

CITY OF BRIDGEPORT, CONNECTICUT

**FINANCIAL REPORT
JUNE 30, 2003**

CITY OF BRIDGEPORT, CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year
July 1, 2002 to June 30, 2003**

Prepared By:
DEPARTMENT OF FINANCE

MICHAEL LUPKAS, CPFO
Director of Finance

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Introductory Section

December 23, 2003

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

Connecticut State Statutes require that all general purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Bridgeport, Connecticut for the fiscal year ended June 30, 2003.

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

The City of Bridgeport, Connecticut's financial statements have been audited by McGladrey & Pullen, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Bridgeport, Connecticut for the fiscal year ended June 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Bridgeport, Connecticut's financial statements for the fiscal year ended June 30, 2003 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

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

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

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 33 as part of the basic financial statements for the General Fund.

Factors Affecting Financial Condition

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

Local Economy: The effects of the national and subsequent regional and statewide recession continued to impact the City and the greater Bridgeport economy in 2002-2003. The City's unemployment rate has seen an increase to a 9.1% annual average for the fiscal year ending June 30, 2003 from a 6.5% annual average for the fiscal year ending June 30, 2002. Similarly, the State unemployment rate has changed, increasing from an annual average of 3.5% in 2002 to 5.0% for the period ending June 2003. The City's taxable base continues to show growth; the October 1, 2001 grand list increased 11.01%, which represents the ninth consecutive year that the grand list has increased and a 36.29% increase from the October 1, 1992 grand list.

Bridgeport has historically been a manufacturing/industrial city that was, for a time, primarily defense oriented. During the 1970's and 1980's, the loss of manufacturing jobs on a national level impacted Bridgeport as well. The City, through an aggressive marketing and economic development plan, has refocused its efforts to retain and attract new businesses tailored to the City's strengths of geographic location and skilled workforce availability. Manufacturing job losses of the 1980's and early 1990's have stopped. The number of manufacturing firms is increasing again, many in the 50-75 employee range. The City's strategy of identifying and retaining firms with the best growth prospects is proving successful, and now there are approximately 300 manufacturers that call Bridgeport their home. In order to enhance the infrastructure that serves the industrial base of the City and assemble the land and facilities necessary to provide for the expansion of existing corporations and accommodate new businesses, development within the City's three industrial corridors continues. Already in place are incentive packages associated with the Urban Enterprise and Foreign Trade Zones, as well as the City's own initiatives. Examples of companies remaining and expanding in Bridgeport are as follows: Bodine Corporation has built a 10,000 square foot expansion with an additional 20 jobs, Lacey Manufacturing has built a 35,000 square foot expansion with an additional 80 jobs, Unger Industries has added 30,000 square feet to their Bridgeport facilities, Chaves Bakery has built a second facility with an increase of 80 to 100 jobs, three (3) companies are in the process of initially building 60,000 square feet of industrial space in the West End Industrial Park and have plans to ultimately expand their facilities to a total of 150,000 square feet, and People's Bank is contemplating the construction of a new 300,000-400,000 square foot office tower and is continuing to seek a "signature tenant to occupy a significant portion of the proposed structure. During 2003, the Pitney Bowes Corporation relocated 170 employees from a suburban location to two floors of the 10 Middle Street office tower. The new location occupies approximately 23,000 square feet in the heart of Bridgeport's downtown and is adjacent to the planned Bridgeport Intermodal Transportation Center.

Major Initiatives: At the direction of the Mayor and the City Council, the City was able to undertake some major initiatives during fiscal year 2002-03:

- ◆ **West Side School Land Assembly** - The site assembly phase of a school replacement project slated to replace the 1890's Elias Howe Elementary School, which featured virtually no outdoor recreation facilities and had no off-street teacher parking is complete and site clearance activities are underway. The new 1,150-student school will be located in the

proximity of State Street and Clinton Avenue; will have separate recreation facilities for both younger and older children, internal site bus pick-up and drop-off capability and off-street teacher parking. The new school campus will have all of the modern educational facilities needed to educate the children of the West Side community.

- ◆ **Seaside Park Improvements** - Implementation of Phase III of the Seaside Park Master Plan has started. Prior phases have been completed included a new Bathhouse & Concession Stand at the beach area of the park; the installation of new Street Patterns & centralized Parking Lots in the vicinity of the playing fields. The playing fields have been refurbished and new soccer fields were added. The restoration of the main Seaside Park Bathhouse has also begun.
- ◆ **Demolition of the Pequonnock Apartments Housing Complex** - The former public housing high-rise apartment complex has been razed to provide additional surface parking capacity for the Harbor Yards Ballpark and Arena Complex. The site, directly across the street from the Ballpark is envisioned to ultimately be the site of a mixed-use commercial development (i.e. retail/restaurant/office complex; convention center; hotel; etc.)
- ◆ **In-fill Housing Redevelopment Projects in the South End and East Ends** - New affordable housing initiatives are being developed in the South End and Lower East End Neighborhoods. Housing developers were solicited and the successful companies will work the City to assemble vacant lots for new housing construction and renovate multi-family abandoned properties to help fill a growing need for affordable housing units in Bridgeport.
- ◆ **Derecktor Shipyards Relocation to the City of Bridgeport** - The City was able to attract a major New York ship-builder to develop a custom luxury yacht and ferryboat building operation to the former CarTech Site on Bridgeport Harbor. The company initially occupied an existing building on the site and has constructed an additional new multi-million dollar shipbuilding facility on the site. It is expected that 300 employees will be at the Derecktor Shipyard location. Recently, the company launched the first of two high-speed passenger and vehicle ferries built for the State of Alaska.
- ◆ **The Arena at Harbor Yards** - In the Fall 2001, the 10,000-seat arena next to the HarborYard Ballpark opened. The arena is the home of the New York Islanders Professional Hockey Team's minor league affiliate - the Bridgeport Sound Tigers and the Fairfield University's NCAA Division I Men's and Women's Basketball teams. The arena has hosted a number of other events during the past year such as the Ringling Bros. Barnum & Bailey Circus; ice skating shows; concerts, the Boston Pops orchestra; World Wrestling Entertainment televised events; motor cross racing; the Republican State Convention; and various trade shows.
- ◆ **Aurora Products** - A new company relocated to the City West End Industrial Area into 10,000 sq. ft. of industrial space next to the Bodine Complex. Aurora is a food processing operation employing approximately 40 people.
- ◆ **New State Juvenile Courthouse & Detention Center** - The State of Connecticut has completed the design of a new juvenile courthouse and detention center complex and will begin construction in 2004. Located in the northern portion of downtown Bridgeport, the new

complex on the site of the former Bridgeport Public Works Garage, upon completion this facility will replace the old judicial complex on Fairfield Avenue.

- ◆ **The Crescent Avenue Industrial Park** – The City is working to retain three companies: MagnaTek, Syntec & Rotair Industries in the City's East End and are looking to attract two new companies by acquiring additional vacant industrial space, rehabbing it and making long- dormant industrial space available to these expanding companies.
- ◆ **Expansion of Went Field Park** - The City recently acquired several Brownfield sites adjacent to the park, remediated the property, cleared the site, and expanded the park's recreational facilities in the resulting Greenfield's. The U.S. EPA gave National Recognition Honors for the City's \$4.1 million redevelopment of these Brownfields Properties as a neighborhood enhancement effort.

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

Risk Management: The City is insured for building and contents for approximately \$381,000,000 with a \$500,000 deductible. The airport is insured for a \$100,000,000 general liability policy with a hangers- keeper liability deductible on any one occurrence of \$1,000. The City has theft and dishonesty bonds for \$250,000 each for the police department and City Hall employees. It also has a tax collector's bond in the amount of \$2,205,000.

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

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

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

Pension and Other Post-Employment Benefits: All full-time employees of the City, except for the Board of Education personnel, police, firefighters, janitors and engineers, participate in the Connecticut Municipal Employees' Retirement Fund B (CMERF). This is a cost sharing multiple employer public employee retirement system. The City's payroll for employees covered under this plan for the year ended June 30, 2003 was \$66.7 million, which represents 28.1 percent of the total City payroll of \$237.5 million.

In addition to CMERF, the Board of Education teachers and certified administrators participate in a contributory defined benefit plan that is a State-financed teachers' retirement system. For the year ended June 30, 2003, the City's payroll for employees covered under this plan was \$102.3 million, which represents 43.1 percent of the total City payroll.

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

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

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bridgeport, Connecticut for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2002. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of a state and local government financial reports.

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

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

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

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

The cover photograph is a shot entering Bridgeport Harbor with the Bridgeport skyline in the background. Mid-way through the photograph, the reader can see traffic on Interstate 95 that

cuts through downtown Bridgeport, and the ship leaving the harbor in the foreground is one of Bridgeport and Port Jefferson ferries which provides both individual and vehicular transport service between Bridgeport and Port Jefferson, Long Island, New York. The photograph is a visual reminder that the City of Bridgeport is at the crossroads of one of the best land, sea, rail and air transportation systems in the State. State Routes 8 and 25, with their links to Interstate 84 and 91 merge with Interstate 95. Bridgeport Harbor is one of the three deep-water ports in Connecticut that can accommodate most ocean-going vessels involved with international trading and shipping. Amtrack and Metro-North provide passenger service to the City from the downtown Transportation Center, and Conrail operates a major freight yard within a quarter-mile of the Port of Bridgeport. The Sikorsky Memorial Airport is a City-owned and operated general aviation facility that is located in Stratford, ten minutes from downtown. The cover photograph was taken by Joseph S. Sopko, a programmer in the City's Information Technology Systems Department, assisted by Anthony Palumbo, Director of the In-Plant Print Shop.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Lupkas". The signature is fluid and cursive, with the first name "Michael" written in a larger, more prominent script than the last name "Lupkas".

Michael Lupkas
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bridgeport,
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

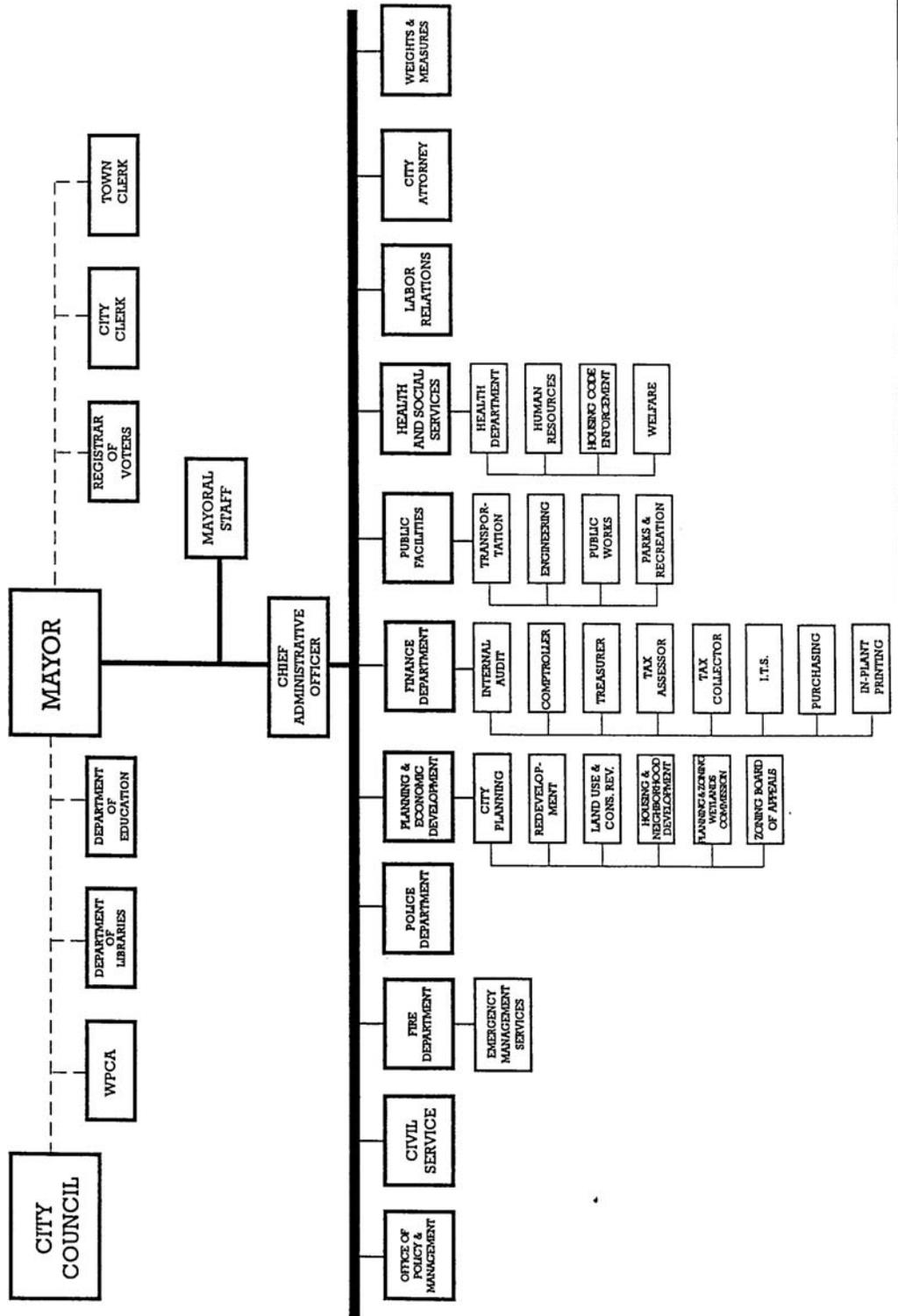
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

CITY OF BRIDGEPORT TABLE OF ORGANIZATION



CITY OF BRIDGEPORT, CONNECTICUT

LIST OF PRINCIPAL OFFICERS

As of June 30, 2003

Office	Name	Manner of Selection and Term
Mayor	John M. Fabrizi	Elected – 4 Year Term
City Clerk	Fleeta C. Hudson	Elected – 4 Year Term
Town Clerk	Hector Diaz	Elected – 4 Year Term
Chief Administrative Officer	George Gross	Appointed by Mayor
Director of Finance	Michael Lupkas	Appointed by Mayor
Deputy Director of Finance/Comptroller	Todd Bendtsen	Appointed by Director of Finance
Treasurer	Sharon D. Lemdon	Appointed by Mayor
City Attorney	Mark Anastasi	Appointed by Mayor
Acting Director of Office of Policy and Management	Thomas Sherwood	Appointed by Mayor
School Superintendent	Sonia Diaz Salcedo	3 Year Contract

Financial Section

McGladrey & Pullen

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bridgeport, Connecticut, as of and for the year ended June 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Bridgeport Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 18 to the financial statements, the City's former Mayor, an employee, and certain third parties were identified in charges as a result of an ongoing federal investigation.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bridgeport, Connecticut, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated November 5, 2003 on our consideration of the City of Bridgeport, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be read in conjunction with this report in considering the results of our audit.

The management discussion and analysis on pages 13 through 27 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, budgetary detail, combining and individual nonmajor fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

New Haven, Connecticut
November 5, 2003

City of Bridgeport, Connecticut
Management's Discussion and Analysis
June 30, 2003

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, 2003. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

Financial Highlights

- ◆ On a government-wide basis, the assets of the City exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$3,583,765. Total net assets (deficits) for Governmental Activities at fiscal year-end were (\$59,829,453) and total net assets for Business-Type Activities were \$63,413,218. The unrestricted net asset (deficit) at June 30, 2003 was (\$204,604,965).
- ◆ On a government-wide basis, during the year, the City's net assets increased by \$4,165,560 from (\$581,795) to \$3,583,765. The net (deficit) decreased by \$4,551,927 for Governmental Activities and net assets decreased by (\$386,367) for Business-Type Activities. Government-wide expenses were \$508.2 million, while revenues were \$512.4 million.
- ◆ At the close of the year, the City's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$80 million, a decrease of \$27.5 million from the prior fiscal year. Of the total fund balance as of June 30, 2003, \$53.6 million is available for spending at the government's discretion and represents the combined unreserved fund balance in the general fund, special revenue funds, capital projects fund and permanent fund.
- ◆ At the end of the current fiscal year, the total fund balance for the general fund alone was \$37.9 million, a decrease of \$3.2 million from the prior fiscal year. Included in the fiscal year 2003 budget was an appropriation of \$4 million of unreserved fund balance. As of June 30, 2003, \$35.3 million of the total general fund fund balance represents unreserved general fund fund balance. Unreserved general fund fund balance at year-end represents 8.75% of total general fund expenditures and transfers out (\$403.4 million).
- ◆ The City's total debt decreased by \$21 million during the current fiscal year. The reason for the decrease was that no new general obligation debt was issued during the fiscal year and principal payments were made on the current existing debt.
- ◆ Bond anticipation notes (BANS) of \$16.185 million were outstanding at June 30, 2003, and matured on July 17, 2003 bearing interest of 3.2% and 2.0%. These BANS were rolled over at maturity for a period of six months, and are now due and payable on January 15, 2004. In November 2003, these BANS were defeased through a general obligation bond sale. These tax-exempt bonds will mature incrementally over the next twenty years and will be used to finance public improvements, including city and school facilities and infrastructure.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information and a statistical section as well as the basic financial statements. The statistical section provides comparisons of selected information beginning with fiscal year 1994.

It is important to note that the City implemented the new reporting requirements outlined in GASB 34 effective July 1, 2001. The financial statements, therefore, contained within this report as of June 30, 2003, are the City's second report using the new reporting model. This report for fiscal year ending June 30, 2003, contains comparative information with June 30, 2002.

Government-Wide Financial Statements

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

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

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

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

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

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

The government-wide financial statements (statement of net assets (deficits) and statement of activities) can be found on pages 28-29 of this report.

Fund Financial Statements

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

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

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

The City maintains 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Board of Education, and the 2001 Bond Issue Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as Other Governmental Funds. Non-major governmental funds for the City include the Education Fund, the Health and Sanitation Fund, the Community Development Fund, The Rate Stabilization and Reserve Fund, the Social Services Fund, the Community Development Block Grant Fund, the Home Program Fund, the Section 108 Loan Guarantee Fund, the Development Administration State Grant Fund, the Library Fund, the Education Grants, the Parks and Recreation Fund, the Health Insurance Reserve Fund, are all considered Special Revenue Funds. In addition, the Education and Library Fund, the Health and Sanitation Fund, the Highway and Parking Fund, the General Government Fund, the Parks and Recreation Fund, the Municipal Airport Fund, the Capital Reduction Fund, the Bond Issue Fund, the School Bond Issue Fund, and the 1997 Bond Issue Fund are all considered Capital Projects Funds. Permanent Trust Funds consist of the Library Fund and the Education Fund. Individual fund data for each of these non-major governmental funds is provided in the combining balance sheets on pages 90-94 and in the combining statement of revenues, expenditures and changes in fund balance on pages 96-100.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures and changes in fund balance on a budgetary basis can be found on page 33.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on pages 30-31 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 34-36 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City's constituency. The City has four pension trust funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 37-38, and 101-102 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 39-79 of this report.

