265	6.80%	4,779	4,008	693,273	25.68%	5,104	
2013	654,330	654,330	6.38%	4,493	3,874	658,204	24.38%	4,828	
2014	636,625	636,625	6.08%	4,315	3,806	640,431	21.86%	4,618	
2015	673,343	673,343	6.34%	4,399	3,595	676,938	21.97%	4,423	

Source: City of Bridgeport Treasurer's Records

**CITY OF BRIDGEPORT, CONNECTICUT
DIRECT GOVERNMENTAL ACTIVITIES DEBT
FOR THE YEAR ENDED JUNE 30, 2015
(Unaudited)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>
General obligation debt	\$ 673,342,598
Less school construction grants receivable - principal portion only	<u>(5,090,557)</u>
Total Direct Debt	<u>\$ 668,252,041</u>

Source: City records.

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

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

Source: City of Bridgeport Treasurer's Records

**CITY OF BRIDGEPORT, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)
(Unaudited)**

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 1,514,400	\$ 1,575,702	\$ 1,595,640	\$ 1,741,261	\$ 1,741,508	\$ 1,909,787	\$ 1,918,226	\$ 1,975,977	\$ 2,050,851	\$ 2,084,816
Total net debt applicable to limit	945,365	934,990	957,601	925,639	959,344	717,376	755,691	870,367	689,996	761,541
Legal debt margin	\$ <u>569,035</u>	\$ <u>640,712</u>	\$ <u>638,039</u>	\$ <u>815,622</u>	\$ <u>782,164</u>	\$ <u>1,192,411</u>	\$ <u>1,162,534</u>	\$ <u>1,105,610</u>	\$ <u>1,360,855</u>	\$ <u>1,323,275</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>62.75%</u>	<u>62.43%</u>	<u>59.34%</u>	<u>60.01%</u>	<u>55.09%</u>	<u>37.56%</u>	<u>39.40%</u>	<u>44.05%</u>	<u>33.64%</u>	<u>36.53%</u>

**CITY OF BRIDGEPORT, CONNECTICUT
COMPUTATION OF LEGAL DEBT LIMITATION
JUNE 30, 2015**

Total tax collections (including interest and lien fees) for the year ended June 30, 2015					\$ 297,040,097
Reimbursement for revenue loss:					
Tax relief for the elderly					<u>790,759</u>
Base					\$ <u>297,830,856</u>
Debt Limit					\$ <u>2,084,815,992</u>
					Unfunded Past Benefit Obligation
	General Purpose	Schools	Sewer	Urban Renewal	Obligation
Debt Limitation					
2-1/4 times base	\$ 670,119,426	\$	\$	\$	
4-1/2 times base		1,340,238,852			
3-3/4 times base			1,116,865,710		
3-1/4 times base				967,950,282	
3 times base					893,492,568
Total debt limitation	<u>670,119,426</u>	<u>1,340,238,852</u>	<u>1,116,865,710</u>	<u>967,950,282</u>	<u>893,492,568</u>
Debt as Defined by Statute:					
Bonds and notes payable	249,230,054	131,879,079	41,752,208	1,826,000	264,870,000
Bonds authorized but unissued ¹	29,064,596	75,937,109			
Less: school construction grants		<u>(5,090,557)</u>			
Total indebtedness	<u>278,294,650</u>	<u>202,725,631</u>	<u>41,752,208</u>	<u>1,826,000</u>	<u>264,870,000</u>
Debt Limitation in Excess of Indebtedness	\$ <u>391,824,776</u>	\$ <u>1,137,513,221</u>	\$ <u>1,075,113,502</u>	\$ <u>966,124,282</u>	\$ <u>628,622,568</u>

1. Includes all bonds currently authorized

**CITY OF BRIDGEPORT, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2006	139,529	\$ 54,313	\$ 20,302	31.4	21,934	6.7%
2007	139,529	54,313	20,302	31.4	21,312	6.6%
2008	139,529	54,313	20,302	31.4	20,677	8.6%
2009	139,529	54,313	20,302	31.4	20,235	10.7%
2010	139,529	54,313	20,302	31.4	20,407	12.9%
2011	144,229	48,088	18,721	32.1	19,993	13.98%
2012	144,229	48,088	18,721	32.1	20,338	12.57%
2013	144,229	48,088	18,721	32.1	20,320	12.37%
2014	144,229	48,088	19,854	32.1	21,180	10.1%
2015	147,612	48,088	20,132	32.1	20,918	8.5%