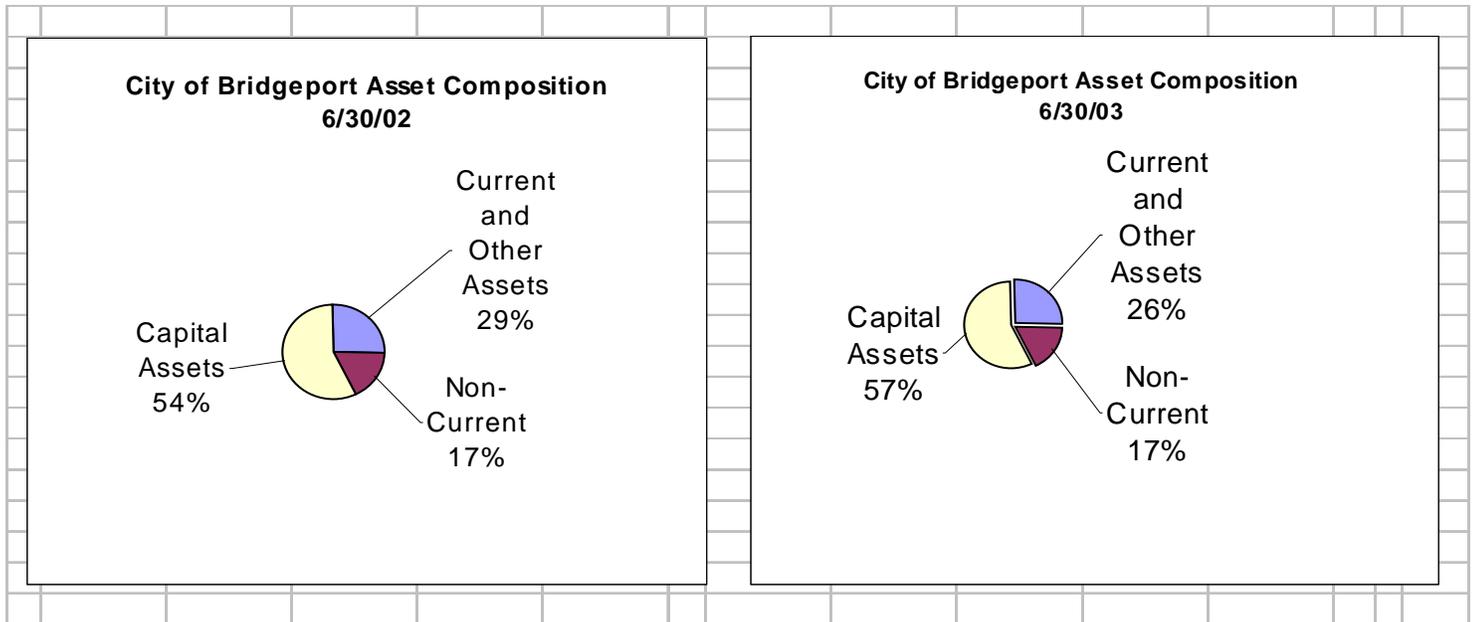
The notes to this report also contain certain information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Government-wide Financial Analysis

As noted earlier, net assets (deficits) may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the City's assets exceeded its liabilities by \$3,583,765 at June 30, 2003. This is an increase from last year's net assets (deficits) of (\$581,795)

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

City of Bridgeport						
Net Assets (\$000's)						
	June 30, 2002			June 30, 2003		
	Primary Government			Primary Government		
	Govern- mental Activities	Business Type Activities	Total*	Govern- mental Activities	Business Type Activities	Total*
Current and Other Assets	\$ 256,579	\$ 7,711	\$264,290	\$ 227,107	\$ 7,499	\$ 229,343
Non- Current	156,967	826	156,967	149,854	4,599	154,453
Capital Assets	368,772	132,715	501,487	384,107	133,391	517,498
Total Assets	782,318	141,252	922,744	761,068	145,489	901,294
Other Liabilities	117,084	7,997	124,255	114,512	14,448	123,697
Long-term liabilities						
outstanding	729,615	69,456	799,071	706,385	67,628	774,013
Total Liabilities	846,699	77,453	923,326	820,897	82,076	897,710
Net Assets:						
Inv. In cap assets, net of related debt	107,062	63,259	170,321	135,083	66,007	201,090
Restricted	59,044	1,841	60,885	2,500	4,599	7,099
Unrestricted	(230,487)	(1,301)	(231,788)	(197,412)	(7,193)	(204,605)
Total Net Assets	\$ (64,381)	\$ 63,799	\$ (582)	\$ (59,829)	\$ 63,413	\$ 3,584
* After internal receivables and payables have been eliminated.						



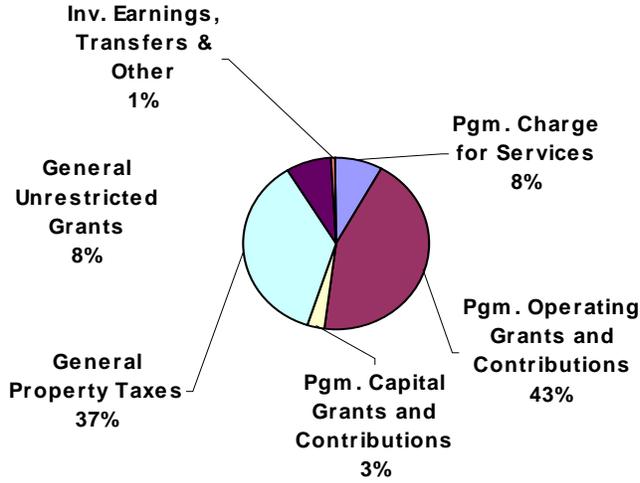
At the end of the current fiscal year, the City is able to report a positive balance only in its proprietary activities.

The portion of the City’s net assets of \$201,089,668 reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), net of any outstanding debt related to these assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

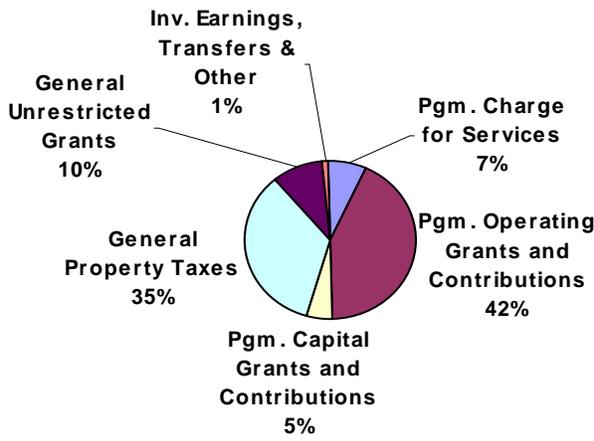
The portion of the City’s net assets that are restricted, \$7,099,000, represents resources that are subject to external restrictions on how they may be used. Unrestricted net assets (deficits) of (\$204,604,965) may not be used to meet the government’s ongoing obligations to citizens and creditors, due to the negative balance. This compares with last year’s total unrestricted net assets of (\$231,788,000). The reason for the decline in unrestricted net assets (deficits) was due to current year depreciation expense totaling \$14.9 million and a \$4.2 million increase in net assets. The primary reason for the large negative balance is due to the issuance of the August 2000 General Obligation Taxable Pension Bonds, which were issued to properly fund pension plans, which were previously funded on a “pay-as-you-go” basis, which has a net outstanding balance of \$226,205,000.

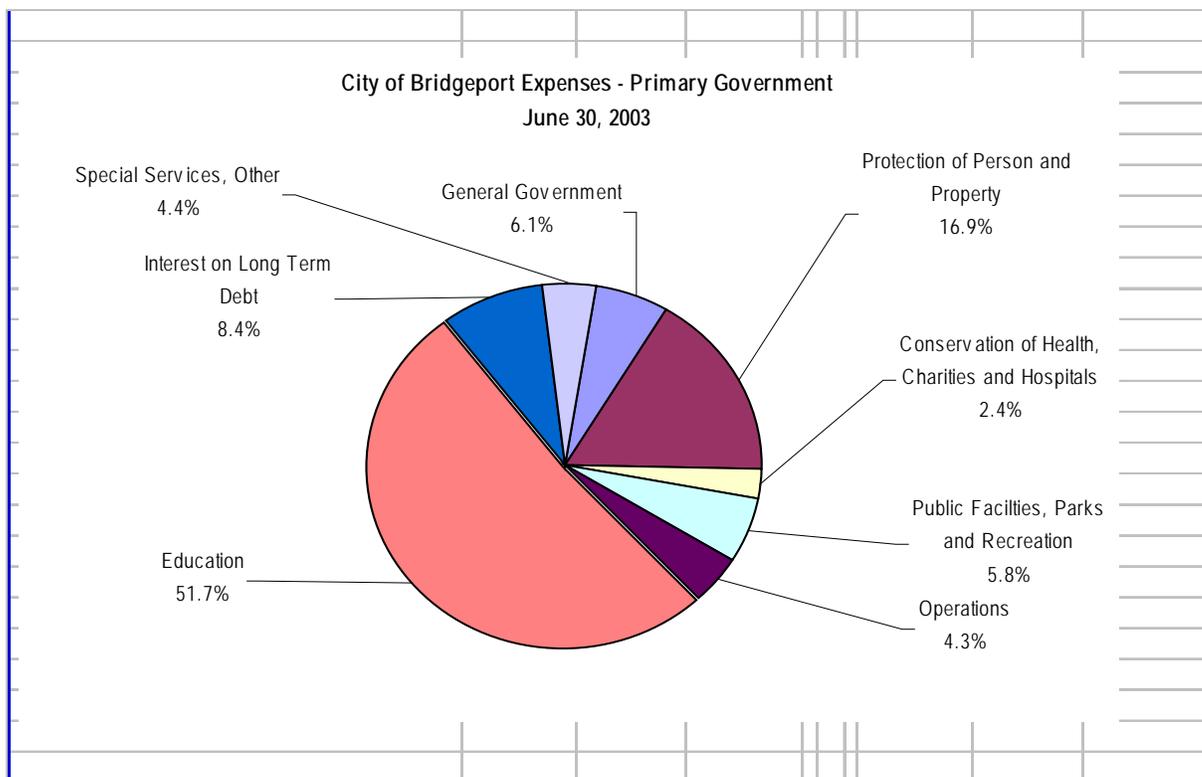
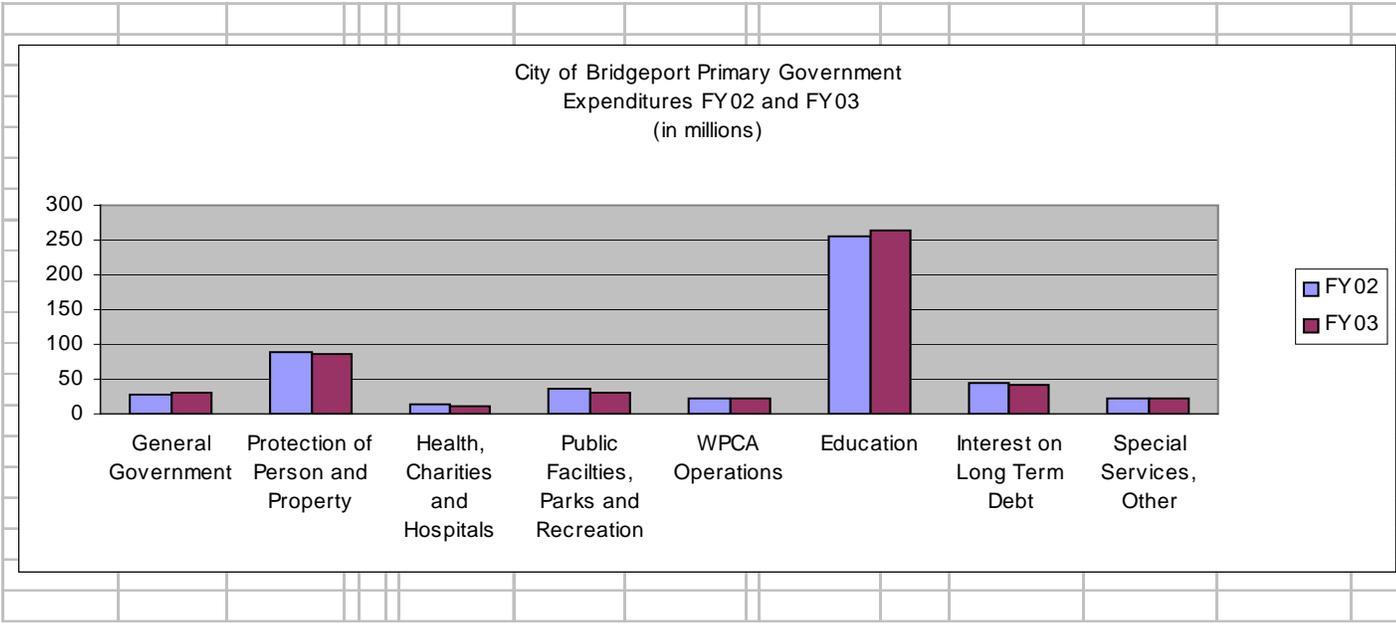
City of Bridgeport, Connecticut						
Changes in Net Assets (\$000's)						
	June 30, 2002			June 30, 2003		
	Primary Government			Primary Government		
	Govern- mental	Proprietary	Total	Govern- mental	Proprietary	Total
	Activities	Activities	Total	Activities	Activities	Total
Revenues:						
Program Revenues:						
Charge for Services	\$ 22,044	\$ 14,445	\$ 36,489	\$ 23,631	\$ 19,747	\$ 43,378
Operating Grants and Contributions	212,390		212,390	222,471	-	222,471
Capital Grants and Contributions	24,969	1,232	26,201	12,664	1,853	14,517
General Revenues:						
Property Taxes	176,439	-	176,439	187,968	-	187,968
Grants Not Restricted to Specific Programs	49,285	-	49,285	41,457	-	41,457
Unrestricted Investment Earnings	4,356	144	4,500	2,811	83	2,894
Transfer and Other	(3,585)	5,517	1,932	(309)	-	(309)
Total revenues	485,898	21,338	507,236	490,693	21,683	512,376
Expenses:						
General Government	27,245	-	27,245	30,828	-	30,828
Protection of Person and Property	88,265		88,265	85,262	-	85,262
Conservation of Health, Charities and Hospitals	14,012	-	14,012	12,169	-	12,169
Public Facilities, Parks and Recreation	34,949	-	34,949	29,443	-	29,443
Operations	-	20,972	20,972		22,069	22,069
Education	254,741	-	254,741	262,749	-	262,749
Interest on Long Term Debt	45,717	-	45,717	42,750	-	42,750
Special Services, Other	22,333	-	22,333	22,939	-	22,939
Total expenses	487,262	20,972	508,234	486,140	22,069	508,209
Change in net assets	(1,364)	366	(998)	4,553	(386)	4,167
Net Assets, beginning	(63,018)	63,433	415	(64,382)	63,799	(583)
Net Assets, ending	\$ (64,382)	\$ 63,799	\$ (583)	\$ (59,829)	\$ 63,413	\$ 3,584

**City of Bridgeport
FY03 Revenues**



**City of Bridgeport
FY02 Revenues**





Bridgeport's net assets (deficits) increased by \$4,165,560 during the fiscal year, with the net deficit of Governmental Activities decreasing by \$4,551,927 million, and net assets of Business-Type Activities decreasing by \$386,367. The increases in net assets represents the degree to which increases in ongoing revenues have outpaced increases in expenses.

Governmental Activities

More than 52.7% of the revenues were derived from program revenues, followed by 38.3% from property taxes, then 9.0% from other unrestricted grants and a combination of investment earnings, gains of sales of capital assets and operating transfers.

Major revenue factors included:

- ◆ Property tax revenues recorded for fiscal year 2003 reflect the natural increase in the grand list of .61% and the effect of the continuation of the implementation of revaluation phase-in.
- ◆ Investment earnings fell again in the general fund from \$2.5 million in the prior fiscal year to \$1.8 million for the fiscal year ended June 30, 2003. The interest income budget was reduced by 45% in recognition of the soft economy but a \$1.2 million shortfall was still realized because of the continued economic downturn.
- ◆ Intergovernmental revenues were down from the previous year because of reduced State aid because of the mid-year cuts by the State of Connecticut due to their budget crisis.

For Governmental Activities, more than 54.0% of the City's expenditures relate to education; 17.5% relate to public safety; 8.8% relate to interest payments on long-term debt; 6.3% relate to general government; 6.1% relate to public facilities and the parks and recreation departments; 4.7% relate to special services and other; and 2.6% relate to health and welfare.

Major expenditure factors include:

- ◆ Employee benefit costs rose between 5% and 10% due to rising health insurance costs.
- ◆ The approved budget for fiscal year 2003 included the use of \$4,000,000 of the City's fund balance.
- ◆ The 2002-2003 budget included elimination of positions and departments were asked to keep their budgets at or below fiscal years 2001-2002 budget.

Business-Type Activities

Business-Type activities decreased the City's net assets by \$386,367.

Water Pollution Control Authority (WPCA) revenue for charges for services went from \$14.4 million in fiscal year 2002 to \$19.7 million in fiscal year 2003. This increase is a result of the raising of user rates by 36%. The decrease in net assets within Business-Type Activities represents the degree to which increases in ongoing expenses have outpaced increases in revenues.

Financial Analysis of the Fund Financial Statements

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$80 million, a decrease of \$27.5 million as reported on June 30, 2002. Approximately 67.0% of this total amount constitutes unreserved fund balance that is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) \$17.5 million to liquidate contracts and purchase orders of the prior period; 2) \$2.5 million to self-insured claims reserve; 3) \$5.7 million for long-term receivables; and 4) \$651,000 for endowments.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$35.3 million while the total fund balance reached \$37.9 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and education operating transfers. Unreserved fund balance represents 8.75% of total general fund expenditures, while total fund balance represents 9.4% of that same amount.

As stated earlier, the fund balance of the City's general fund decreased by \$3.2 million during the current fiscal year. Key factors in this decline are as follows:

- ◆ The approved budget for fiscal 2003 included a planned draw down of fund balance in the amount of \$4 million. This use of fund balance was an attempt to soften the effect of the second year of the revaluation phase-in. Because of prudent management and tight budgetary controls, the City did not need to use the full amount of the budgeted fund balance.
- ◆ Investment income again declined during the fiscal year due to the decline in short-term interest rates. Actual investment income in the general fund fell short of the budget projection by \$1.2 million, which represents a 40% deviation from the budgeted amount.

The Board of Education Fund has decreased to a total fund balance of \$1,398,468, down from \$2,221,813 in the prior year. This amount is totally reserved for outstanding encumbrances.

The 2001 Bond Issue Fund has a total fund balance of \$23.4 million down from \$42.3 million in the prior year. The change in fund balance can be explained by the timing of resources into and out of this fund for Capital projects.

The Other Governmental Funds have a total fund balance of \$17.3 million, down from \$21.9 million in the prior year. The \$4.6 million decrease was primarily due to transfers from the rate stabilization and reserve fund to the General Fund.

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

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

The Unrestricted net asset (deficit) of the Water Pollution Control Authority was (\$7.2 million). The Water Pollution Control Authority experienced operating revenues of \$19.0 million from user fees. There was a total net loss for the WPCA of \$2.2 before capital contributions of \$1.9 million. The change in net assets for the fiscal year ended June 30, 2003 was \$(386,367).

General Fund Budgetary Highlights

The difference between the original budget and final amended budget was \$3,026,531. The additional appropriations approved during the year are summarized below.

- ◆ The Education Department's budget was increased by \$2,804,981 because of additional State revenue that the City received in Fiscal year 2003. In addition, the Park and Recreation department's budget was increased by \$221,550 to fund the operation of the Fairchild Wheeler golf course for an additional six months by the City. It was originally budgeted for only six months with the anticipation that an outside vendor would pick-up the operation for the last six months of the year.

These additional appropriations, above, were offset by revenue budget modifications that were also adopted:

- ◆ Intergovernmental revenue increased by \$2,804,981 due to the increase in the education cost sharing revenue from the State of Connecticut;
- ◆ Fees, permits and licenses revenue increased \$221,550 due to revenue projection from the abovementioned Fairchild Wheeler Golf Course operation.