**CITY OF BRIDGEPORT, CONNECTICUT
PRINCIPAL EMPLOYERS
2015 AND 2006
(Unaudited)**

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees*</u>	<u>Rank</u>
St. Vincent's Medical Center	2,238	1	2,200	3
Bridgeport Hospital, Inc.	2,005	2	2,700	1
People's United Bank	1,244	3	2,400	2
University of Bridgeport	810 (419 FT/391 PT)	4	537*	6
Prime Line Resources	569 (409 FT Reg./160 FT Temp.)	5	406	7
Bridgeport Health Care Center	525	6	1,100	4
Sikorsky Aircraft	501 (3 Shifts)	7	600	5
Lacey Manufacturing Company	329 (238 FT Reg./91 FT Temp.)	8	350	8
Watermark	243 (102 FT/141 PT)	9	300*	9
Housatonic Community College	214 (201 FT/13 FT Grant Funded)	10	184	10

* 2008 Data

Note: Rankings are based on full-time employees only

TABLE 17

CITY OF BRIDGEPORT, CONNECTICUT
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government:										
Office of the Mayor	9	9	9	8	8	8	9	9	8	8
Central Grants Office	5	5	5	6	6	6	6	6	6	6
Comptroller's Office	11	11	11	14.5	14.5	14.5	15	15	15	15
Finance Department	4.5	4	4	4	4	4	4	5	4	5
In-Plant Printing	6.5	6.5	7.5	7.5	7.5	7.5	7.5	8	7	7
Purchasing	6	6	5	6	6	6	7	8	8	8
Tax Collector	14	14	16	18	18	18	18	19	18	16
Tax Assessor	11	11	11	13	13	13	14	15	15	15
Treasurer's Office	2.5	2.5	3.5	2	2	2	2	3	3	3
Registrar of Voters / Elections	5	5	5	5	5	5	6	6	6	6
City Clerk	6	5	6	5	6	6	6	6	6	7
City Attorney	20	20	18	21	21	21	21	22	21	22
Archives and Records	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1	1	1
Civil Service	7	7	7	9	9	8	8	9	8	7
Grants Personnel / Benefits Administration	13.5	14	14	11	11	9	7	7	7	7
Labor Relations	6	6	6	6	6	6	6	7	8	8
Town Clerk	7	7	7	7	7	7	8	8	8	8
Legislative Department	-	-	-	2	1	2	2	2	2	1
Office of Policy and Management	6.5	6.5	6.5	6.5	6.5	5.5	5.5	6	6	6
Chief Administrative Office / Citistat	8	8	8	7	7	7	8	3	3	3
Information Technology Services	15	15	15	16	15	15	19	21	20	21
Minority Business Resource Ctr	3	3	3	2	2	2	-	-	-	-
Public Safety										
Police Department / Animal Shelter	491	471	471	479	473	486	532	538	554	544
Fire Department	296	277	281	295	299	310	329	330	326	326
Weights and Measures	2	2	2	2	2	2	2	2	2	2
Emergency Operations Center	57	57	57	59	60	60	48	42	43	-
Public facilities:										
Public Facilities Administration	17.5	16	16	15.5	15.5	15.5	17	15	15	15
Municipal Garage	10	10	10	10	10	10	10	10	10	10
Facilities Maintenance	33	33	31	31	31	31	37	34	34	34
Roadway Maintenance	37	37	44	45	45	45	43	43	43	45
Sanitation / Recycling	29	29	29	34	34	34	36	36	36	36
Transfer Station	1	1	1	1	1	1	1	1	1	1
Parks and Recreation:										
Recreation	3	3	3	3	3	3	3	3	3	3
Department on Aging	7	7	7	6	6	6	6	6	6	6
Parks & Rec Administration	5	5	4	4	4	4	5	6	6	6
Parks Maintenance	14	14	15	16	17	17	17	23	23	23
Beardsley Zoological Gardens	12	12	12	13	13	13	13	13	13	13
Fairchild Wheeler G.C.	2	2	2	3	3	3	3	3	2	2