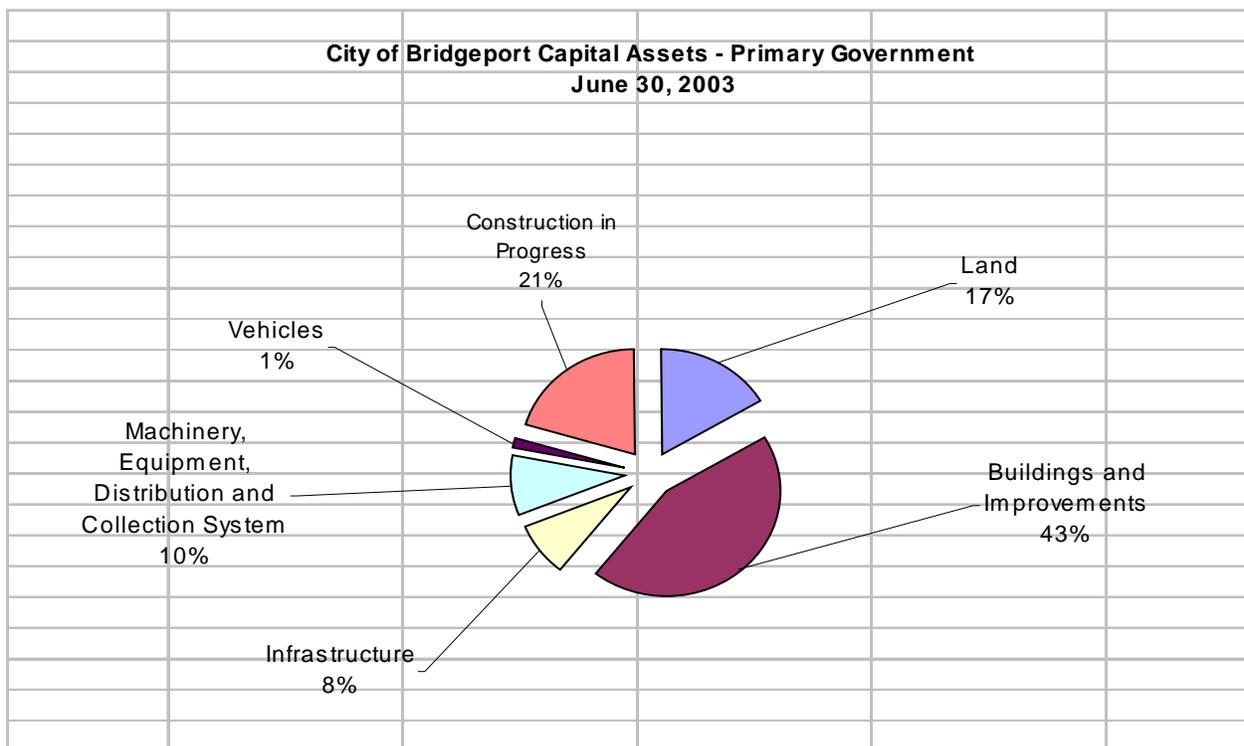
During the year, actual revenues and other financing sources on a budgetary basis were \$413.6 million, which were short of budgetary estimates by \$5.5 million. Actual tax revenues exceeded budget by \$4,917,976, which in part represents revenues recognized in fiscal year 2003 derived from two bulk sales of property tax liens totaling \$6.2 million. Actual intergovernmental revenue was \$9.6 million under budgetary estimates primarily due to less than anticipated revenues granted to the City through various state programs because of mid-year State reductions. Investment income was approximately \$1.2 million less than the \$3.0 million that had been budgeted. The budgeted amounts, for investment income was predicated upon historical short-term interest rates that prevailed during the budget preparation period. These assumptions did not anticipate the continued decline in interest rates during fiscal 2003. \$772,000 in actual revenues that exceeded budget in the other or miscellaneous category offset additional shortfalls of \$700,000 in fees, permits and licenses.

Actual expenditures on a budgetary basis and other financing uses totaled \$412.9 million, which were less than actual revenues and other financing sources on a budgetary basis by \$733,387. The fiscal year 2003 budget included a planned appropriation of fund balance of \$4,000,000 to reduce the impact of the revaluation for the Grand List of October 1, 2000.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2003, amount to \$517.5 million, net of accumulated depreciation. This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges. The total increase in the City's investment in capital assets for the current fiscal year was \$16.0 million or 3.2%.

City of Bridgeport, Connecticut						
Capital Assets (net of depreciation)						
	June 30, 2002			June 30, 2003		
	Primary Government			Primary Government		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Land	\$ 80,406	\$ -	\$ 80,406	\$ 85,785	\$ -	\$ 85,785
Buildings and Improvements	147,125	84,276	231,401	146,730	80,272	227,002
Infrastructure	39,644	-	39,644	41,791	-	41,791
Eqpt, Distr, & Collection Sys.	4,155	43,665	47,820	4,680	45,288	49,968
Vehicles	4,863	394	5,257	5,452	483	5,935
Construction in Progress	92,580	4,380	96,960	99,669	7,348	107,017
Total	\$ 368,773	\$ 132,715	\$ 501,488	\$ 384,107	\$ 133,391	\$ 517,498

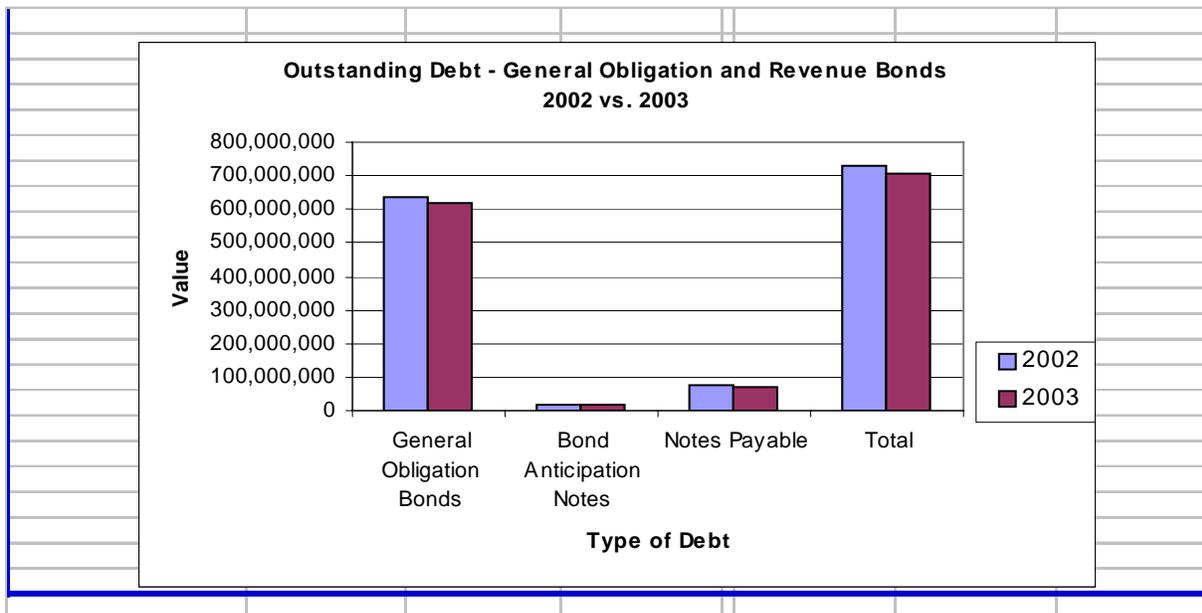


Major capital asset events during the current fiscal year included the following:

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

Additional information on the City of Bridgeport’s capital assets can be found in Note 8 on pages 55-56 of this report.

City of Bridgeport, Connecticut						
Outstanding Debt						
General Obligation Bonds and Notes						
	June 30, 2002			June 30, 2003		
	Government Activities	Business-Type Activities	Total	Government Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 635,296,000	\$ 2,364,000	\$ 637,660,000	\$ 615,254,000	\$ 1,831,000	\$ 617,085,000
Bond Anticipation Notes	15,540,000	-	15,540,000	16,185,000	-	16,185,000
Notes Payable	6,819,000	67,092,000	73,911,000	6,758,000	65,797,000	72,555,000
Totals	\$ 657,655,000	\$ 69,456,000	\$ 727,111,000	\$ 638,197,000	\$ 67,628,000	\$ 705,825,000



Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$617,085,000. 100% of this debt is backed by the full faith and credit of the City government.

The City's total debt decreased by \$21.3 million during fiscal 2003.

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

The overall statutory debt limit for the City is equal to seven times annual receipts from taxation or \$1.3 billion. As of June 30, 2003, the City recorded long-term debt of \$638.2 million related to Governmental Activities and \$67.6 million related to Business-Type Activities, well below its statutory debt limit.

Additional information on the City of Bridgeport's long-term debt can be found in Note 11 on pages 58-61 of this report.

Economic Factors and Next Year's Budgets and Rates

The City, surrounding towns, and the State have not been immune from the effects of the national economic downturn. As of June 2003, the unemployment rate for the Bridgeport Labor Market Area was 6.2%, up from 4.5% in the prior year. Connecticut's overall unemployment rate stands at 5.0%, compared with 3.5% for the same time last year. Moreover, Connecticut state government is now reporting serious revenue shortfalls that may translate into reductions in State aid to the City of Bridgeport and other municipalities in the State.

Requests for Information

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

CITY OF BRIDGEPORT, CONNECTICUT			
STATEMENT OF NET ASSETS (DEFICITS)			
June 30, 2003			
	Governmental	Proprietary	
	Activities	Activities	Total*
Assets			
Cash and cash equivalents	\$ 132,446,126	\$ 962,857	\$133,408,983
Temporarily restricted cash and cash equivalents	2,500,000	-	2,500,000
Investments	1,658,310	-	1,658,310
Receivables, net of allowances for collection losses:			
Property taxes	53,286,939	-	53,286,939
Sewer user fees and liens	-	6,194,966	6,194,966
Federal and state governments	29,722,051	-	29,722,051
Other	2,229,820	341,139	2,570,959
Internal balances	5,263,837	-	-
Noncurrent:			
Temporarily restricted cash and cash equivalents	-	4,599,062	4,599,062
Deferred charges, net of accumulated amortization	8,887,968	-	8,887,968
Capital assets, net of accumulated depreciation	384,106,911	133,391,371	517,498,282
Federal and state governments receivable	24,845,358	-	24,845,358
Pension assets	116,120,445	-	116,120,445
	761,067,765	145,489,395	901,293,323
Liabilities			
Current maturities of long-term obligation	25,125,123	4,992,572	30,117,695
Accounts payable and accrued expenses	51,047,125	3,536,355	54,583,480
Claims incurred but not reported	18,680,998	-	18,680,998
Internal balances	-	5,263,837	-
Deferred revenues	10,418,055	5,647,967	16,066,022
Accrued interest payable	18,181,123	-	18,181,123
Bond anticipation notes payable	16,185,000	-	16,185,000
Noncurrent liabilities:			
Due in more than one year	681,259,794	62,635,446	743,895,240
Total liabilities	820,897,218	82,076,177	897,709,558
Net Assets (Deficits)			
Investment in capital assets, net of related debt	135,082,935	66,006,733	201,089,668
Restricted for:			
Debt service	-	4,599,062	4,599,062
Self-insured claims	2,500,000	-	2,500,000
Unrestricted	(197,412,388)	(7,192,577)	(204,604,965)
Total net assets (deficits)	\$ (59,829,453)	\$ 63,413,218	\$ 3,583,765
The notes to the financial statements are an integral part of this statement.			
* After internal receivables and payables have been eliminated.			

CITY OF BRIDGEPORT, CONNECTICUT								
STATEMENT OF ACTIVITIES								
Year Ended June 30, 2003								
			Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for	Operating	Capital	Primary Government		
<u>Functions/Programs</u>	Expenses	Services	Grants and Contributions	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:								
Governmental activities:								
General government	\$ (30,827,640)	\$ 5,534,014	\$ -	\$ 12,447,083	\$ (12,846,543)	-	\$ (12,846,543)	
Protection of person and property	(85,261,728)	4,891,789	-	-	(80,369,939)	-	(80,369,939)	
Conservation of health	(12,168,828)	352,820	5,628,931	-	(6,187,077)	-	(6,187,077)	
Public facilities	(22,352,835)	1,635,128	-	-	(20,717,707)	-	(20,717,707)	
Education	(262,749,224)	9,005,655	196,715,334	216,414	(56,811,821)	-	(56,811,821)	
Parks and recreation	(7,090,252)	2,211,008	35,340	-	(4,843,904)	-	(4,843,904)	
Special services	(22,939,155)	-	20,091,274	-	(2,847,881)	-	(2,847,881)	
Interest on long-term debt	(42,750,722)	-	-	-	(42,750,722)	-	(42,750,722)	
Total governmental activities	(486,140,384)	23,630,414	222,470,879	12,663,497	(227,375,594)	-	(227,375,594)	
Business-type activities:								
Water Pollution Control Authority	(22,069,606)	19,746,578	-	1,853,300	\$ -	(469,728)	(469,728)	
Total primary government	\$ (508,209,990)	\$ 43,376,992	\$ 222,470,879	\$ 14,516,797	(227,375,594)	(469,728)	(227,845,322)	
General revenues:								
Property taxes						187,968,255	-	187,968,255
Grants and contributions not restricted to specific programs						41,457,415	-	41,457,415
Unrestricted investment earnings						2,810,783	83,361	2,894,144
Loss on sale of capital assets						(308,932)	-	(308,932)
Total general revenues						231,927,521	83,361	232,010,882
Change in net assets						4,551,927	(386,367)	4,165,560
Net assets (deficits) - beginning						(64,381,380)	63,799,585	(581,795)
Net assets (deficits) - ending						\$ (59,829,453)	\$ 63,413,218	\$ 3,583,765
The notes to the financial statements are an integral part of this statement								

CITY OF BRIDGEPORT, CONNECTICUT						
BALANCE SHEET - GOVERNMENT FUNDS						
June 30, 2003						
	General	Board of Education	2001 Bond Issue	Other Governmental Funds	Total Governmental Funds	
Assets						
Cash and cash equivalents	\$ 74,899,802	\$ -	\$ 44,590,016	\$ 12,956,308	\$ 132,446,126	
Restricted cash and cash equivalents	2,500,000	-	-	-	2,500,000	
Investments		-	-	1,658,310	1,658,310	
Receivables, net of allowances for collection losses:						
Property taxes	32,202,030	-	-	-	32,202,030	
Intergovernmental	21,052,332	-	72,905	8,596,814	29,722,051	
Other	1,480,129	-	39,679	710,012	2,229,820	
Due from other funds	7,243,972	1,398,468	381,590	13,486,535	22,510,565	
	<u>139,378,265</u>	<u>1,398,468</u>	<u>45,084,190</u>	<u>37,407,979</u>	<u>223,268,902</u>	
Liabilities						
Accounts payable	21,618,091	-	4,121,743	7,821,604	33,561,438	
Accrued liabilities	35,068,238	-	-	655,957	35,724,195	
Due to other funds	14,820,734	-	388,664	2,479,822	17,689,220	
Deferred revenues	29,921,258	-	959,085	9,190,632	40,070,975	
Bond anticipation notes payable	-	-	16,185,000	-	16,185,000	
Total liabilities	<u>101,428,321</u>	<u>-</u>	<u>21,654,492</u>	<u>20,148,015</u>	<u>143,230,828</u>	
Fund balances:						
Reserved for:						
Encumbrances	145,439	1,398,468	6,633,888	9,351,032	17,528,827	
Self-insured claims	2,500,000	-	-	-	2,500,000	
Reserve for endowments	-	-	-	651,434	651,434	
Long-term receivable	-	-	-	5,728,995	5,728,995	
Unreserved, reported in:						
General fund	35,304,505	-	-	-	35,304,505	
Special revenue funds	-	-	-	(2,830,148)	(2,830,148)	
Capital projects funds	-	-	16,795,810	4,358,651	21,154,461	
Total fund balances	<u>37,949,944</u>	<u>1,398,468</u>	<u>23,429,698</u>	<u>17,259,964</u>	<u>80,038,074</u>	
Total liabilities and fund balances	<u>\$ 139,378,265</u>	<u>\$ 1,398,468</u>	<u>\$ 45,084,190</u>	<u>\$ 37,407,979</u>		
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets, net of accumulated depreciation of \$155,827,419, purchased in governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the City as a whole.					384,106,911	
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					45,930,267	
Pension assets					116,120,445	
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					(686,025,150)	
Net assets (deficit) of governmental activities					<u>\$ (59,829,453)</u>	
The notes to the financial statements are an integral part of this statement.						

CITY OF BRIDGEPORT, CONNECTICUT					
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -					
GOVERNMENTAL FUNDS					
Year Ended June 30, 2003					
	General	Board of Education	2001 Bond Issue	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 182,088,506	\$ -	\$ -	\$ -	\$ 182,088,506
Property tax delinquency fees	5,203,444	-	-	-	5,203,444
Intergovernmental	188,898,539	9,859,693	12,634,263	70,520,621	281,913,116
Fees, permits and licenses	12,648,745	-	-	-	12,648,745
Interest	1,810,663	-	769,422	230,698	2,810,783
Other	4,322,784	-	-	3,902,541	8,225,325
Total revenues	394,972,681	9,859,693	13,403,685	74,653,860	492,889,919
EXPENDITURES					
Current:					
General government	87,917,324	-	-	292,071	88,209,395
Protection of person and property	61,706,357	-	-	-	61,706,357
Conservation of health	4,781,892	-	-	5,693,961	10,475,853
Public facilities	15,821,862	-	-	-	15,821,862
Charities and hospitals	14,880	-	-	-	14,880
Education	-	174,866,359	-	47,919,416	222,785,775
Parks and recreation	5,576,989	-	-	-	5,576,989
Special services	1,644,807	-	-	21,092,338	22,737,145
Debt service:					
Principal retirements	20,128,428	-	-	475,000	20,603,428
Interest and other charges	41,624,974	-	645,000	363,589	42,633,563
Capital outlay	-	-	30,077,954	206,317	30,284,271
Total expenditures	239,217,513	174,866,359	30,722,954	76,042,692	520,849,518
Revenues over (under) expenditures	155,755,168	(165,006,666)	(17,319,269)	(1,388,832)	(27,959,599)
OTHER FINANCING SOURCES (USES)					
Transfers in	5,222,585	164,183,321	-	-	169,405,906
Transfers out	(164,183,321)	-	(1,500,000)	(3,722,585)	(169,405,906)
Proceeds from notes payable	-	-	-	500,000	500,000
Total other financing sources (uses)	(158,960,736)	164,183,321	(1,500,000)	(3,222,585)	500,000
Net change in fund balances	(3,205,568)	(823,345)	(18,819,269)	(4,611,417)	(27,459,599)
FUND BALANCES, beginning	41,155,512	2,221,813	42,248,967	21,871,381	107,497,673
FUND BALANCES, ending	\$ 37,949,944	\$ 1,398,468	\$ 23,429,698	\$ 17,259,964	\$ 80,038,074
The notes to the financial statements are an integral part of this statement.					

CITY OF BRIDGEPORT, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2003**

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

Net change in fund balances – total governmental funds	\$ (27,459,599)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	15,750,569
Change in pension assets.	(4,112,367)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(415,842)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,438,433)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	20,186,024
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>2,041,575</u>
Change in net assets of governmental activities	<u>\$ 4,551,927</u>

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

CITY OF BRIDGEPORT, CONNECTICUT				
STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN UNRESERVED FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND				
Year Ended June 30, 2003				
	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Property taxes	\$ 182,316,377	\$ 182,316,377	\$ 187,234,353	\$ 4,917,976
Intergovernmental	195,731,111	198,536,092	188,898,538	(9,637,554)
Fees, permits and licenses	13,186,099	13,407,649	12,702,500	(705,149)
Interest	3,000,000	3,000,000	1,810,663	(1,189,337)
Other	12,961,454	12,961,454	13,733,190	771,736
Transfers in	4,830,891	4,830,891	5,222,585	391,694
Appropriation of fund balance - Revaluation	4,000,000	4,000,000	4,000,000	-
Total revenue and other financing sources	416,025,932	419,052,463	413,601,829	(5,450,634)
EXPENDITURES AND ENCUMBRANCES				
General government	92,378,060	92,378,060	95,354,770	(2,976,710)
Protection of person and property	60,550,301	60,550,301	61,675,333	(1,125,032)
Conservation of health	5,249,183	5,249,183	4,781,890	467,293
Public facilities	17,017,349	17,017,349	15,819,206	1,198,143
Charities and hospitals	18,742	18,742	14,880	3,862
Education	164,641,693	167,446,674	166,252,898	1,193,776
Parks and recreation	4,914,047	5,135,597	5,571,255	(435,658)
Special services	1,687,976	1,687,976	1,644,807	43,169
Debt service	69,490,002	69,490,002	61,753,403	7,736,599
Total expenditures and encumbrances	415,947,353	418,973,884	412,868,442	6,105,442
Revenue and other financing sources over expenditures and encumbrances	\$ 78,579	\$ 78,579	733,387	\$ 654,808
UNRESERVED FUND BALANCE, beginning			38,571,118	
Less appropriation of fund balance for budgetary presentation			(4,000,000)	
UNRESERVED FUND BALANCE, ending			\$ 35,304,505	
The notes to the financial statements are an integral part of this statement.				

CITY OF BRIDGEPORT, CONNECTICUT	
STATEMENT OF NET ASSETS - PROPRIETARY FUND	
June 30, 2003	
	Business Type Activity
	Enterprise Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 962,857
Receivables, net of allowances for collection losses:	
Sewer user fees and liens	6,194,966
Other	341,139
Due from other funds	559,980
Total current assets	8,058,942
Noncurrent assets:	
Restricted cash and cash equivalents	4,599,062
Capital assets, net of accumulated depreciation	133,391,371
Total noncurrent assets	137,990,433
Total assets	146,049,375
LIABILITIES	
Current liabilities:	
Accrued liabilities	3,536,355
Due to other funds	5,823,817
Bond payable - current	569,428
Notes payable - current	4,423,144
Total current liabilities	14,352,744
Noncurrent liabilities:	
Bonds payable	1,261,472
Notes payable	61,373,974
Deferred revenues	5,647,967
Total noncurrent liabilities	68,283,413
Total liabilities	82,636,157
NET ASSETS	
Invested in capital assets, net of related debt	66,006,733
Restricted for debt service	4,599,062
Unrestricted	(7,192,577)
Total net assets	\$ 63,413,218
The notes to the financial statements are an integral part of this statement.	

CITY OF BRIDGEPORT, CONNECTICUT	
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND	
NET ASSETS - PROPRIETARY FUND	
Year Ended June 30, 2003	
	Business Type
	Activity
	Enterprise
	Fund
OPERATING REVENUES	
Sewer user fees	\$ 19,028,547
OPERATING EXPENSES	
Operation and maintenance	14,093,503
Depreciation	5,381,389
Provision for doubtful accounts	1,143,053
	20,617,945
Operating loss	(1,589,398)
NONOPERATING REVENUES (EXPENSES)	
Interest income	83,361
Interest expense	(1,451,661)
Other income	718,031
Total nonoperating revenues (expenses)	(650,269)
Net loss before capital contributions	(2,239,667)
Capital contributions	1,853,300
Change in net assets	(386,367)
FUND NET ASSETS, beginning	63,799,585
FUND NET ASSETS, ending	\$ 63,413,218
The notes to the financial statements are an integral part of this statement.	

CITY OF BRIDGEPORT, CONNECTICUT	
STATEMENT OF CASH FLOWS - PROPRIETARY FUND	
Year Ended June 30, 2003	
	Business Type Activity Enterprise Fund
Cash Flows From Operating Activities	
Receipts from customers and users	\$ 18,518,932
Receipts from City	3,215,766
Payments to suppliers	(9,930,887)
Payments to employees	(771,912)
Net cash provided by operating activities	11,031,899
Cash Flows From Capital and Related Financing Activities	
Principal payments on debt	(4,883,562)
Interest paid on debt	(1,468,164)
Proceeds from notes payable	3,055,983
Proceeds received on capital grants	1,853,300
Purchase of property and equipment	(6,024,109)
Net cash used in capital and related financing activities	(7,466,552)
Cash Flows From Investing Activities	
Interest received on investments	83,601
Net increase in cash and cash equivalents	3,648,948
Cash and Cash Equivalents	
Beginning	1,912,971
Ending	<u>\$ 5,561,919</u>
Reconciliation to Statement of Net Assets	
Cash and cash equivalents	\$ 962,857
Restricted cash and cash equivalents	4,599,062
	<u>\$ 5,561,919</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating loss	\$ (1,589,398)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	5,381,389
Provision for collection losses	1,143,053
Other income	718,031
Changes in assets and liabilities:	
Increase in sewer user fees and liens	(2,154,713)
Decrease in other receivables	273,850
Decrease in due from other funds	3,215,766
Increase in accrued expenses	516,447
Increase in due to other funds	2,874,257
Increase in deferred revenue	653,217
Net cash provided by operating activities	<u>\$ 11,031,899</u>
The notes to the financial statements are an integral part of this statement.	

CITY OF BRIDGEPORT, CONNECTICUT	
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS	
June 30, 2003	
	Pension
	Trust Funds
ASSETS	
Cash and cash equivalents	\$ 10,269,651
Investments, at fair value	
U.S. government and agency bonds	42,091,458
Corporate bonds	61,499,395
Corporate stocks	123,049,416
Mutual funds - fixed income	70,304,881
Mutual funds - equities	34,025,431
International bonds	1,001,857
Total investments	331,972,438
Due from other funds	442,492
Contributions receivable	2,363,411
Total assets	345,047,992
LIABILITIES	
Benefits payable	1,226,142
Net Assets Held in Trust for Pension Benefits	\$ 343,821,850
The notes to the financial statements are an integral part of this statement.	

CITY OF BRIDGEPORT, CONNECTICUT	
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS	
Year Ended June 30, 2003	
	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 4,545,977
Plan members	2,587,582
Annuity proceeds	5,001,627
Total contributions	12,135,186
Investment Income	
Net appreciation in fair value of investments	9,567,499
Interest and dividends	8,241,095
	17,808,594
Less investment expenses:	
Investment management fees	1,359,192
Net investment income	16,449,402
Total additions	28,584,588
Deductions	
Benefits	34,721,963
Change in net assets	(6,137,375)
Net Assets Held in Trust for Pension Benefits	
Beginning of year	349,959,225
End of year	\$ 343,821,850
The notes to the financial statements are an integral part of this statement.	

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

Note 1. Summary of Significant Accounting Policies

Reporting Entity

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

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

Government-wide and Fund Financial Statements

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

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

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Expenditures are generally recorded when a liability is incurred, except for debt service expenditures, as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

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

The City reports the following major governmental funds.

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

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

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

The City reports the following major proprietary fund:

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

Additionally, the City reports the following fund types:

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

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

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

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

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

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

Accounting estimates

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2003

Cash and cash equivalents

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

Investments

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

Property taxes

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

Capital Assets

In the government-wide and proprietary fund financial statements, capital assets includes 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 or estimated historical cost. Donated capital assets are recorded at fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the WPCA during the current fiscal year was approximately \$1,499,522. Of this amount, \$47,861 was included as part of the cost of capital assets under construction in connection with wastewater treatment facilities' construction projects.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

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

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

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

Claims and judgments

This liability relates to the City's self insurance programs. In the government-wide and proprietary fund financial statements, the obligation consists of claims incurred and incurred but not reported for medical self insurance, the estimated loss for probable general liability matters and an actuarial estimate for claims incurred and incurred but not reported for workers compensation claims. A liability and an expenditure is recognized in the governmental fund financial statements only when the obligation is expected to be paid from available resources. The liability is typically paid out of the general fund.

Compensated absences

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

Long-term obligations

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

The governmental fund financial statements recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pension accounting

Pension Trust Funds:

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

Governmental Funds:

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

Fund equity and net assets

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

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

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

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

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

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

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

Encumbrances

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

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities are reported in the government-wide statement of net assets (deficits). One element of that reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$686,025,150 difference are as follows:

Bonds and notes payable	\$ 622,011,500
Less: Deferred charge on refunding (to be amortized as interest expense)	(7,719,708)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(1,168,262)
Plus: Issuance premium (to be amortized as interest expense)	6,195,532
Accrued interest payable	18,181,123
Capital leases payable	209,715
Workers compensation, medical and litigation claims	43,283,747
Compensated absences	31,658,428
Deferred revenue, unrelated to debt	(29,652,921)
Pension liability	2,747,795
Landfill	278,200
	<hr/>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	\$ 686,025,150

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$15,750,569 difference are as follows:

Capital outlay	\$ 25,220,612
Depreciation expense	<u>(9,470,043)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 15,750,569</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.” The details of this \$415,842 difference are as follows:

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold	<u>\$ 415,842</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 415,842</u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$20,186,024 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds and notes	\$ 500,000
Principal repayments:	
General obligation debt and notes	(20,603,427)
Down payment of capital lease	<u>(82,597)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 20,186,024</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$2,041,575 difference are as follows:

Compensated absences	\$ (850,449)
Workers compensation, medical and litigation claims	3,494,944
Accrued interest	(117,159)
Net change in other expenditures	<u>(485,761)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,041,575</u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

Note 3. Budgets and Budgetary Accounting

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

- ◆ The Mayor shall submit to the City Council, no later than 120 days before July 1, the proposed operating and capital budgets.
- ◆ The Mayor shall submit to the City Council, with the proposed budgets, a certificate that the budget is consistent with a three year financial plan, and that operating within the budget is feasible.
- ◆ Expenditures may not legally exceed appropriations at the department level (legal level of control).
- ◆ Budgets must include appropriations which, among others, allow funding of expenditures required by law, those for debt service, and for elimination of prior deficits, as well as those properly attributable to the fiscal year.
- ◆ Budgeted revenues cannot exceed certain actual amounts of prior year's revenues unless justification for each item have been approved by the City Council.
- ◆ Budgets must include schedules of cash disbursements and cash receipts for the fiscal year on a monthly basis, with sufficient detail for City Council to determine estimated need for cash-flow borrowings during the year.
- ◆ The City Council shall approve the three year financial plan with the budget forming the first year of the financial plan, once it determines that such plan is complete.
- ◆ Transfers and supplemental appropriations of budgeted amounts that change a department's total budgeted expenditures must be adopted by resolutions of the City Council. Supplemental appropriations totaling \$3,026,531 were adopted during the year ended June 30, 2003. In addition, per City Ordinance all requests for transfers of \$10,000 or more in the aggregate in any one fiscal year between sub-line items must also be requested through the City Council with appropriate documentation. Also, any transfers between line item accounts (salary, overtime, fringe benefits and operating and special services) shall be submitted with appropriate documentation, for council approval regardless of the dollar amount.

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

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

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

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

	Revenues and Transfers In	Expenditures, Encumbrances and Transfers Out
Balance, GAAP basis fund financial statements	\$ 400,195,266	\$ 403,400,834
Foreclosed property, not recognized for budgetary purposes	(57,597)	(57,597)
Insurance and debt service reimbursements from other funds, recognized for budgetary purposes	9,464,160	9,464,160
Appropriation of fund balance recognized as other financing source for budgetary purposes	4,000,000	-
Encumbrances		
June 30, 2002	-	(84,394)
June 30, 2003	-	145,439
Balance, budgetary basis	<u>\$ 413,601,829</u>	<u>\$ 412,868,442</u>

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

During the year ending June 30, 2003, the following line items overexpended their appropriations:

	Final	Expenditures	Balance
	Appropriations	and Encumbrances	Overexpended
Central grants office	\$ 430,795	\$ 690,675	\$ (259,880)
Grants personnel	60,151,641	64,193,702	(4,042,061)
City attorney	2,313,360	3,018,811	(705,451)
Election	94,450	113,232	(18,782)
Klein memorial auditorium	78,600	83,918	(5,318)
Pensions	4,164,329	4,987,404	(823,075)
Private school busing	1,681,281	1,956,692	(275,411)
Bullard Haven vocational	50,000	50,641	(641)
Finance department	287,461	293,172	(5,711)
Comptrollers' office	1,132,955	1,218,666	(85,711)
Treasurer's office	189,836	205,657	(15,821)
Tax assessor	961,018	1,194,002	(232,984)
Employee org. and development	110,379	112,746	(2,367)
Police department	35,819,970	36,677,377	(857,407)
Fire department	23,448,268	23,605,112	(156,844)
Town clerk	341,021	534,732	(193,711)
Dental hygiene	330,757	336,611	(5,854)
Director of public works	577,627	593,881	(16,254)
City yard	79,500	333,928	(254,428)
Municipal garage	416,214	442,243	(26,029)
Construction division	-	95,995	(95,995)
Pupil services	11,467,052	11,504,859	(37,807)
BOE administration	1,807,447	1,946,990	(139,543)
Support services	32,140,278	32,196,289	(56,011)
Board of recreation	822,562	873,495	(50,933)
Parks department	2,215,063	2,552,320	(337,257)
Tree warden	150,000	160,650	(10,650)
Construction division	811,620	912,677	(101,057)
Beardsley zoo	840,164	850,825	(10,661)
HRD administration	178,988	222,446	(43,458)

Special Revenue Funds

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2003

Capital Projects Fund

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

Note 4. Cash, Cash Equivalents and Investments

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

As of June 30, 2003, the carrying amount of the City's deposits was \$89,294,994, with bank balances of approximately \$96,267,000. The amount of the bank balances covered by federal depository insurance was approximately \$1,315,000. The remaining \$94,952,000 of deposits were uninsured and uncollateralized. However, provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. The level of such collateral varies from 10% to 120% of each bank's public deposits, depending on the bank's financial strength as shown by its risk-based capital ratio. As of June 30, 2003, approximately \$9,627,000 of uninsured deposits were collateralized under these provisions. It is unclear whether the collateral required for public deposits would stand if challenged by the FDIC since there is no perfected security agreement between the depository and the depositor as required by federal laws.

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

The City's investments, in which the majority of the investments relate to pension trust funds, as of June 30, 2003 consisted of the following:

	Category			Carrying and Fair Value
	1	2	3	
Corporate bonds	\$ 4,712,227	\$ -	\$ 56,948,091	\$ 61,660,318
Corporate stocks	24,393,925	-	98,855,914	123,249,839
U.S. government securities	4,310,304	-	39,078,118	43,388,422
International bonds	-	-	1,001,857	1,001,857
	<u>\$ 33,416,456</u>	<u>\$ -</u>	<u>\$ 195,883,980</u>	<u>229,300,436</u>
Investments not subject to risk categorization:				
Mutual funds				104,330,312
Short-term investment funds				61,482,702
				<u>\$ 395,113,450</u>

The three preceding risk categories are defined below:

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

Deposits of \$89,294,994 and investments of \$395,113,450 are presented in the accompanying statement of net assets or balance sheet as follows:

Cash and cash equivalents	\$ 132,446,126
Cash and cash equivalents – Enterprise Fund	962,857
Cash and cash equivalents – Fiduciary Funds	10,269,651
Restricted cash and cash equivalents	7,099,062
Investments	1,658,310
Investments – Fiduciary Funds	331,972,438
	<u>\$ 484,408,444</u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2003

Cash and cash equivalents are restricted for the following uses at June 30, 2003:

General Fund		
Self Insurance Programs		\$ 2,500,000
Enterprise Fund		
Debt Service		<u>4,599,062</u>
		<u>\$ 7,099,062</u>

Note 5. Receivables – Fund Basis

Receivables at June 30, 2003 for the City’s individual major funds and nonmajor and fiduciary funds in aggregate, including the applicable allowances for collection losses, are as follows:

	General	2001 Bond Issue	Enterprise	Nonmajor and Other Funds	Totals
Property taxes	\$ 54,478,952	\$ -	\$ -	\$ -	\$ 54,478,952
Sewer user fees	-	-	12,054,442	-	12,054,442
Intergovernmental	21,052,332	72,905	-	8,596,814	29,722,051
Other	1,480,129	39,679	341,139	710,012	2,570,959
Total gross receivables	77,011,413	112,584	12,395,581	9,306,826	98,826,404
Allowance for collection losses	22,276,922	-	5,859,476	-	28,136,398
Total net receivables	\$ 54,734,491	\$ 112,584	\$ 6,536,105	\$ 9,306,826	\$ 70,690,006

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

Note 6. Interfund Accounts

As of June 30, 2003 amounts due from and to other funds were as follows:

	Due From:				Totals
	General Fund	2001 Bond Issue Fund	Enterprise Fund	Nonmajor and Other Funds	
Due to:					
General Fund	\$ -	\$ 388,664	\$ 5,823,817	\$ 1,031,491	\$ 7,243,972
Board of Education	1,398,468	-	-	-	1,398,468
2001 Bond Issue Fund	348,590	-	-	33,000	381,590
Enterprise Fund	-	-	-	559,980	559,980
Nonmajor and Other Funds	12,631,184	-	-	855,351	13,486,535
Fiduciary Funds	442,492	-	-	-	442,492
Total	\$ 14,820,734	\$ 388,664	\$ 5,823,817	\$ 2,479,822	\$ 23,513,037

Of the \$12,631,184 balance due the nonmajor funds, \$8,878,995 is the result of the pension bond issue of 2001. All remaining balances resulted from the time lag between the dates payments occur between funds for various activities.

Interfund transfers during the year ended June 30, 2003 were as follows:

	Transfers in:		
	General Fund	Board of Education Fund	Totals
Transfers out:			
General Fund	\$ -	\$ 164,183,321	\$ 164,183,321
Bond Issue 2000	1,500,000	-	1,500,000
Nonmajor governmental funds	3,722,585	-	3,722,585
Total	\$ 5,222,585	\$ 164,183,321	\$ 169,405,906

Transfers are used to account for unrestricted revenues collected mainly in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations. The Board of Education fund transfer represents unrestricted revenues collected by the general fund to finance unreimbursed education expenditures.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

Note 7. Bulk Lien Sales

During the year ended June 30, 2003, the City executed one bulk sale of property tax liens and one sale of subsequent liens and collected proceeds of approximately \$6,189,000. The City retains no interest in the assigned liens. The purchaser bears all risks relating to its ability to collect the amounts owed and should it acquire title to the underlying real estate through foreclosure or otherwise, will bear all risks associated with the ownership and sale of the real property.

Note 8. Capital Assets

Capital asset activity for the year ended June 30, 2003 was as follows:

	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 80,405,513	\$ 4,232,263	\$ 1,147,535	\$ 85,785,311
Construction in progress	92,579,419	8,306,014	(1,216,351)	99,669,082
Total capital assets, not being depreciated	172,984,932	12,538,277	(68,816)	185,454,393
Capital assets, being depreciated:				
Buildings and improvements	216,229,338	4,296,774	(372,934)	220,153,178
Machinery and equipment	10,947,882	1,386,706	-	12,334,588
Infrastructure	93,374,966	4,715,734	-	98,090,700
Vehicles	21,879,507	2,283,121	(261,157)	23,901,471
Total capital assets being depreciated	342,431,693	12,682,335	(634,091)	354,479,937
Less accumulated depreciation for:				
Buildings and improvements	69,104,324	4,382,338	(63,701)	73,422,961
Machinery and equipment	6,792,439	862,727	-	7,655,166
Vehicles	17,016,363	1,656,895	(223,364)	18,449,894
Infrastructure	53,731,315	2,568,083	-	56,299,398
Total accumulated depreciation	146,644,441	9,470,043	(287,065)	155,827,419
Total capital assets, being depreciated, net	195,787,252	3,212,292	(347,026)	198,652,518
Governmental activities capital assets, net	\$ 368,772,184	\$ 15,750,569	\$ (415,842)	\$ 384,106,911

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

	Beginning Balance	Additions	Disposal/ Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 4,380,330	\$ 4,945,478	\$ 1,977,620	\$ 7,348,188
Capital assets, being depreciated:				
Buildings and improvements	97,871,330	-	83,821	97,787,509
Machinery and equipment	6,360,580	59,866	-	6,420,446
Distribution and collection systems	46,347,930	873,838	(1,977,620)	49,199,388
Vehicles	1,622,848	262,564	-	1,885,412
Total capital assets, being depreciated	152,202,688	1,196,268	(1,893,799)	155,292,755
Less accumulated depreciation for:				
Buildings and improvements	13,595,596	3,919,816	-	17,515,412
Machinery and equipment	4,213,763	331,419	-	4,545,182
Distribution and collection systems	4,830,258	956,518	-	5,786,776
Vehicles	1,228,566	173,636	-	1,402,202
Total accumulated depreciation	23,868,183	5,381,389	-	29,249,572
Total capital assets, being depreciated, net	128,334,505	(4,185,121)	(1,893,799)	126,043,183
Business-type activities capital assets, net	\$ 132,714,835	\$ 760,357	\$ 83,821	\$ 133,391,371

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

Governmental Activities:

General government	\$ 771,720
Protection of person and property	1,214,448
Conservation of health	52,126
Public facilities, including depreciation of general infrastructure assets	3,486,814
Education	3,505,855
Parks and recreation	439,080
Total depreciation expense – governmental activities	<u>\$ 9,470,043</u>

Business-type activities:

Sewer	<u>5,381,389</u>
Total depreciation expense – business-type activities	<u>\$ 5,381,389</u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

Note 9. Deferred Revenue

Deferred revenue as of June 30, 2003 in the fund financial statements consists of the following items:

	General Fund	Nonmajor Governmental Funds	Enterprise Fund
Property taxes	\$ 29,679,190	\$ -	\$ -
Grants	242,068	9,190,632	-
Concession fee	-	-	5,647,967
	<u>\$ 29,921,258</u>	<u>\$ 9,190,632</u>	<u>\$ 5,647,967</u>

Note 10. Bond Anticipation Notes Payable and Subsequent Events

The City has \$16,185,000 of bond anticipation notes outstanding as of June 30, 2003. The notes bear interest at 3.2% and 2.0% and mature on July 17, 2003. On July 17, 2003, the bond anticipation notes, including interest, were rolled over into new bond anticipation notes totaling \$29,285,000 and are due and payable on January 15, 2004. The additional bond anticipation note proceeds will be utilized for various general purpose projects.

In November 2003, the City issued \$28,630,000 in tax exempt general obligation bonds; \$18,925,000 in taxable general obligation bonds; and \$27,985,000 in the exempt refunding general obligation bonds, of which \$29,285,000 was used to repay the bond anticipation notes.