(Continued on next page)

TABLE 17

CITY OF BRIDGEPORT, CONNECTICUT
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM (CONTINUED)
 LAST TEN FISCAL YEARS
 (Unaudited)

Function/Program	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Transportation										
Sikorsky Airport	13	13	13	14	14	14	15	15	15	15
City Engineer	5.25	6	5	6	6	6	5	6	6	6
Harbor Master	-	-	1	1	1	1	1	1	1	1
Planning & Development										
Planning & Economic Development	20.5	20.5	20.5	19.5	18.5	20	22	18	16	16
Building Department	12.25	12	11	13	13	13	14	14	10	10
Zoning Board of Appeals	1	1	1	1	1	1	1	1	1	1
Zoning Commission	6	6	6	6	5	4	7	7	6	6
Health & Social Services										
Health Administrative	4.5	3	2	2	2	2	3	3	3	4
Dental Hygiene	-	-	-	-	-	-	7	7	7	7
Vital Statistics	4.5	5	5	5	5	5	5	4	4	4
Communicable Diseases	5	5.2	5.2	5	5	5	4	5	4	4
Environmental Health	8	8	8	8	7	7	7	7	7	7
Housing Code	6	6	6	5	5	1	3	3	3	3
Lead Program	2	2	2	-	-	-	-	-	-	-
Public Health Nursing Clinics	-	-	-	-	-	-	-	37	37	39
School Based Health Centers	-	-	-	-	-	-	1	6	6	6
Social Services	1.25	1.8	1.8	1	2	2	19	26	26	25
Human Services										
Human Services Administration	2	2	2	2	2	2	2	2	2	2
Persons with Disabilities	1	1	1	0.5	0	0	1	1	1	-
Veterans Affairs	2	2	2	2	1	1	1	1	1	1
Lighthouse / Youth Services	6	6	6	4	4	4	4	4	4	3
Parent Aide Program	-	-	-	-	-	-	1	1	-	-
Libraries	53	54	53	53	52	52	60	69	69	68
Total	<u>1,336.8</u>	<u>1,296.5</u>	<u>1,304.5</u>	<u>1,341.5</u>	<u>1,336.0</u>	<u>1,353.5</u>	<u>1,466.5</u>	<u>1,530.0</u>	<u>1,527.5</u>	<u>1,475.5</u>

**CITY OF BRIDGEPORT, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)**

TABLE 18

Function/Program	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Calls for service	123,901	120,655	116,640	111,765	109,523	109,919	114,115	114,780	112,740	111,331
Adult arrest	5,295	7,751	6,505	5,317	4,397	4,237	4,230	6,422	3,771	3,047
Juvenile arrest	1,114	1,406	1,081	1,013	740	553	574	800	590	413
William Linsley BPD Crime Analysis Division (203) 576-7713										
Fire:										
Total fire runs	10,094	10,064	9,239	12,318	8,720	10,180	12,648	9,394	9,262	10,130
Total rescue runs	931	831	868	3,366	3,573	3,166	4,838	8,810	5,660	8,650
Property loss	\$ 6,963,375	\$ 5,936,590	\$ 3,302,875	\$ 3,724,050	\$ 4,506,600	\$ 3,415,473	\$ 7,418,300	\$ 3,649,017	\$ 3,541,176	\$ 3,171,020
Robert Petrucelli Dep. Chief of Admin. (203) 337-2060										
Building safety:										
Total building permits	2,724	2,386	2,454	2,683	2,522	2,425	N/A	3,127	2,939	3,199
Total value all permits	\$ 183,273,790	\$ 195,631,366	\$ 131,211,499	\$ 173,761,110	\$ 80,959,003	\$ 48,862,472	N/A	\$ 91,501,839	\$ 172,883,186	\$ 252,650,376
Kim Rose Admin Specialist, Building Dept. (203) 576-7226										
Library, volumes in collection	525,000	499,662	395,561	530,000	550,851	537,580	533,600	538,600	573,455	573,705
Sylvia Boyd Librarian (203) 576-7400										
Public service:										
Garbage collected (ton)	65,055	67,093	59,533	58,543	59,756	60,436	58,736	55,698	55,538	55,224
Recycle collected (ton)	3,496	2,992	3,055	3,128	3,194	3,217	4,762	5,339	5,421	5,649
Paul Catino Budget Analyst, Public Facilities (203) 394-6974										
Parks and recreation:										
Recreation program attendance	2,375	2,575	2,550	1,500	1,850	1,950	2,000	2,000	1,750	1,750
Aquatics program attendance	600	600	800	900	600	700	700	750	750	750
Golf rounds played	23,436***	45,007***	49,708	53,706	60,059	54,776	59,286	50,703	52,884	53,284
Street trees maintained	490	615	1,430	1,430	1,430	1,800	1,800	1,700	1,962	1,990
Lee Nastu - Recreation Coordinator, Parks & Rec. (203) 576-8083 Stephen Roach - Fairchild Wheeler Golf Pro (203) 373-5911 Steve Hladun - Tree Warden, Public Facilities (203) 576-7797										