Bond Anticipation Notes payable transactions for the year ended June 30, 2003 were as follows:

	Bond Anticipation Notes
Outstanding, July 1, 2002	\$ 15,540,000
New borrowings	645,000
Repayments	-
	<u>\$ 16,185,000</u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

Note 11. Long-Term Debt

A summary of outstanding general long-term debt and changes therein as of and for the year ended June 30, 2003 is as follows:

Notes payable

Notes payable as of June 30, 2003 include the following:

Governmental Activities

Fire equipment loan, due in quarterly installments of \$21,675, plus interest of 5.74%, through 2006	\$ 173,400
Department of Housing and Urban Development Section 108 Loans, due in varying installments plus interest at 4.00% - 7.00% through 2016	<u>6,584,000</u>
	<u>6,757,400</u>

Business-type Activities:

Clean Water Program, due in varying installments, plus interest at 2%, through 2021	<u>65,797,118</u>
	<u>\$ 72,554,518</u>

General obligation bonds

As of June 30, 2003, the City had the following general obligation bonds outstanding:

General purpose, 4.0% to 8.6%	\$ 562,899,238
School, 4.0% to 9.5%	53,789,498
Sewer, 7.3%	<u>396,264</u>
Total	<u>617,085,000</u>
Less amount allocated to the business-type activities	<u>1,830,900</u>
Total governmental activities	<u>\$ 615,254,100</u>

Prior Year's In-Substance Defeasance

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

2003, the amount of defeased debt outstanding but removed from the governmental activities column of the statement of net assets amounted to \$76,760,000.

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

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2004	\$ 20,656,272	\$ 41,621,598	\$ 62,277,870	\$ 4,992,571	\$ 1,385,293	\$ 6,377,864
2005	22,944,710	39,867,151	62,811,861	5,277,155	1,291,423	6,568,578
2006	24,536,518	38,183,351	62,719,869	5,202,069	1,124,192	6,326,261
2007	24,416,000	36,566,191	60,982,191	4,549,595	1,001,420	5,551,015
2008	23,853,000	35,179,029	59,032,029	4,549,595	910,428	5,460,023
2009	24,350,000	33,751,705	58,101,705	4,549,595	819,436	5,369,031
2010	24,116,000	32,386,218	56,502,218	4,549,595	728,444	5,278,039
2011	23,488,000	32,605,848	56,093,848	4,538,166	637,452	5,175,618
2012	23,666,000	32,787,483	56,453,483	4,308,897	548,512	4,857,409
2013	23,478,000	31,351,209	54,829,209	4,201,731	463,433	4,665,164
2014	22,716,000	29,765,207	52,481,207	4,032,353	380,954	4,413,307
2015	23,123,000	27,976,324	51,099,324	3,997,224	300,893	4,298,117
2016	23,388,000	26,127,844	49,515,844	3,976,628	221,314	4,197,942
2017	24,415,000	24,203,727	48,618,727	2,375,476	155,088	2,530,564
2018	23,705,000	22,143,449	45,848,449	2,054,444	111,978	2,166,422
2019	25,250,000	20,105,422	45,355,422	1,953,407	59,130	2,012,537
2020	26,910,000	17,938,024	44,848,024	1,852,369	24,080	1,876,449
2021	19,645,000	16,157,741	35,802,741	345,479	3,558	349,037
2022	21,015,000	14,793,086	35,808,086	157,815	830	158,645
2023	16,795,000	13,472,376	30,267,376	153,071	217	153,288
2024	18,080,000	12,189,238	30,269,238	10,783	-	10,783
2025	19,460,000	10,807,929	30,267,929	-	-	-
2026	20,945,000	9,321,182	30,266,182	-	-	-
2027	22,545,000	7,720,984	30,265,984	-	-	-
2028	24,270,000	5,998,546	30,268,546	-	-	-
2029	26,125,000	4,144,318	30,269,318	-	-	-
2030	28,120,000	2,148,368	30,268,368	-	-	-
Total	\$ 622,011,500	\$ 619,313,548	\$ 1,241,325,048	\$ 67,628,018	\$ 10,168,075	\$ 77,796,093

The State of Connecticut reimburses the City for eligible school bond principal and interest costs. The amount of such reimbursement for the year ended June 30, 2003 was approximately \$3,999,000. Additional principal and interest reimbursements approximating \$36,432,000 are expected to be received through the bonds' maturity dates.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2002

Capital lease obligations

Property and equipment, which is carried at approximately \$189,000 (net of accumulated amortization of approximately \$126,000) in the Governmental activities are being acquired under capital lease arrangements.

Future minimum lease payments under capital leases are as follows:

	<u>Governmental Funds</u>
2004	\$ 65,624
2005	65,624
2006	65,624
2007	<u>53,229</u>
	250,101
Less amount representing interest	<u>40,386</u>
	<u>\$ 209,715</u>

Legal Debt Limit

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

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 421,304,000	\$ 283,822,000	\$ 137,482,000
Unfunded Pension Benefit Obligation	\$ 561,738,000	\$ 432,325,000	\$ 129,413,000
Schools	\$ 842,607,000	\$ 104,305,000	\$ 738,302,000
Sewers	\$ 702,173,000	\$ 396,000	\$ 701,777,000
Urban renewal	\$ 608,550,000	\$ -	\$ 608,550,000

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$1,311,000,000. All long-term debt obligations are retired through General Fund appropriations, or user charges.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

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

General purpose	\$ 47,063,000
Unfunded pension benefit obligation	90,000,000
Schools	75,360,000
	<u>\$ 212,423,000</u>

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2003 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds and notes	\$ 635,295,827	\$ -	\$ 20,041,727	\$ 615,254,100	\$20,060,572
Notes payable	6,819,100	500,000	561,700	6,757,400	595,700
Deferred amounts:					
For issuance premium	6,554,015	-	358,483	6,195,532	358,483
Total bonds and notes payable	648,668,942	500,000	20,961,910	628,207,032	21,014,755
Capital leases	292,312	-	82,597	209,715	50,368
Claims and judgments	46,778,691	-	3,494,944	43,283,747	3,000,000
Compensated absences	30,807,979	850,449	-	31,658,428	1,000,000
Landfill closure costs	286,100	-	7,900	278,200	10,000
Unfunded pension liability	2,781,649	-	33,854	2,747,795	50,000
Governmental activity					
Long-term liabilities	\$ 729,615,673	\$ 1,350,449	\$ 24,581,205	706,384,917	\$25,125,123
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 2,364,173	\$ -	\$ 533,273	\$ 1,830,900	\$ 569,428
Notes payable	67,091,424	3,055,983	4,350,289	65,797,118	4,423,144
Business-type activity					
Long-Term liabilities	\$ 69,455,597	\$ 3,055,983	\$ 4,883,562	\$ 67,628,018	\$ 4,992,572

Note 12. Commitments and Contingencies

The City is a defendant in various lawsuits including personal injury, wrongful death, property damage, civil rights violations and other miscellaneous claims. For certain of these cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued. For certain other cases, where there is a reasonable possibility that a loss has been incurred, the City estimates its possible exposure could be \$3.5 to \$7.0 million. Based upon the advice of the City attorney and other legal counsel, management believes that the ultimate

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2003**

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

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

The case of *Szudora v. Fairfield*, 214 Conn. 552 (1990), has resulted in the City (and other Connecticut cities and towns) being exposed to certain pending and potential future claims for increased heart and hypertension benefits payments pursuant to CGS Sections 7-433b and c. To date, approximately 90 benefit recipients (present and former police officers, firemen and/or their dependents or survivors) have asserted claims, certain of which have no impact on the City, that their level of combined compensation and pension payments for past and future benefits have been calculated and paid at improperly reduced levels. Historically, the combined benefits were capped at 100% of the base salary paid to active members of the respective department holding the same rank as the claimant at retiring. In light of *Szudora*, certain claimants are claiming benefits calculated upon total compensation (base salary plus average inside and outside/private duty overtime). The City is addressing these claims on a case by case basis, considering such factors as the claim, finding and award, and payment dates as they relate to the *Szudora* holding. Payments to date have been made within budget and the City continues to vigorously defend or satisfactorily settle such claims. The City has recorded approximately \$5,000,000 as an accrued liability for these claims at June 30, 2003, \$3,000,000 of which is a current liability in the General Fund.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

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

Beardsley Zoo

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

The City also entered into a service agreement with the Society in which the City is required to provide operating assistance to the Society for such costs as personnel, supplies, services, materials, utilities, maintenance, equipment and vehicles, that it currently provides to the Zoo, at specified levels. These levels can be adjusted up or down depending on changes to the Zoo such as expansion. However, the Society is required to pay the City any subsidy received from the State. A subsidy of \$450,000 was received for the year ended June 30, 2003. The Society retains any revenues from admissions, vending, concessions, other grants or bequests.

WPCA Privatization

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

Privatization Agreement

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2003

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

Lease commitments

The City is committed under various operating leases for real estate, vehicles and office and data processing equipment. Lease expenditures for the year ended June 30, 2003 totaled approximately \$269,000. Future minimum lease payments under these agreements are due as follows:

<u>Year Ending</u> <u>June 30,</u>	
2004	\$ 250,370
2005	200,168
2006	175,691
2007	34,144
2008	4,818
	<u>\$ 665,191</u>

Consent decrees

Under various consent decrees issued by the State of Connecticut Department of Environmental Protection ("consent decrees"), the WPCA is required to bring both of its treatment facilities in compliance with federal standards and eliminate certain combined storm and sanitary sewers. The estimated costs of these improvements is \$152,000,000. Currently, the WPCA has signed contracts approximating \$138,600,000 relating to these consent decrees. As of June 30, 2003, approximately \$140,700,000 relating to these projects, including capitalized interest, have been incurred and included in property and equipment. Based on current engineering estimates, completion of these projects will be within the next eight years. Funding for these improvements is being provided by the State of Connecticut's Clean Water Fund in the form of loans and grants. As of June 30, 2003, the State is committed to providing the WPCA additional funding in the form of loans and grants of approximately \$1,012,000 and \$840,000, respectively.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2003

Municipal Solid Waste Service Agreement

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

Under the service agreement, the City is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 67,000 tons per year and to pay a uniform per ton disposal service payment (the "service payment"). The current fee is \$62 and \$57.82 per ton for commercial and residential, respectively, plus a fixed monthly charge of \$64,167. The aggregate minimum commitment of the eighteen Contracting Municipalities is 400,000 tons per year. The City's service payment commitment is a "put-or-pay" commitment, in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the City must pay the service payment for its proportionate share of the shortfall of the aggregate minimum commitment (even if it did deliver its full portion).

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

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

Note 13. Pension Plans

Connecticut Municipal Employees' Retirement Fund

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

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

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

CMERF also provides death and disability benefits.

Benefits and other plan provisions are established by State statute. Covered employees are required by Connecticut statute to contribute 2-1/4% of earnings upon which social security tax is paid plus 5% of earnings upon which no social security tax is paid. The City is required to make contributions as set by the State Retirement Commission to fund the remaining cost. The employer contribution represents 3% of covered payroll. The City's contributions for the years ending June 30, 2003, 2002 and 2001 were \$5,333,000, \$5,508,000 and \$4,963,000, respectively, equal to the required contributions for each year.

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

State Teachers' Retirement System

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

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

In addition, the City has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$6,452,000 for the year ended June 30, 2003.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2003

Single Employer Defined Benefit Plans

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

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

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

In August 1985, the City purchased an annuity contract for approximately \$75 million to fund a portion of the net pension obligation for Plan A. The plan assets available for benefits and the net pension obligation amounts for Plan A excludes the plan assets and pension obligations covered by the above mentioned annuity contract. For the year ended June 30, 2003, approximately \$5,002,000 million of benefits were provided through this annuity contract.

In August 2000, the City issued \$350,000,000 of taxable general obligation pension funding bonds. The proceeds of these bonds were transferred into the Pension Plans A Investment Trust (the "A Trust"). The proceeds and any future investment earnings are to be used to make contributions to the Public Safety Plan A or to pay benefits on behalf of the Plan. The City can, however, withdraw from the A Trust the greater of 1) 20% of the amount by which the A Trust assets exceed the present value of accrued Plan benefits (\$358,874,114) based on the July 1, 2002 actuarial valuation or 2) the amount of the A Trust assets in excess of 110% of the present value of accrued Plan benefits.

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

Equities	60%
Fixed Income	30%
Cash	10%

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2003

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

Provisions of Pension Plans	Public Safety Plan A	Police Plan B	Firefighters’ Plan B	Janitors' and Engineers' Retirement Fund
Employees covered	All police and fire employed before 6/4/81 and 1/1/84, respectively	All police employed on or after 6/4/81.	All firefighters employed on or after 1/1/84.	All employees hired before 1985.
Number of retirees receiving benefits	1,022	46	24	56
Terminated employees entitled to future benefits	-	-	2	-
Current employees:				
Fully vested	96	306	198	2
Non-vested	<u>-</u>	<u>84</u>	<u>76</u>	<u>-</u>
Total number of participants	<u>1,118</u>	<u>436</u>	<u>300</u>	<u>58</u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2003

Provisions of Pension Plans	Public Safety Plan A	Police Plan B	Firefighters' Plan B	Janitors' and Engineers' Retirement Fund
Benefit provisions	50% of compensation plus 2-1/2% for each year of service in excess of 20 years, maximum 75%	2% of salary for each year of service plus 50% of subsequent compensation increase, maximum 70%	2% of salary for each year of service plus 50% of subsequent compensation increase, maximum 70%	2% of compensation for each year of service, up to 33 years plus 1% thereafter
Definition of "Compensation"	Maximum yearly salary currently being paid to members in the same position which the employee held at the time of retirement.	Maximum yearly salary currently being paid to members in the same position which the employee held at the time of retirement	Maximum yearly salary currently being paid to members in the same position which the employee held at the time of retirement	Average of three highest years
Eligibility requirements	Vest after 10 years of service	Vest after 5 years of service	Vest after 5 years of service	Vest after the earlier of 10 years of continuous or 15 years of aggregate service
Obligation to contribute in accordance with funding policy:				
Employee	8% of earnings	6% of earnings	6% of earnings	5% of earnings
Employer	\$51,115 (Normal Cost)	\$2,496,619	\$1,026,891	"Pay as you go"
Authority under which benefit provisions established	Contract negotiation	Contract negotiation	Contract negotiation	Contract negotiation

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2003

Provisions of Pension Plans	Public Safety Plan A	Police Plan B	Firefighters' Plan B	Janitors' and Engineers' Retirement Fund
<u>Funding Status and Progress</u>				
Date of actuarial valuation	July 1, 2002	July 1, 2002	July 1, 2002	July 1, 2002
Significant actuarial assumptions				
• Investment rate of return	8.25%	8.25%	8.25%	8.25%
• Projected annual salary increases	3.5%	3.5%	3.5%	4.0%
• Post retirement benefit increases	3.0%	3.0%	3.0%	3.5%
• including inflation of	3.0%	3.0%	3.0%	4.5%
• Disability Rate:				None
Age 20	.05%	.05%	.05%	
30	.05%	.05%	.05%	
40	.09%	.09%	.09%	
50	.40%	.40%	.40%	
60	1.74%	1.74%	1.74%	
Actuarial asset valuation method	Recognize 20% of income > 8.25% per yr. Asset smoothing plus/minus 20% of the difference between expected actuarial value and market value.	Recognize 20% of income > 8.25% per yr. Asset smoothing plus/minus 20% of the difference between expected actuarial value and market value.	Recognize 20% of income > 8.25% per yr. Asset smoothing plus/minus 20% of the difference between expected actuarial value and market value.	Fair value
Funding Policy	Actuarial, Normal Cost	Actuarial, based on valuation available when budget is adopted	Actuarial, based on valuation available when budget is adopted	"Pay as you go"
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Projected unit credit cost
Amortization method	Level Dollar Amount Closed	Level Dollar Amount Closed	Level Dollar Amount Closed	Level Dollar Amount Closed
Period for amortizing any unfunded actuarial liability	35 years	15 years	15 years	34 years
Authority under which contributions are established	City Council	City Council	City Council	City Council

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2003

	Public Safety Plan A	Janitors' and Engineers' Retirement Fund
Annual required contribution	\$ 3,521,374	\$ 954,176
Interest on net pension obligation	(9,319,613)	229,486
Adjustment to annual required contribution	<u>9,935,357</u>	<u>(246,164)</u>
Annual pension cost	4,137,118	937,498
Contributions made	<u>51,115</u>	<u>971,352</u>
Increase (decrease) in net pension obligation	4,086,003	(33,854)
NET PENSION OBLIGATION (ASSET)		
Beginning of year	<u>(112,965,008)</u>	<u>2,781,649</u>
End of year	<u>\$ (108,879,005)</u>	<u>\$ 2,747,795</u>
	Police Plan B	Firefighters' Plan B
Annual required contribution	\$ 2,305,944	1,014,020
Interest on net pension obligation	(366,962)	(235,425)
Adjustment to annual required contribution	<u>527,642</u>	<u>338,509</u>
Annual pension cost	2,466,624	1,117,104
Contributions made	<u>2,496,619</u>	<u>1,026,891</u>
Increase (decrease) in net pension obligation	(29,995)	90,213
NET PENSION OBLIGATION (ASSET)		
Beginning of year	<u>(4,448,024)</u>	<u>(2,853,634)</u>
End of year	<u>\$ (4,478,019)</u>	<u>(2,763,421)</u>

For the July 1, 2002 valuations, the City changed its actuarial assumptions based on historical experiences for annual salary increases to be fixed at 3.5% and for post-retirement benefits increases to be fixed at 3.0%. These changes decreased the actuarial accrued liability as follows:

Public Safety Plan A	\$ 23,837,558
Police Plan B	3,142,418
Firefighters' Plan B	2,759,323

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2003

TREND INFORMATION

Fiscal Year	Annual Pension Cost (APC) (\$000)	Percentage of APC Contributed	Net Pension Obligation (Asset) (\$000)
Public Safety Plan A			
Plan A:			
2003	\$ 4,137	1.2%	\$ (108,879)
2002	5,588	4.0%	(112,965)
2001	32,722	103.0%	(118,330)
Police Retirement			
Plan B:			
2003	\$ 2,467	101.2%	\$ (4,478)
2002	1,759	88.2%	(4,448)
2001	930	131.2%	(4,656)
Firefighters' Retirement			
Plan B:			
2003	\$ 1,117	91.9%	\$ (2,763)
2002	743	84.1%	(2,854)
2001	489	125.0%	(2,972)
Janitors' and Engineers' Retirement Plan:			
2003	\$ 937	103.6%	\$ 2,748
2002	1,268	78.1%	2,782
2001	1,173	79.5%	2,504

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2003

SCHEDULES OF EMPLOYER CONTRIBUTIONS
(AMOUNTS STATED IN THOUSANDS)

Year Ended June 30,	Public Safety Plan A		Janitors' and Engineers' Retirement Plan	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2003	\$ 3,522	1.4%	\$ 954	101.8%
2002	4,989	4.5%	1,282	77.3%
2001	33,697	100.0%	1,184	78.7%
2000	37,355	62.0%	870	104.6%
1999	34,273	60.6%	804	108.6%
1998	32,994	66.4%	882	92.8%

Year Ended June 30,	Police Retirement Plan B		Firefighters' Retirement Plan B	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2003	\$ 2,306	108.2%	\$ 1,014	101.3%
2002	1,608	96.4%	645	96.9%
2001	804	151.9%	406	150.5%
2000	1,085	78.5%	545	46.8%
1999	475	177.8%	165	153.0%
1998	617	168.4%	205	278.5%

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2003

SCHEDULES OF FUNDING PROGRESS
(AMOUNTS STATED IN THOUSANDS)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Under)/Over Funded AAL (UAAL).OAL	Funded Ratio %	Covered Payroll	(UAAL)/ OAL as a Percentage of Covered Payroll
<i>Public Safety Plan A</i>						
July 1, 2002	\$ 319,482	\$ 358,874	\$ (39,392)	89.0	\$ 5,559	708.6
July 1, 2001	331,750	386,186	(54,436)	85.9	8,050	676.2
July 1, 2000	1,435	383,220	(381,785)	0.4	8,836	4,320.8
July 1, 1999	1,653	423,772	(422,149)	0.4	9,590	4,402.0
July 1, 1997	575	360,599	(360,024)	0.2	9,239	3,896.8
July 1, 1996	609	353,093	(352,484)	0.2	10,527	3,348.4
<i>Police Retirement Plan B</i>						
July 1, 2002	\$ 54,440	\$ 58,965	\$ (4,526)	92.3	\$ 19,488	23.2
July 1, 2001	57,184	55,092	2,092	103.8	19,773	(10.6)
July 1, 2000	53,467	46,430	7,038	115.2	16,866	(41.7)
July 1, 1999	48,505	42,405	6,100	114.4	16,924	(36.0)
July 1, 1997	35,030	29,158	5,872	120.1	13,964	(42.1)
July 1, 1996	26,112	23,804	2,308	109.6	14,022	(16.5)
<i>Firefighters' Retirement Plan B</i>						
July 1, 2002	\$ 36,919	\$ 35,828	\$ 1,091	103.0	\$ 12,740	-
July 1, 2001	39,416	33,754	5,662	116.8	12,796	(44.2)
July 1, 2000	36,654	28,961	7,694	126.6	12,341	(62.3)
July 1, 1999	32,601	25,529	7,072	127.7	11,315	(62.5)
July 1, 1997	23,050	15,224	7,826	151.4	8,891	(87.8)
July 1, 1996	17,119	12,864	4,255	133.1	8,971	(47.4)
<i>Janitors' and Engineers' Retirement Plan</i>						
July 1, 2002	\$ 3	\$ 10,575	\$ (10,572)	.03	\$ 156	-
July 1, 2001	3	*	*	*	*	*
July 1, 2000	3	9,895	(9,892)	0.1	160	6,182.5
July 1, 1999	3	9,079	(9,076)	0.1	223	4,069.9
July 1, 1997	3	*	*	*	314	*
July 1, 1996	3	9,211	(9,208)	0.1	339	2,716.3

* Information not available.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2003

SCHEDULE OF PLAN NET ASSETS
 JUNE 30, 2003

	Public Safety			Janitors' and	
	Investment and	Police	Firefighters'	Engineers'	
	Pension Trust	Retirement		Retirement	
	Plan A	Plan B	Plan B	Plan	Totals
ASSETS					
Cash and cash equivalents	\$ 2,628,493	\$ 4,873,124	\$ 2,764,601	\$ 3,433	\$ 10,269,651
Investments, at fair value					
U.S. Government and					
Agency Bonds	35,298,426	3,967,688	2,825,344	-	42,091,458
Corporate Bonds	51,715,075	5,982,544	3,801,776	-	61,499,395
Corporate Stocks	79,122,107	23,494,586	20,432,723	-	123,049,416
Mutual Funds - Fixed Income	62,426,931	7,877,950	-	-	70,304,881
Mutual Funds - Equities	21,355,881	9,967,703	2,701,847	-	34,025,431
International Bonds	1,001,857	-	-	-	1,001,857
Total investments	250,920,277	51,290,471	29,761,690	-	331,972,438
Due from other funds	442,492	-	-	-	442,492
Contributions receivable	414,507	1,429,504	519,400	-	2,363,411
Total assets	254,405,769	57,593,099	33,045,691	3,433	345,047,992
LIABILITIES					
Benefits payable	1,226,142	-	-	-	1,226,142
Net Assets Held in Trust					
for Pension Benefits	\$ 253,179,627	\$ 57,593,099	\$ 33,045,691	\$ 3,433	\$ 343,821,850

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2003

SCHEDULE OF CHANGES IN
PLAN NET ASSETS
YEAR ENDED JUNE 30, 2003

	Public Safety			Janitors' and	
	Plan A	Police	Firefighters'	Engineers'	
	Investment and	Retirement		Retirement	
	Pension Trust	Plan B	Plan B	Plan	Totals
Additions					
Contributions					
Employer	\$ 51,115	\$ 2,496,619	\$ 1,026,891	\$ 971,352	\$ 4,545,977
Plan members	451,216	1,340,493	788,768	7,105	2,587,582
Annuity proceeds	5,001,627	-	-	-	5,001,627
Total contributions	5,503,958	3,837,112	1,815,659	978,457	12,135,186
Investment Income					
Net appreciation in fair value					
of investments	934,074	8,092,609	540,816	-	9,567,499
Interest and dividends	6,775,519	995,910	469,666	-	8,241,095
	7,709,593	9,088,519	1,010,482	-	17,808,594
Less Investment Expenses:					
Investment management fees	(952,561)	(190,669)	(215,962)	-	(1,359,192)
	6,757,032	8,897,850	794,520	-	16,449,402
Total additions	12,260,990	12,734,962	2,610,179	978,457	28,584,588
Deductions					
Benefits	32,046,649	1,148,717	548,140	978,457	34,721,963
Change in net assets	(19,785,659)	11,586,245	2,062,039	-	(6,137,375)
Net Assets Held in Trust for Pension Benefits					
Beginning of year	272,965,286	46,006,854	30,983,652	3,433	349,959,225
End of year	\$ 253,179,627	\$ 57,593,099	\$ 33,045,691	\$ 3,433	\$ 343,821,850

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2003

Note 14. Other Postemployment Benefits

In accordance with various collective bargaining agreements, the City also provides postretirement health care benefits to all employees who retire from the City, generally on or after attaining age 35 to 60 with at least 15 to 25 years of service, dependent upon the particular collective bargaining agreement. Currently, approximately 3,500 retirees meet these eligibility requirements. Expenditures for postretirement health care benefits are recognized and funded on a pay-as-you-go basis and approximated \$19,240,000 for the year ended June 30, 2003.

Note 15. Landfill Closure and Postclosure Care Costs

A portion of the Bridgeport Seaside Landfill was used for disposal of materials classified as hazardous waste from 1974 until late 1981 when it stopped accepting waste. The hazardous waste area of the landfill is subject to federal and state laws and regulations which required that the City close the facility in a manner that minimizes the need for further maintenance; and controls, minimizes or eliminates, to the extent necessary to protect human health and the environment, post-closure escape of hazardous waste, hazardous constituents, leachate, contaminated run-off, or hazardous waste decomposition products to the ground or surface waters or to the atmosphere. In addition, the City is required to perform certain maintenance and monitoring functions at the hazardous waste site for thirty years after closure. The estimated total current cost of the postclosure care of \$278,200 is based on the estimated amount to be paid for all equipment, facilities and services required to close, monitor and maintain the site as of June 30, 2003. The actual cost of postclosure care costs may be higher due to inflation, changes in technology, or changes in federal, state or local laws and regulations.

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

Note 16. Risk Management

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

Workers' compensation

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2003

Group health insurance

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

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

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2003	\$ 65,787,386	\$ 59,776,938	\$ 63,599,579	\$ 61,964,745
2002	\$ 81,968,096	\$ 42,867,583	\$ 59,048,293	\$ 65,787,386

At June 30, 2003, \$18,680,998 is expected to be paid from current resources recorded as claims incurred but not reported on the statement of net assets and an accrued liability on the fund financial statements, and \$43,283,747 is recorded as a noncurrent liability on the statement of net assets.

Note 17. Fund Deficits

The following funds have fund deficits as of June 30, 2003:

Special Revenue	
Development Administration State Grant	\$ 338,898
Health and Sanitation	82,762

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

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2003

Note 18. Federal Investigations

During 2001, the City learned that certain persons and business entities were subjects of a federal criminal investigation. Nine individuals, including a former employee of the City, and a business entity have pleaded guilty to various charges arising out of this investigation. In October 2001, the United States District Court in the District of Connecticut issued an indictment against the former mayor of the City. The grand jury charges contained 24 counts including racketeering, racketeering conspiracy, Hobbs Act extortion, mail fraud, bribery, conspiracy, filing false tax returns and criminal forfeitures. In the spring of 2003 the former mayor was convicted by a federal jury on sixteen of the counts on which he was indicted, resigned from office, and was sentenced to nine years of federal custody. These guilty pleas and convictions should not have a material adverse impact on the City's financial statements. The City Attorney understands that grand jury proceedings continue. However, because of the nature of grand jury activities, little is known about the focus and extent of its ongoing activities.

Note 19. Issued But Not Effective Professional Standards

The Governmental Accounting Standards Board has issued two statements not yet implemented by the City. The statements which might impact the City are as follows:

- ◆ Statement No. 40, "Deposit and Investment Risk Disclosures," issued March 31, 2003, will be effective for the fiscal year ending June 30, 2005. Statement No. 40 imposes new standards for disclosing deposits and investments. The Statement addresses common deposit and investment risks related to credit risk, interest rate risk, and foreign currency risk. The Statement's effect on the financial statements will limit the deposit and investment disclosure to categorizing deposits that are not covered by depository insurance and investment securities that are uninsured.
- ◆ Statement No. 39, "Determining Whether Certain Organizations are Component Units – an amendment of GASB Statement No. 14, issued May 2002, will be effective for the fiscal year ending June 30, 2004. Statement No. 39 provides new guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government.

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Supplementary Information

General Fund

General Fund

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

CITY OF BRIDGEPORT, CONNECTICUT				
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -				
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued				
Year Ended June 30, 2003				
	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Positive (Negative)
FEES, PERMITS AND LICENSES				
<u>Parks and Recreation</u>				
Golf course revenues	850,000	1,071,550	1,493,614	422,064
Wonderland of Ice	70,000	70,000	74,936	4,936
Parking in parks	12,000	12,000	33,276	21,276
Kennedy Stadium	2,000	2,000	9,600	7,600
Leases/W.I.C.C.	26,000	26,000	10,500	(15,500)
Parks	77,500	77,500	5,000	(72,500)
Ball park revenues	252,434	252,434	161,710	(90,724)
Flea market/ballfield	103,750	103,750	95,590	(8,160)
Miscellaneous	9,000	9,000	26,375	17,375
Westside park	5,000	5,000	-	(5,000)
Bluefish parking	35,000	35,000	57,063	22,063
Arena	380,000	380,000	270,833	(109,167)
FW Restaurant	40,000	40,000	29,575	(10,425)
City concessions	500	500	-	(500)
Congress Plaza	200,000	200,000	150,000	(50,000)
Total parks and recreation	2,063,184	2,284,734	2,418,072	133,338
<u>Building Department</u>				
Building permits	1,075,000	1,075,000	625,452	(449,548)
Sign permits	4,000	4,000	2,628	(1,372)
Certificate of occupancy fees	5,000	5,000	4,670	(330)
Total building department	1,084,000	1,084,000	632,750	(451,250)
<u>Police Department</u>				
Traffic violations	800,000	800,000	778,758	(21,242)
Parking meters	135,000	135,000	120,091	(14,909)
Photocopy fees	30,000	30,000	50,468	20,468
Outside overtime	2,758,000	2,758,000	1,970,023	(787,977)
Overtime surcharge	710,170	710,170	519,233	(190,937)
Housing authority	912,000	912,000	1,130,000	218,000
Miscellaneous	210,000	210,000	255,222	45,222
Reclaimed dog fees	5,000	5,000	2,105	(2,895)
Total police department	5,560,170	5,560,170	4,825,900	(734,270)
<u>Public Facilities</u>				
Dump license fees	210,000	210,000	210,200	200
Commercial dump fees	493,145	493,145	98,805	(394,340)
Street excavation license	5,500	5,500	3,225	(2,275)
Curb layers license	3,400	3,400	1,925	(1,475)
Sewer permits	50,000	50,000	60,823	10,823
Miscellaneous	150,000	150,000	79,232	(70,768)
CRRRA host revenue	250,000	250,000	290,000	40,000
Interest/dump	10,000	10,000	-	(10,000)
Sanitation permits	130,000	130,000	122,938	(7,062)
Sidewalk repairs	25,000	25,000	-	(25,000)
WPCA tipping fees	150,000	150,000	3,201	(146,799)
Public works road repair	3,500	3,500	-	(3,500)
Total public facilities	1,480,545	1,480,545	870,349	(610,196)

CITY OF BRIDGEPORT, CONNECTICUT				
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -				
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued				
Year Ended June 30, 2003				
	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Positive (Negative)
INTEREST	3,000,000	3,000,000	1,810,663	(1,189,337)
OTHER				
Impact Aid	-	-	52,828	52,828
Property rentals	52,000	52,000	111,345	59,345
Telephone access lines	1,853,270	1,853,270	1,752,845	(100,425)
Auditorium rentals	213,000	213,000	3,190	(209,810)
High school athletics	8,000	8,000	21,059	13,059
Zoning appeals fees	14,000	14,000	10,470	(3,530)
Tavern zoning permits	50,000	50,000	63,925	13,925
O.T.B. income	700,000	700,000	833,556	133,556
Miscellaneous	112,900	112,900	92,734	(20,166)
High school summer tuition	77,000	77,000	14,621	(62,379)
Comptrollers grant health	700,000	700,000	628,411	(71,589)
Comptrollers BOE health	3,129,656	3,129,656	3,522,875	393,219
Comptrollers BOE City	1,484,000	1,484,000	1,788,278	304,278
Comptroller revenues	150,000	150,000	397,049	247,049
Comptrollers health copay	1,700,000	1,700,000	2,209,310	509,310
Comptroller court fines	2,500	2,500	5,346	2,846
Recovery of legal fees for personal property tax collections	150,000	150,000	25,030	(124,970)
WPCA revenues	500,000	500,000	281,299	(218,701)
Weights and measures	63,000	63,000	60,632	(2,368)
State conservation	250	250	166	(84)
Sale of City-owned property	250,000	250,000	165,533	(84,467)
Port Authority revenue	60,000	60,000	102,413	42,413
Chase building rent	475,000	475,000	519,232	44,232
Pari-Mutuel	100,000	100,000	33,750	(66,250)
WPCA lease	1,114,378	1,114,378	1,033,986	(80,392)
Foreclosure cost recovery	2,500	2,500	3,307	807
Total other	12,961,454	12,961,454	13,733,190	771,736
Total revenues	407,195,041	410,221,572	404,379,244	(5,842,328)
OTHER FINANCING SOURCES				
Transfers in	4,830,891	4,830,891	5,222,585	391,694
Appropriation of fund balance				
Revaluation set aside	4,000,000	4,000,000	4,000,000	-
Total other financing sources	8,830,891	8,830,891	9,222,585	391,694
Total revenues and other financing sources	416,025,932	419,052,463	413,601,829	(5,450,634)

CITY OF BRIDGEPORT, CONNECTICUT				
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued				
Year Ended June 30, 2003				
	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Positive (Negative)
GENERAL GOVERNMENT, Continued				
Labor relations	894,936	894,936	781,281	113,655
Employee org. & development	110,379	110,379	112,746	(2,367)
Customer service desk	93,711	93,711	77,320	16,391
Total general government	92,378,060	92,378,060	95,354,770	(2,976,710)
PROTECTION OF PERSON AND PROPERTY				
Police department	35,819,970	35,819,970	36,677,377	(857,407)
Fire department	23,448,268	23,448,268	23,605,112	(156,844)
Town clerk	341,021	341,021	534,732	(193,711)
Building department	551,193	551,193	506,303	44,890
Weights and measures	94,012	94,012	90,600	3,412
Dog warden	295,837	295,837	261,209	34,628
Total protection of person and property	60,550,301	60,550,301	61,675,333	(1,125,032)
CONSERVATION OF HEALTH				
Office and administrative	251,524	251,524	234,469	17,055
Registrar of vital statistics	156,324	156,324	156,234	90
Communicable diseases	271,561	271,561	237,564	33,997
Public health nursing	2,016,092	2,016,092	1,756,471	259,621
Dental hygiene	330,757	330,757	336,611	(5,854)
Laboratories	86,732	86,732	58,209	28,523
Environmental health	405,499	405,499	337,191	68,308
Health clinics	126,582	126,582	123,559	3,023
Housing code enforcement	210,313	210,313	206,991	3,322
Lead poisoning	126,146	126,146	123,251	2,895
School based health	1,267,653	1,267,653	1,211,340	56,313
Total conservation of health	5,249,183	5,249,183	4,781,890	467,293
PUBLIC FACILITIES				
Chase building	543,000	543,000	478,371	64,629
City hall	373,950	373,950	298,423	75,527
Humane affairs building	138,500	138,500	102,519	35,981
Senior citizen center	156,300	156,300	124,442	31,858
Recycling	645,957	645,957	603,626	42,331
Hall of records	71,000	71,000	63,535	7,465
Transfer station	1,743,872	1,743,872	1,360,888	382,984
Director of public works	577,627	577,627	593,881	(16,254)
Ash and garbage collection	5,289,328	5,289,328	5,181,949	107,379
Landfill operation	34,355	34,355	20,503	13,852
Roadway maintenance	2,241,332	2,241,332	2,101,253	140,079
Miscellaneous	2,702,500	2,702,500	2,310,149	392,351
City yard	79,500	79,500	333,928	(254,428)

CITY OF BRIDGEPORT, CONNECTICUT				
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -				
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued				
Year Ended June 30, 2003				
	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Positive (Negative)
DEBTSERVICE	69,490,002	69,490,002	61,753,403	7,736,599
Total expenditures and encumbrances	\$ 415,947,353	\$ 418,973,884	\$412,868,442	\$ 6,105,442
Revenues and other financing sources over expenditures, encumbrances and other financing uses	\$ 78,579	\$ 78,579	733,387	\$ 654,808
UNRESERVED, beginning			38,571,118	
Less appropriation of fund balance for budgetary presentation			(4,000,000)	
UNRESERVED, ending			\$ 35,304,505	

Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

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

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

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

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

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

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

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

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

Permanent Funds

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

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

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

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Special Revenue						
Social Services	Community Development Block Grant	Home Program	Section 108 Loan Guarantee	Development Administration State Grant	Library	Education
\$ -	\$ -	\$ 19,191	\$ 532,043	\$ 953,269	\$ 322,145	\$ 250,817
-	-	-	657,001	-	467,979	-
606,339	1,264,972	-	-	10,539	-	-
	694,791	-	-	-	-	-
2,505,334	93,516	3,801	-	-	-	-
\$ 3,111,673	\$ 2,053,279	\$ 22,992	\$ 1,189,044	\$ 963,808	\$ 790,124	\$ 250,817
\$ 2,738,073	\$ 859,515	\$ -	\$ -	\$ -	\$ -	\$ -
16,090	355,830	4,020	-	-	-	-
202,315	77,225	9,529	-	4,086	-	-
49,194	758,156	-	905,426	1,298,620	-	-
3,005,672	2,050,726	13,549	905,426	1,302,706	-	-
-	-	-	-	-	-	-
1,073,731	516,813	1,571,817	223,188	1,483,350	-	-
-	-	-	-	-	-	-
(967,730)	(514,260)	(1,562,374)	60,430	(1,822,248)	790,124	250,817
106,001	2,553	9,443	283,618	(338,898)	790,124	250,817
\$ 3,111,673	\$ 2,053,279	\$ 22,992	\$ 1,189,044	\$ 963,808	\$ 790,124	\$ 250,817
						(Continued)

CITY OF BRIDGEPORT, CONNECTICUT				
COMBINING BALANCE SHEET, Continued				
NONMAJOR GOVERNMENTAL FUNDS				
June 30, 2003				
	Special Revenue		Capital Projects	
	Parks and Recreation	Health Insurance Reserve	Education and Library	Health and Sanitation
ASSETS				
Cash and cash equivalents	\$ 724,538	\$ 921,293	\$ 657,242	\$ 741,639
Investments	-	-	-	-
Receivables:				
Intergovernmental	-	-	-	648,696
Other	-	809	-	816
Due from other funds	-	-	-	-
Total assets	\$ 724,538	\$ 922,102	\$ 657,242	\$ 1,391,151
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	\$ 718,356	\$ -	\$ 343,342	\$ 45,989
Accrued liabilities	-	-	-	-
Due to other funds	-	-	266,243	200,000
Deferred revenues	-	-	-	-
Total liabilities	718,356	-	609,585	245,989
FUND BALANCES (DEFICITS)				
Reserve for endowments	-	-	-	-
Reserved for encumbrances	-	-	-	2,929
Reserve for long-term receivable	-	-	-	-
Unreserved and undesignated	6,182	922,102	47,657	1,142,233
Total fund balances (deficits)	6,182	922,102	47,657	1,145,162
Total liabilities and fund balances (deficits)	\$ 724,538	\$ 922,102	\$ 657,242	\$ 1,391,151

Capital Projects							
Highway and Parking	General Government	Parks and Recreation	Municipal Airport	Capital Reduction	Bond Issue	School Bond Issue	1997 Bond Issue
\$ 84,505	\$ 1,890	\$ 515,549	\$ 163,760	\$ 2,050,099	\$ 968,502	\$ 747,737	\$ 532,441
-	-	-	-	-	-	-	-
-	-	-	67,738	18,786	400	-	23,003
117	-	-	-	253	628	-	79
-	-	-	125,020	437,894	-	-	-
\$ 84,622	\$ 1,890	\$ 515,549	\$ 356,518	\$ 2,507,032	\$ 969,530	\$ 747,737	\$ 555,523
\$ -	\$ -	\$ 11,756	\$ -	\$ -	\$ -	\$ -	\$ 15,993
-	-	-	-	-	-	-	-
-	-	1,316	-	39	559,980	-	33,542
-	-	-	5,709	751,415	-	-	-
-	-	13,072	5,709	751,454	559,980	-	49,535
-	-	-	-	-	-	-	-
50,151	-	500	-	214,875	71,219	738,262	315,071
-	-	-	-	-	-	-	-
34,471	1,890	501,977	350,809	1,540,703	338,331	9,475	190,917
84,622	1,890	502,477	350,809	1,755,578	409,550	747,737	505,988
\$ 84,622	\$ 1,890	\$ 515,549	\$ 356,518	\$ 2,507,032	\$ 969,530	\$ 747,737	\$ 555,523
							(Continued)