Source: City Records

Note: n/a - Indicator not available

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

**CITY OF BRIDGEPORT, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	3	3	3	2	2	1	1	1	1	1
Police Officer Sector Terminals (POST)	5	5	3	3	3	4	3	3	3	4
Number of personnel and officers	574	574	574	574	557	469	456	473	454	429
Number of Divisions	11	11	11	11	11	11	11	11	11	11
Letha Logan, Admin Asst., Chief of Police (203) 581-5111										
Fire:										
Stations	8	8	8	8	8	8	8	8	8	8
Number of personnel and officers	399	315	337	366	366	366	296	283	282	284
Equipment (pieces)	25	28	28	28	28	28	28	30	30	30
Robert Petrucelli, Dep. Chief of Admin. (203) 337-2060										
Refuse collection:										
Collection Trucks	15	15	15	15	15	15	15	18	18	18
Paul Catino, Budget Analyst, Public Facilities (203) 394-6974										
Public facilities:										
Streets (Miles)	829	829	829	829	829	829	829	829	829	829
Traffic Signals	1,552	1,552	1,552	1,552	1,700	1,750	1,750	1,750	1,750	1,800
Paul Catino, Budget Analyst, Public Facilities (203) 394-6974										
Parks and recreation:										
Playgrounds	19	19	19	19	19	19	21	21	19	24
Parks	47	47	44	45	45	45	46	46	46	47
Park Acreage	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,351
Golf Courses	2	2	2	2	2	2	2	2	2	2
Swimming Pools	3	3	0	2	2	3	3	2	2	2
Tennis Courts	24	24	22	24	23	25	25	25	24	24
Museums	2	2	2	2	2	2	2	2	2	2
Zoo	1	1	1	1	1	1	1	1	1	1
Baseball/softball diamonds	25	25	25	25	31	31	30	30	25	25
Ice Skating Rinks	2	2	2	1	1	1	1	1	1	1
Soccer/Football Fields	17	17	17	17	19	21	26	28	17	17
Lee Nastu, Recreation Coordinator, Parks & Rec. (203) 576-8083										
Library:										
Facilities	5	4	4	5	5	5	5	5	5	5
Volumes	525,000	499,662	395,561	530,000	550,851	537,580	533,600	538,600	573,455	573,705
Sylvia Boyd, Librarian (203) 576-7400										
Water:										
Average Daily Consumption (MGPD)	13,286	12,821	12,800	12,359	12,021	12,318	11,716	11,447	11,457	11,572
Wastewater:										
Sanitary Sewers (miles)	154	157	160	160	160	160	170	170	170	170
Storm Sewers (miles)	n/a									
Combination Sanitary and Storm (miles)	129	126	123	123	123	123	113	113	113	113
Number of sewer wells	55,050	55,050	55,050	55,050	55,050	55,050	55,050	55,050	55,050	55,050
Number of Treatment Plants	2	2	2	2	2	2	2	2	2	2
Peter Harris, Director of Finance, WPCA (203) 332-5550 ext. 207										

Source: City Records

Note: n/a - Indicator not available