CITY OF BRIDGEPORT, CONNECTICUT			
COMBINING BALANCE SHEET, Continued			
NONMAJOR GOVERNMENTAL FUNDS			
June 30, 2003			
	Permanent Trusts		
			Total Nonmajor
			Governmental
	Library	Education	Funds
ASSETS			
Cash and cash equivalents	\$ 10,117	\$ 107,987	\$ 12,956,308
Investments	533,330	-	1,658,310
Receivables:			
Intergovernmental	-	-	8,596,814
Other	-	-	710,012
Due from other funds	-	-	13,486,535
Total assets	\$ 543,447	\$ 107,987	\$ 37,407,979
LIABILITIES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts payable	\$ -	\$ -	7,821,604
Accrued liabilities	-	-	655,957
Due to other funds	-	-	2,479,822
Deferred revenues	-	-	9,190,632
Total liabilities	-	-	20,148,015
FUND BALANCES (DEFICITS)			
Reserve for endowments	543,447	107,987	651,434
Reserved for encumbrances	-	-	9,351,032
Reserve for long-term receivable	-	-	5,728,995
Unreserved and undesignated	-	-	1,528,503
Total fund balances (deficits)	543,447	107,987	17,259,964
Total liabilities and fund balances (deficits)	\$ 543,447	\$ 107,987	\$ 37,407,979

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CITY OF BRIDGEPORT, CONNECTICUT				
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)				
NONMAJOR GOVERNMENTAL FUNDS				
Year Ended June 30, 2003				
			Special Revenue	
	Education	Health	Community	Rate
	Grants	and	Develop-	Stabilization
		Sanitation	ment	and Reserve
REVENUES				
Intergovernmental	\$ 47,488,486	\$ 5,053,750	\$ 356,858	\$ 7,556,377
Interest	-	-	-	2,412
Other	435,669	575,181	37,200	1,419,419
Total revenues	47,924,155	5,628,931	394,058	8,978,208
OTHER FINANCING SOURCES				
Proceeds from notes payable	-	-	-	-
Total other financing sources	-	-	-	-
Total revenues and other financing sources	47,924,155	5,628,931	394,058	8,978,208
EXPENDITURES				
Conservation of health	-	5,693,961	-	-
Education	47,919,416	-	-	-
Special services	-	-	325,904	9,136,359
Debt service:				
Principal retirements	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
General government	-	-	-	-
Total expenditures	47,919,416	5,693,961	325,904	9,136,359
OTHER FINANCING USES				
Transfers out	-	-	-	3,722,585
Total expenditures and other financing uses	47,919,416	5,693,961	325,904	12,858,944
Net change in fund balances	4,739	(65,030)	68,154	(3,880,736)
FUND BALANCES (DEFICITS), beginning	127,850	(17,732)	3,130	12,784,743
FUND BALANCES (DEFICITS), ending	\$ 132,589	\$ (82,762)	\$ 71,284	\$ 8,904,007

Special Revenue						
Social Services	Community Development Block Grant	Home Program	Section 108 Loan Guarantee	Development Administration State Grant	Library	Education
\$ 1,933,406	\$ 4,766,206	\$ 1,303,243	\$ 400,280	\$ 1,312,652	\$ -	\$ -
-	-	-	64,947	-	-	4,911
630,836	374,798	-	-	-	370,900	-
2,564,242	5,141,004	1,303,243	465,227	1,312,652	370,900	4,911
-	-	-	500,000	-	-	-
-	-	-	500,000	-	-	-
2,564,242	5,141,004	1,303,243	965,227	1,312,652	370,900	4,911
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,490,841	5,141,004	1,293,800	36,791	1,128,894	-	-
-	-	-	475,000	-	-	-
-	-	-	363,589	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	285,420	6,651
2,490,841	5,141,004	1,293,800	875,380	1,128,894	285,420	6,651
-	-	-	-	-	-	-
2,490,841	5,141,004	1,293,800	875,380	1,128,894	285,420	6,651
73,401	-	9,443	89,847	183,758	85,480	(1,740)
32,600	2,553	-	193,771	(522,656)	704,644	252,557
\$ 106,001	\$ 2,553	\$ 9,443	\$ 283,618	\$ (338,898)	\$ 790,124	\$ 250,817
						(Continued)

CITY OF BRIDGEPORT, CONNECTICUT				
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS), Continued				
NONMAJOR GOVERNMENTAL FUNDS				
Year Ended June 30, 2003				
	Special Revenue		Capital Projects	
	Parks and Recreation	Health Insurance Reserve	Education and Library	Health and Sanitation
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 216,414	\$ -
Interest	1,045	14,200	-	9,467
Other	-	-	-	-
Total revenues	1,045	14,200	216,414	9,467
OTHER FINANCING SOURCES				
Proceeds from notes payable	-	-	-	-
Total other financing sources	-	-	-	-
Total revenues and other financing sources	1,045	14,200	216,414	9,467
EXPENDITURES				
Conservation of health	-	-	-	-
Education	-	-	-	-
Special services	-	-	1,538,745	-
Debt service:				
Principal retirements	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	498	-	-	-
General government	-	-	-	-
Total expenditures	498	-	1,538,745	-
OTHER FINANCING USES				
Transfers out	-	-	-	-
Total expenditures and other financing uses	498	-	1,538,745	-
Net change in fund balances	547	14,200	(1,322,331)	9,467
FUND BALANCES (DEFICITS), beginning	5,635	907,902	1,369,988	1,135,695
FUND BALANCES (DEFICITS), ending	\$ 6,182	\$ 922,102	\$ 47,657	\$ 1,145,162

Capital Projects							
Highway and Parking	General Government	Parks and Recreation	Municipal Airport	Capital Reduction	Bond Issue	School Bond Issue	1997 Bond Issue
\$ -	\$ -	\$ -	\$ 101,884	\$ -	\$ 3,521	\$ -	\$ 27,544
1,318	-	-	2,524	18,061	5,137	9,475	7,191
-	-	35,340	-	-	23,198	-	-
1,318	-	35,340	104,408	18,061	31,856	9,475	34,735
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,318	-	35,340	104,408	18,061	31,856	9,475	34,735
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	55,580	113,205	101	-	-	12,040
-	-	-	-	-	-	-	-
-	-	55,580	113,205	101	-	-	12,040
-	-	-	-	-	-	-	-
-	-	55,580	113,205	101	-	-	12,040
1,318	-	(20,240)	(8,797)	17,960	31,856	9,475	22,695
83,304	1,890	522,717	359,606	1,737,618	377,694	738,262	483,293
\$ 84,622	\$ 1,890	\$ 502,477	\$ 350,809	\$ 1,755,578	\$ 409,550	\$ 747,737	\$ 505,988

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT			
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS), Continued			
NONMAJOR GOVERNMENTAL FUNDS			
Year Ended June 30, 2003			
	Permanent Trusts		Total Nonmajor Governmental Funds
	Library	Education	
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 70,520,621
Interest	90,010	-	230,698
Other	-	-	3,902,541
Total revenues	90,010	-	74,653,860
OTHER FINANCING SOURCES			
Proceeds from notes payable	-	-	500,000
Total other financing sources	-	-	500,000
Total revenues and other financing sources	90,010	-	75,153,860
EXPENDITURES			
Conservation of health	-	-	5,693,961
Education	-	-	47,919,416
Special services	-	-	21,092,338
Debt service:			
Principal retirements	-	-	475,000
Interest and other charges	-	-	363,589
Capital outlay	24,804	89	206,317
General government	-	-	292,071
Total expenditures	24,804	89	76,042,692
OTHER FINANCING USES			
Transfers out	-	-	3,722,585
Total expenditures and other financing uses	24,804	89	79,765,277
Net change in fund balances	65,206	(89)	(4,611,417)
FUND BALANCES (DEFICITS), beginning	478,241	108,076	21,871,381
FUND BALANCES (DEFICITS), ending	\$ 543,447	\$ 107,987	\$ 17,259,964

Fiduciary Funds

Fiduciary Funds

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

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

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

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

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

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

CITY OF BRIDGEPORT, CONNECTICUT					
COMBINING STATEMENT OF FIDUCIARY NET ASSETS					
June 30, 2003					
	Pension Trust Funds				
	Public Safety Investment and Pension Trust Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Totals
ASSETS					
Cash and cash equivalents	\$ 2,628,493	\$ 4,873,124	\$ 2,764,601	\$ 3,433	\$ 10,269,651
Investments, at fair value					
U.S. Government and					
Agency Bonds	35,298,426	3,967,688	2,825,344	-	42,091,458
Corporate Bonds	51,715,075	5,982,544	3,801,776	-	61,499,395
Corporate Stocks	79,122,107	23,494,586	20,432,723	-	123,049,416
Mutual Funds - Fixed Income	62,426,931	7,877,950	-	-	70,304,881
Mutual Funds - Equities	21,355,881	9,967,703	2,701,847	-	34,025,431
International Bonds	1,001,857	-	-	-	1,001,857
Total investments	250,920,277	51,290,471	29,761,690	-	331,972,438
Due from other funds	442,492	-	-	-	442,492
Contributions receivable	414,507	1,429,504	519,400	-	2,363,411
Total assets	254,405,769	57,593,099	33,045,691	3,433	345,047,992
LIABILITIES					
Benefits payable	1,226,142	-	-	-	1,226,142
Net Assets Held in Trust					
for Pension Benefits	\$ 253,179,627	\$ 57,593,099	\$ 33,045,691	\$ 3,433	\$ 343,821,850

CITY OF BRIDGEPORT, CONNECTICUT					
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS					
June 30, 2003					
Pension Trust Funds					
	Public Safety Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Totals
	Investment and Pension Trust				
Additions					
Contributions					
Employer	\$ 51,115	\$ 2,496,619	\$ 1,026,891	\$ 971,352	\$ 4,545,977
Plan members	451,216	1,340,493	788,768	7,105	2,587,582
Annuity proceeds	5,001,627	-	-	-	5,001,627
Total contributions	5,503,958	3,837,112	1,815,659	978,457	12,135,186
Investment Income					
Net appreciation in fair value					
of investments	934,074	8,092,609	540,816	-	9,567,499
Interest and dividends	6,775,519	995,910	469,666	-	8,241,095
	7,709,593	9,088,519	1,010,482	-	17,808,594
Less Investment Expenses:					
Investment management fees	(952,561)	(190,669)	(215,962)	-	(1,359,192)
Net investment income	6,757,032	8,897,850	794,520	-	16,449,402
Total additions	12,260,990	12,734,962	2,610,179	978,457	28,584,588
Deductions					
Benefits	32,046,649	1,148,717	548,140	978,457	34,721,963
Change in net assets	(19,785,659)	11,586,245	2,062,039	-	(6,137,375)
Net Assets Held in Trust for					
Pension Benefits					
Beginning of year	272,965,286	46,006,854	30,983,652	3,433	349,959,225
End of year	\$ 253,179,627	\$ 57,593,099	\$ 33,045,691	\$ 3,433	\$ 343,821,850

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

CITY OF BRIDGEPORT, CONNECTICUT	
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -	
SCHEDULE BY SOURCE	
June 30, 2003	
Governmental funds capital assets:	
Land	\$ 85,785,311
Buildings and improvements	220,153,178
Machinery and equipment	12,334,588
Infrastructure	98,090,700
Vehicles	23,901,471
Construction in progress	99,669,082
Total governmental funds capital assets	\$ 539,934,330
Investments in governmental funds capital assets by source:	
Capital Projects Funds	\$ 313,777,306
General Fund	177,511,185
Tax Foreclosed Property	4,169,359
Economic Development	3,058,210
Donated Property	2,773,302
Other Special Revenue Funds	38,644,968
Total governmental funds capital assets	\$ 539,934,330

CITY OF BRIDGEPORT, CONNECTICUT						
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY						
June 30, 2003						
	Land	Buildings	Furniture and Equipment	Vehicles	Infrastructure	Totals
General Government						
Mayor	\$ -	\$ -	\$ -	\$ 49,111	\$ -	\$ 49,111
Office of Policy/Management	-	-	49,269	-	-	49,269
Finance	-	-	-	22,373	-	22,373
Tax Assessor	-	-	-	37,488	-	37,488
Tax Collector	2,457,146	1,743,175	-	-	-	4,200,321
Information Technology Services	-	-	2,785,034	-	-	2,785,034
Print Shop	-	-	167,915	13,297	-	181,212
Barnum Institute	-	448,869	-	-	-	448,869
Klein Memorial Auditorium	55,415	2,995,245	-	-	-	3,050,660
Archives and Records	-	-	29,680	-	-	29,680
City Attorney	-	-	-	15,000	-	15,000
Sikorsky Memorial Airport	4,908,731	1,561,972	682,724	812,000	-	7,965,427
Harbor Master	-	-	152,695	16,109	-	168,804
Railroad Station	472,585	1,106,985	-	-	-	1,579,570
Offstreet Parking	517,816	-	-	-	-	517,816
Building Department	-	-	-	88,976	-	88,976
Planning and Development	53,838,796	7,801,316	499,176	51,250	-	62,190,538
Fair Housing	240,000	-	-	-	-	240,000
Zoning Commission	-	-	-	26,271	-	26,271
Total general government	62,490,489	15,657,562	4,366,493	1,131,875	-	83,646,419
Protection of Person and Property						
Police	91,850	3,955,029	1,096,806	5,096,808	-	10,240,493
Fire	599,819	5,394,223	482,278	6,981,607	-	13,457,927
Total protection of person and property	691,669	9,349,252	1,579,084	12,078,415	-	23,698,420
Conservation of Health						
Administration	-	-	46,000	25,793	-	71,793
Communicable diseases	-	-	-	12,496	-	12,496
Clinics	-	13,122	-	-	-	13,122
Laboratories	-	-	75,000	-	-	75,000
Environmental Health	-	-	-	90,082	-	90,082
Housing Code Enforcement	-	-	-	131,061	-	131,061
Women, Infants and Children	-	-	-	28,996	-	28,996
Social Services	-	-	250,000	12,496	-	262,496
Youth Services	-	-	-	13,297	-	13,297
Total conservation of health	-	13,122	371,000	314,221	-	698,343

CITY OF BRIDGEPORT, CONNECTICUT						
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY, Continued						
June 30, 2003						
	Land	Buildings	Furniture and Equipment	Vehicles	Infrastructure	Totals
Public Facilities						
Director of Public Facilities	-	-	-	39,891	-	39,891
Miscellaneous	14,285	-	-	412,710	-	426,995
City Yard	-	-	-	23,375	-	23,375
Municipal Garage	-	1,149,441	-	-	-	1,149,441
Maintenance Department	-	-	159,026	320,267	-	479,293
Roadways and Maintenance	-	34,995	2,100,387	2,953,257	98,090,700	103,179,339
Ash and Garbage	-	-	-	2,031,836	-	2,031,836
Recycling	-	-	-	977,975	-	977,975
City Hall	170,597	12,043,238	-	-	-	12,213,835
Humane Affairs Building	192,343	3,617,898	-	-	-	3,810,241
Senior Citizens Building	30,000	395,246	-	-	-	425,246
Hall of Records	600,000	579,998	-	-	-	1,179,998
Transfer Station	849,745	902,329	70,950	21,431	-	1,844,455
City Engineer	-	-	-	45,267	-	45,267
Construction Management Services	-	-	-	25,793	-	25,793
Total public facilities	1,856,970	18,723,145	2,330,363	6,851,802	98,090,700	127,852,980
Education						
Administration	5,187,896	157,192,947	1,186,613	987,659	-	164,555,115
Instruction	-	-	-	795,138	-	795,138
Support Services	-	-	11,660	309,036	-	320,696
Pupil Services	-	-	-	19,444	-	19,444
Total education	5,187,896	157,192,947	1,198,273	2,111,277	-	165,690,393
Parks and Recreation						
Parks Administration	15,430,462	14,465,782	1,453,274	902,437	-	32,251,955
Fairchild Wheeler	-	-	162,360	-	-	162,360
Park Checkpoints	-	-	-	23,375	-	23,375
Total Parks and Recreation	15,430,462	14,465,782	1,615,634	925,812	-	32,437,690

CITY OF BRIDGEPORT, CONNECTICUT						
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY, Continued						
June 30, 2003						
	Land	Buildings	Furniture and Equipment	Vehicles	Infrastructure	Totals
Library	127,825	4,751,368	217,337	13,539	-	5,110,069
Nutrition Center	-	-	656,404	474,530	-	1,130,934
Total fixed assets placed in use	85,785,311	220,153,178	12,334,588	23,901,471	98,090,700	440,265,248
Construction in Progress	-	99,669,082	-	-	-	99,669,082
Total general fixed assets	\$ 85,785,311	\$ 319,822,260	\$ 12,334,588	\$ 23,901,471	\$ 98,090,700	\$ 539,934,330

CITY OF BRIDGEPORT, CONNECTICUT					
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -					
BY FUNCTION AND ACTIVITY					
For the Year Ended June 30, 2003					
	Balance				
	July 1, 2002	Additions	Disposals	Transfers	Totals
General Government					
Mayor	\$ 49,111	\$ -	\$ -	\$ -	\$ 49,111
Office of Policy/Management	49,269	-	-	-	49,269
Finance	22,373	-	-	-	22,373
Tax Assessor	37,488	-	-	-	37,488
Tax Collector	4,584,721	-	384,400	-	4,200,321
Information Technology Services	2,785,034	-	-	-	2,785,034
Print Shop	181,212	-	-	-	181,212
Barnum Institute	448,869	-	-	-	448,869
Klein Memorial Auditorium	3,050,660	-	-	-	3,050,660
Archives and Records	29,680	-	-	-	29,680
City Attorney	15,000	-	-	-	15,000
Sikorsky Memorial Airport	7,945,327	20,100	-	-	7,965,427
Harbor Master	143,804	25,000	-	-	168,804
Railroad Station	1,579,570	-	-	-	1,579,570
Offstreet Parking	517,816	-	-	-	517,816
Building Department	88,976	-	-	-	88,976
Planning and Development	57,434,525	4,756,013	-	-	62,190,538
Fair Housing	240,000	-	-	-	240,000
Zoning Commission	26,271	-	-	-	26,271
Total general government	79,229,706	4,801,113	384,400	-	83,646,419
Protection of Person and Property					
Police	10,034,124	226,136	19,767	-	10,240,493
Fire	11,921,876	1,753,412	217,361	-	13,457,927
Total protection of person and property	21,956,000	1,979,548	237,128	-	23,698,420
Conservation of Health					
Administration	71,793	-	-	-	71,793
Communicable diseases	12,496	-	-	-	12,496
Clinics	13,122	-	-	-	13,122
Laboratories	75,000	-	-	-	75,000
Environmental Health	90,082	-	-	-	90,082
Housing Code Enforcement	131,061	-	-	-	131,061
Women, Infants and Children	28,996	-	-	-	28,996
Social Services	262,496	-	-	-	262,496
Mounted Unit	13,297	-	-	-	13,297
Total conservation of health	698,343	-	-	-	698,343

CITY OF BRIDGEPORT, CONNECTICUT					
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -					
BY FUNCTION AND ACTIVITY, Continued					
For the Year Ended June 30, 2003					
	Balance				
	July 1, 2002	Additions	Disposals	Transfers	Totals
Public Facilities					
Director of Public Facilities	39,891	24,029	24,029	-	39,891
Miscellaneous	403,085	23,910	-	-	426,995
City Yard	23,375	-	-	-	23,375
Municipal Garage	1,149,441	-	-	-	1,149,441
Maintenance Department	479,293	-	-	-	479,293
Roadways and Maintenance	98,428,610	4,750,729	-	-	103,179,339
Ash and Garbage	2,031,836	-	-	-	2,031,836
Recycling	977,975	-	-	-	977,975
City Hall	12,213,835	-	-	-	12,213,835
Humane Affairs Building	3,810,241	-	-	-	3,810,241
Senior Citizens Building	425,246	-	-	-	425,246
Hall of Records	1,179,998	-	-	-	1,179,998
Transfer Station	1,844,455	-	-	-	1,844,455
City Engineer	45,267	-	-	-	45,267
Construction Management Services	25,793	-	-	-	25,793
Total public facilities	123,078,341	4,798,668	24,029	-	127,852,980
Education					
Administration	159,963,731	4,648,734	57,350	-	164,555,115
Instruction	724,400	70,738	-	-	795,138
Support Services	309,036	11,660	-	-	320,696
Pupil Services	19,444	-	-	-	19,444
Total education	161,016,611	4,731,132	57,350	-	165,690,393
Parks and Recreation					
Parks Administration	30,739,649	295,955	-	1,216,351	32,251,955
Park Checkpoints	23,375	162,360	-	-	185,735
	30,763,024	458,315	-	1,216,351	32,437,690
Library					
	5,110,069	-	-	-	5,110,069
Nutrition Center					
	985,112	145,822	-	-	1,130,934
Total fixed assets placed in use					
	422,837,206	16,914,598	702,907	1,216,351	440,265,248
Construction in Progress					
	92,579,419	8,306,014	-	(1,216,351)	99,669,082
Total general fixed assets					
	\$ 515,416,625	\$ 25,220,612	\$ 702,907	\$ -	\$ 539,934,330

Other Schedules

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CITY OF BRIDGEPORT, CONNECTICUT					
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING					
Year Ended June 30, 2003					
	Balance				Adjusted
Grand	Uncollected	Current	Net	Transfers to	Taxes
List Year	July 1, 2002	Levy	Adjustments	Suspense	Collectible
1987	\$ 1,128,290	\$ -	\$ (1,106,553)	\$ (5,521)	\$ 16,216
1988	1,333,918	-	(1,884)	(7,697)	1,324,337
1989	1,415,154	-	168	(7,740)	1,407,582
1990	1,592,843	-	1,632	(45,757)	1,548,718
1991	1,783,563	-	(2,850)	(16,645)	1,764,068
1992	1,710,567	-	36,551	(99,388)	1,647,730
1993	2,071,857	-	(213,614)	(127,282)	1,730,961
1994	2,844,829	-	(192,667)	(497,898)	2,154,264
1995	3,692,122	-	(220,555)	(18,906)	3,452,661
1996	4,118,269	-	(29,606)	(109,451)	3,979,212
1997	4,884,152	-	(174,523)	(36,680)	4,672,949
1998	6,850,589	-	(239,663)	(61,376)	6,549,550
1999	8,153,726	-	(73,927)	(95,985)	7,983,814
2000	12,329,164	-	334,618	(100,183)	12,563,599
2001	-	195,817,139	(10,161,042)	(32,100)	185,623,997
	\$ 53,909,043	\$ 195,817,139	\$ (12,043,915)	\$ (1,262,609)	\$ 236,419,658

Collections				
		Lien		Balance
		Fees		Uncollected
Taxes	Interest		Total	June 30, 2003
\$ 16,216	\$ 31,313	\$ 43	\$ 47,572	\$ -
16,518	35,800	-	52,318	1,307,819
30,616	52,851	72	83,539	1,376,966
24,156	52,739	120	77,015	1,524,562
31,604	50,823	168	82,595	1,732,464
60,859	73,263	120	134,242	1,586,871
58,335	65,972	240	124,547	1,672,626
76,248	93,954	240	170,442	2,078,016
215,869	232,061	1,056	448,986	3,236,792
384,661	332,161	1,224	718,046	3,594,551
457,256	342,470	1,871	801,597	4,215,693
903,587	508,378	5,279	1,417,244	5,645,963
1,536,835	589,736	9,418	2,135,989	6,446,979
4,707,676	972,615	17,849	5,698,140	7,855,923
173,420,270	1,670,511	61,097	175,151,878	12,203,727
\$ 181,940,706	\$ 5,104,647	\$ 98,797	\$ 187,144,150	\$ 54,478,952

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Statistical Section

A. GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCE

CITY OF BRIDGEPORT, CONNECTICUT								
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES BY FUNCTION								
LAST TEN FISCAL YEARS								
(Amounts Expressed in Thousands)								
Fiscal Year	General Government	Protection of Person and Property	Conservation of Health	Public Facilities	Charities and Hospitals	Education/Transfers	Parks and Recreation	
1994	\$ 88,087	\$ 45,474	\$ 3,394	\$ 14,603	\$ 22,202	\$ 121,545	\$ 2,464	
1995	80,019	46,601	3,705	15,381	22,734	128,148	2,573	
1996	83,297	47,471	3,894	17,086	12,174	136,119	2,113	
1997	91,626	52,403	4,284	16,220	8,795	136,642	3,193	
1998	97,303	53,893	4,545	19,330	1,791	138,390	3,523	
1999	94,522	57,340	4,812	20,323	221	145,080	4,827	
2000	98,913	59,422	5,194	19,432	174	145,315	4,775	
2001 **	93,378*	62,191	5,226	18,251	223	148,952	4,453	
2002	93,542	61,494	5,592	16,580	222	162,216	5,731	
2003	86,955	61,706	4,782	15,822	15	164,183	5,577	

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

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

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

Source: City of Bridgeport Finance Department.

Special Services	Sikorsky Airport	Debt Service	Total
\$ 1,888	\$ 885	\$ 19,640	\$ 320,182
1,118	1,058	23,433	324,770
1,169	1,032	26,867	331,222
1,140	1,051	21,837	337,191
1,308	1,099	24,879	346,061
1,313	1,110	24,833	354,381
1,420	1,070	26,579	362,294
1,786	1,088	41,986*	377,534
1,866	1,061	62,328	410,632
1,645	963	61,753	403,401

CITY OF BRIDGEPORT, CONNECTICUT							
GENERAL FUND REVENUES BY SOURCE							
LAST TEN FISCAL YEARS							
(Amounts Expressed in Thousands)							
Fiscal Year	Taxes	Intergovernmental	Sikorsky Airport	Nutrition Center	Miscellaneous	Total	
1994	\$ 154,516	\$ 147,633	\$ 910	\$ 5,193	\$ 18,188	\$ 326,440	
1995	157,168	149,025	1,181	5,288	16,178	328,840	
1996	161,839	149,811	1,091	5,003	17,016	334,760	
1997	162,550	150,756	1,147	4,409	19,451	338,313	
1998	158,756	159,373	1,111	5,521	21,203	345,964	
1999	153,310	172,652	1,122	6,007	19,303	352,394	
2000	154,144	177,271	896	6,177	19,880	358,368	
2001	157,275	182,502	947	6,889	20,216	367,829	
2002	176,476	196,370	671	7,587	12,397	393,501	
2003	187,292	188,899	916	7,108	10,758	394,973	

Source: City of Bridgeport Finance Department.

CITY OF BRIDGEPORT, CONNECTICUT						
GENERAL FUND BALANCE COMPARED TO GENERAL FUND EXPENDITURES						
LAST TEN FISCAL YEARS						
(Amounts Expressed in Thousands)						
Fiscal Year	Undesignated Fund Balance	Expenditures and Other Financing Uses	Undesignated Fund Balance as a Percentage of Expenditures	Unreserved Fund Balance	Unreserved Fund Balance as a Percentage of Expenditures	
1994	\$ 21,578	\$ 320,185	6.7%	\$ 21,578	6.7%	
1995	26,278	324,770	8.1%	26,278	8.1%	
1996	36,043	331,222	10.9%	36,043	10.9%	
1997	34,224	337,191	10.1%	39,724	11.8%	
1998	35,344	346,061	10.2%	41,851	12.1%	
1999	39,390	354,381	11.1%	46,015	13.0%	
2000	45,082	362,294	12.4%	48,428	13.4%	
2001	25,929	377,534*	6.9%	48,429	12.8%	
2002	n/a**	410,632	n/a**	38,571	9.4%	
2003	n/a**	403,401	n/a**	35,305	8.8%	
** Note: GASB 34 presentations do not demonstrate designations of fund balance.						

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

Source: City of Bridgeport Finance Department.

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B. PROPERTY VALUES AND TAXES

CITY OF BRIDGEPORT, CONNECTICUT					
PROPERTY TAX RATES, LEVIES AND COLLECTIONS					
LAST TEN FISCAL YEARS					
					Tax Levy Receivable at End of Fiscal Year
Fiscal Year	Mill Rate	Net Taxable Grand List	Total Budgeted Tax Levy		
1994	67.8	\$ 2,277,403,103	\$ 152,581,937		\$ 20,605,064
1995	67.8	2,287,638,477	153,392,556		9,115,000
1996	67.8	2,327,768,854	159,309,273		9,690,846
1997	67.5	2,366,391,682	160,272,279		14,353,644
1998	66.5	2,401,232,146	161,572,205		11,220,970
1999	65.5	2,420,308,038	160,731,151		11,782,136
2000	65.0	2,497,394,118	162,330,617		13,941,906
2001	65.0	2,592,797,593	168,531,843		13,333,354
2002	65.0	2,795,967,563	181,737,892		12,329,164
2003	62.4	3,103,767,511	193,675,093		12,203,727

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

Source: City of Bridgeport Tax Collector.

CITY OF BRIDGEPORT, CONNECTICUT			
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY			
LAST TEN FISCAL YEARS			
	Fiscal Year Ended June 30	Net Taxable Grand List	Estimated Full Value
	1994	\$ 2,277,403,103	\$ 3,253,433,004
	1995	2,287,638,477	3,268,054,967
	1996	2,327,768,854	3,325,384,077
	1997	2,366,391,682	3,380,559,546
	1998	2,401,232,146	3,430,331,637
	1999	2,420,308,038	3,457,582,911
	2000	2,497,394,118	3,567,705,883
	2001	2,592,797,593	3,703,996,561
	2002	2,795,967,563	3,994,239,376
	2003	3,103,767,511	4,433,953,587

Source: City of Bridgeport Tax Assessor's Office

CITY OF BRIDGEPORT, CONNECTICUT

PRINCIPAL TAXPAYERS

June 30, 2003

Name	Nature of Business	Net Taxable Valuation (1)	Percent of Net Taxable Grand List (1)
Bridgeport Energy ⁽²⁾	Utility	\$ 88,561,694	2.85%
People's Bank	Bank	67,888,501	2.19%
WISVEST	Utility	56,529,213	1.82%
United Illuminating Co.	Utility	40,908,740	1.32%
AT & T	Utility	31,613,384	1.02%
Bridgeport Hydraulic Co. (Aquarion)	Utility	25,469,596	.82%
So. Connecticut Gas Co.	Utility	18,600,006	.60%
Shoreline Star Greyhound	Sporting Enterprise	12,841,795	.41%
Bridgeport Health Care	Health	11,649,984	.38%
1000 Lafayette	Office Building	11,474,942	.37%
	Total	\$ 365,537,855	11.78%

Source: City of Bridgeport Tax Assessor's Office.

(1) Based on a 10/1/01 net taxable Grand List of \$3,103,767,511.

(2) Currently on Payment in Lieu of Taxes program.

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CITY OF BRIDGEPORT, CONNECTICUT									
SCHEDULE OF PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS									
LAST TEN FISCAL YEARS									
(Amounts Expressed in Thousands)									
Property Values									
Fiscal Year	Grand List Year	Residential	Commercial	Industrial	Land	Utilities and Personal Property	Motor Vehicle	Exemptions	Total
1994	1992	\$ 1,223,754	\$ 166,922	\$ 139,061	\$ 18,892	\$ 325,953	\$ 169,770	\$ 64,356	\$ 1,979,996
1995	1993	1,220,383	467,321	139,715	16,424	310,869	198,588	65,662	2,287,638
1996	1994	1,219,447	463,813	142,658	16,017	344,589	210,699	69,454	2,327,769
1997	1995	1,208,096	454,806	142,188	16,232	365,148	241,242	61,320	2,366,392
1998	1996	1,217,030	476,888	139,682	17,493	370,110	250,817	70,788	2,401,232
1999	1997	1,218,207	488,413	137,841	18,335	379,095	255,535	77,118	2,420,308
2000	1998	1,218,738	502,271	135,142	18,115	434,976	264,687	76,865	2,497,064
2001	1999	1,218,829	496,302	126,073	18,370	525,162	285,838	77,777	2,592,797
2002	2000	1,376,877	527,328	126,404	22,873	513,383	310,875	81,773	2,795,967
2003	2001	1,577,935	591,635	137,263	30,266	508,476	330,502	72,310	3,103,767

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

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C. LONG-TERM DEBT

CITY OF BRIDGEPORT, CONNECTICUT

COMPUTATION OF LEGAL DEBT LIMIT

June 30, 2003

(Amounts Expressed in Thousands)

The City's debt limitation under Connecticut General Statutes, Section 7-374(b) as of June 30, 2003 is as follows (amounts are expressed in thousands):

	Total tax revenue (including interest and lien fees)	
	for the year ended June 30, 2003	\$187,144
	Reimbursement for revenue loss:	
	Tax relief - elderly	102
	Base for debt limitation computation	<u>\$ 187,246</u>

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

COMPUTATION OF REMAINING DEBT LIMITATION					
	General Purpose	Unfunded Pension Benefit Obligation	Schools	Sewers	Urban Renewal
Debt limitation:					
2¼	\$ 421,304	\$ -	\$ -	\$ -	\$ -
3	-	561,738	-	-	-
4½	-	-	842,607	-	-
3¾	-	-	-	702,173	-
3¼	-	-	-	-	608,550
Total debt limitation	421,304	561,738	842,607	702,173	608,550
Indebtedness:					
Net bonds and BANS payable	236,759	342,325	28,945	396	-
Bonds authorized but not issued	47,063	90,000	75,360	-	-
Debt limitation in excess of outstanding debt	\$ 137,482	\$ 129,413	\$ 738,302	\$ 701,777	\$ 608,550

CITY OF BRIDGEPORT, CONNECTICUT						
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS						
Fiscal Year	Population	Assessed Value of Grand List (\$000)	Outstanding Bonded Debt (\$000)	Debt as a Percent of Assessed Value of Grand List		Net Bonded Debt Per Capita
1994	141,686	\$ 2,277,403	\$ 171,485	7.53%		\$ 1,210
1995	141,686	2,287,638	160,020	6.99%		1,129
1996	141,686	2,327,769	159,045	6.83%		1,123
1997	141,686	2,366,392	186,025	7.86%		1,313
1998	141,686	2,401,232	195,905	8.16%		1,383
1999	141,686	2,420,308	203,660	8.41%		1,437
2000	137,425	2,497,394	261,190	10.46%		1,901
2001	139,529	2,592,798	606,220	* 23.38%	*	4,345
2002	139,529	2,795,967	635,295	22.72%		4,553
2003	139,529	3,103,768	633,270	20.40%		4,539

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

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

CITY OF BRIDGEPORT, CONNECTICUT						
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND EXPENDITURES LAST TEN FISCAL YEARS						
						Ratio of Debt
					Total	Service to
Fiscal				Total Debt	General Fund	General Fund
Year	Principal	Interest		Service	Expenditures	Expenditures
1994	\$ 11,051,369	\$ 13,833,742		\$ 24,885,111	\$ 320,185,120	7.77%
1995	11,320,918	13,092,179		24,413,097	324,770,515	7.52%
1996	15,678,645	12,380,172		28,058,817	331,222,089	8.47%
1997	11,396,286	10,440,650		21,836,936	337,191,365	6.48%
1998	12,496,389	12,382,589		24,878,978	346,061,479	7.19%
1999	12,547,008	12,283,969		24,830,977	354,381,017	7.01%
2000	14,451,588	12,129,515		26,581,103	371,842,809	7.15%
2001	14,881,280	27,522,132*		42,403,412*	377,534,472**	11.23%
2002	19,157,839	43,985,039		63,142,878	410,632,254	15.38%
2003	20,603,428	41,988,564		62,591,992	403,400,834	15.52%

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

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

Source: City of Bridgeport Finance Department.

CITY OF BRIDGEPORT, CONNECTICUT	
DEBT STATEMENT	
June 30, 2003	
Debt Statement:	
General Obligation Debt:	
General Purpose Bonds Payable	\$ 220,574,238
Bond Anticipation Notes Payable	16,185,000
School Bonds	53,789,498
Sewer	396,264
Pension Obligation Bonds ("POB")	342,325,000
Total General Obligation Debt	633,270,000
Notes Payable:	
Fire Equipment Notes Payable	173,400
HUD Section 108 Loans	6,584,000
Total Notes Payable	6,757,400
Total Debt	640,027,400
Less: School Construction Grants Receivable ¹ - Principal Portion Only	24,438,119
HUD Section 108 Loans	6,584,000
	31,022,119
Total Overall Net Debt	\$ 609,005,281

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

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

D. DEMOGRAPHIC DATA

CITY OF BRIDGEPORT, CONNECTICUT					
DEMOGRAPHIC DATA					
June 30, 2003					
POPULATION AND DENSITY					
Historical					
Year	Population	% Increase (Decrease)		Density	
1940	146,900	0.2%		7,580	
1950	158,709	8.0%		8,189	
1960	156,748	-1.2%		8,088	
1970	156,542	-0.1%		8,078	
1980	142,546	-8.9%		7,355	
1990	141,686	-0.6%		7,311	
2000	139,529	-1.5%		7,200	

Density based on 19.38 square miles.

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

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

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

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

CITY OF BRIDGEPORT, CONNECTICUT					
DEMOGRAPHIC DATA, Continued					
June 30, 2003					
INCOME DISTRIBUTION					
	City of Bridgeport		State of Connecticut		
	Families	Percent	Families	Percent	
\$0 - \$9,999	3,681	11.1%	33,423	3.8%	
\$10,000 - \$24,999	6,680	20.2%	86,855	9.8%	
\$25,000 - \$49,999	10,203	30.9%	195,547	22.1%	
\$50,000 - \$74,999	6,587	19.9%	198,924	22.5%	
\$75,000 - \$99,999	3,065	9.3%	141,981	16.0%	
\$100,000 - \$149,999	2,111	6.4%	132,177	14.9%	
\$140,000 and over	715	2.2%	96,840	10.9%	
	<u>33,042</u>	<u>100.0%</u>	<u>885,747</u>	<u>100.0%</u>	

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

INCOME LEVELS

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

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

CITY OF BRIDGEPORT, CONNECTICUT						
DEMOGRAPHIC DATA, Continued						
June 30, 2003						
EMPLOYMENT DATA						
Period	City of Bridgeport		Percentage Unemployed			
	Employed	Unemployed	City of Bridgeport	Bridgeport Area Market	State of Connecticut	
2003	58,776	5,912	9.1%	6.2%	5.0%	
2002	55,515	3,845	6.5%	4.5%	3.5%	
2001	57,127	2,415	4.1%	2.7%	2.2%	
2000	57,999	2,953	4.8%	3.2%	2.5%	
1999	57,195	3,467	5.7%	3.5%	2.8%	
1998	57,027	4,379	7.1%	4.8%	4.1%	
1997	56,181	5,698	9.2%	6.3%	5.4%	
1996	54,460	6,023	10.0%	6.7%	5.7%	
1995	54,679	5,601	9.3%	6.4%	5.5%	
1994	57,004	5,489	8.8%	6.2%	5.6%	

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

E. MISCELLANEOUS STATISTICS

CITY OF BRIDGEPORT, CONNECTICUT									
NUMBER AND VALUE OF BUILDING PERMITS									
June 30, 2003									
Fiscal Year Ended	Residential		Non-residential		Other		Total		
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	
1994	169	\$ 24,093,536	241	\$ 47,167,527	1,242	\$ 19,294,346	1,652	\$ 90,555,409	
1995	150	4,915,251	261	22,530,570	1,588	14,622,722	1,999	42,068,543	
1996	189	6,498,885	244	20,367,211	1,534	12,972,884	1,967	39,838,980	
1997	195	7,866,866	252	30,635,232	1,690	16,718,368	2,137	55,220,466	
1998	297	14,970,169	219	61,072,018	1,797	17,073,715	2,313	93,115,902	
1999	237	5,347,782	195	16,025,438	1,883	17,898,831	2,315	39,272,051	
2000	244	9,068,214	217	33,177,489	1,785	18,397,451	2,246	60,643,154	
2001	146	8,196,769	319	26,334,089	1,732	30,140,121	2,197	64,670,979	
2002	253	6,368,346	145	34,369,087	1,895	18,447,228	2,293	59,184,661	
2003	340	10,577,349	107	28,584,693	1,912	28,050,141	2,359	67,212,183	

Source: Building Official, City of Bridgeport.

CITY OF BRIDGEPORT, CONNECTICUT

GENERAL CITY STATISTICS

June 30, 2003

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

Number of City facilities and services

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

* Staffing includes both sworn and civilian employees.

