

CITY OF BRIDGEPORT, CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year
July 1, 2017 to June 30, 2018

Prepared By:
DEPARTMENT OF FINANCE

Kenneth A. Flatto
Director of Finance

**CITY OF BRIDGEPORT, CONNECTICUT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section



CITY OF BRIDGEPORT
DEPARTMENT OF FINANCE
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JOSEPH P. GANIM
Mayor

KENNETH A. FLATTO
Finance Director/CFO

December 27, 2018

Honorable Joseph Ganim, Mayor

Members of the City Council

Citizens of Bridgeport

State law requires that every general-purpose local government publicly publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2018.

Blum Shapiro has issued an unmodified (“clean”) opinion on the City of Bridgeport, Connecticut’s financial statements for the year ended June 30, 2018. The independent auditors’ report is located at the front of the financial section of this report.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. There were no material or significant findings issued this year.

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

Profile of the Government

The City of Bridgeport was incorporated in 1836 and annexed portions of the neighboring towns of Stratford and Fairfield in the late 1800’s. The City of Bridgeport is located on the northern shore of the Long Island Sound, approximately 60 miles northeast of New York City and 60 miles southwest of Hartford. The City is the crossroads of one of the best land, sea, rail and air transportation systems in the Northeast. Bridgeport Harbor is one of the three deep-water ports in Connecticut. Amtrak and Metro-North provide passenger service to the City from the downtown Transportation Center. With a 2010 U.S. Census population of 144,229 residents, Bridgeport is the largest city in the State of Connecticut, averaging almost 7,500 people per square mile. Encompassing an area of 19.38 square miles (approximately 16.0 square miles of land and 3.38 square miles of water), Bridgeport’s 57,000 housing units are the most of any municipality in the State of Connecticut.

Bridgeport operates under and is governed by the laws of the State of Connecticut and its own City charter, which was originally adopted in 1907. The last major revision to the City's charter was adopted in 1992 and streamlined governmental processes and provided for greater administrative accountability. The Charter provides for a Mayor-Council form of government. The Mayor is the chief executive officer of the City. The City Council, which serves as the City's legislative body, consists of 20 council members elected to two-year terms. The Charter provides for four-year terms for the Mayor, City Clerk and Town Clerk.

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

Budget, Finances and Long-Term Planning

The annual budget serves as the foundation for the City of Bridgeport's financial planning and control. Budget-to-actual comparisons for FY2018 are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on RSI-1 and RSI-2 as part of the required supplementary information for the General Fund.

The City ended the June 30, 2018 fiscal year with a solid \$1.7 million budgetary surplus, consistent with commitments made to rating agencies. This was attained in large measure by an across the board set of Administration actions taken last year. The City has taken steps to ensure that it has ample contingencies to meet challenges and to continue to improve fund balances. The City receives significant state aid for city purposes, for education and for large school capital projects. The City is fully funding all required pension obligations as recommended by actuaries and during fiscal year 2018 the City approved an Ordinance and established an Other Post Employment Benefits (OPEB) Trust, and related Trust Fund. 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.

The City has put into place certain long term planning measures, including the adoption of an annual five-year capital plan. In addition, the City uses multi-year planning for internal purposes for forecasting future budget needs. The City enters into multi-year contracts for various services when beneficial with utility providers, certain health care providers, non-profit organizations, and with developers seeking to revitalize City owned sites. The City implements multi-year collective bargaining contracts on a regular basis.

Reassessment and Mill Rates

The City's current property tax bill rate was set during the FY2019 budget process at 54.37 mills, which for the second year in a row represents no change. The mill rate for motor vehicles has been set at 45 mills for FY 2019 based upon a State legislative mandated cap on car tax mill rates. The City receives state reimbursement for some of the lost revenues from this reduced vehicle mill rate. The last citywide revaluation was implemented for the Grand List Year 2015 for budgetary years starting FY2017. The Net Taxable Grand List as of October 1, 2017 was adopted at a full value of approximately \$6.1 billion, as real property prices and values have stabilized the past few years. It is anticipated that the grand list will see continued growth from economic development activities underway. The next revaluation takes place in October 2020.

Local Economy

The City is a major medical, legal, industrial, financial and entertainment center. Two medical centers, the St. Vincent's Medical Center and the Bridgeport Hospital of the Yale-New Haven Hospital system, provide for many of the health care needs of the Greater Bridgeport area. Federal and State courthouses are located within the central business district. Corporate and regional business offices are located downtown, including the national headquarters office of People's United Bank. Other major employers residing within the City's boundaries include PSE & G, the University of Bridgeport, Housatonic College, Jewish Senior Services, Bridgeport Health Care Center, Bass Pro Shop, Sikorsky Industries, Pullman & Comley and several major law firms. The City remains the home of more than 200 manufacturing companies and thousands of local retail and commercial businesses. These companies often utilize new technologies as new arrivals occupy unique market niches.

The Greater Bridgeport area hosts four institutions of higher learning: Housatonic Community College, The University of Bridgeport, Fairfield University, and Sacred Heart University. These educational institutions provide the City's corporate and business communities with skilled personnel and enhance the area's cultural and community activities. University of Bridgeport and Housatonic Community College, located in the heart of the City's central business district, have been fast growing and successful institutes benefiting the City. The Workplace Inc. is a major multi-state job training and enterprise non-profit center.

Bridgeport is the home of numerous attractions that enhance the City's economic fortunes. The Webster Bank Arena and other downtown venues bring hundreds of thousands of visitors annually to Bridgeport's Downtown to watch minor league hockey, college basketball, college hockey, concerts and other entertainment. The Beardsley Zoo, Connecticut's only zoo, is one of the most visited tourist attractions in the State. The Barnum Museum showcases the life and times of the City Mayor and renowned showman, P.T. Barnum. The Discovery Museum, located in the north end of the City, offers interactive science and space displays. A new LiveNation concert amphitheater is under construction at Harbor Yard.

The City's economic development plans have focused on diversification of the local economic base, tailored to the City's strengths of geographic location and skilled workforce availability. New light manufacturing is looking at Bridgeport as a favored destination. The City's strategy of identifying growth industries such as medical, financial services, construction, and technology is proving successful. To enhance the infrastructure that serves the industrial and commercial base of the City, the City has assembled land and facilities necessary to provide for the expansion of existing corporations and to accommodate new business, redevelopment and private investment. Over two million square feet of new development is underway and in developmental and marketing stages, including a major new natural gas power plant.

Waterfront Development/Steel Point

Investment in Steel Point has come to fruition and continues expanding. Approximately 175,000 square foot of retail, including Bass Pro Shops, Starbucks, Chipotle, T-Mobile and more, has been built. Several retail tenants have signed letters of intent for Phase Two which is under construction and scheduled to open in 2019, with a new marina and housing expected to open within another year. Nearby a joint Bridgeport Development Landing (BDL)-MGM Casino and mixed-use development is proposed and under consideration by the State legislature.

Other plans include robust public improvements such as an approximately 70-foot-wide greenway along the South End waterfront. Property tax-based Tax Increment Financing will be used to fund some of these improvements. The Steel Point Infrastructure Improvement District (the “District”) and BDL are expanding development efforts nearby including BDL’s purchase of the former Derektor shipyard site. Plans include a new supermarket and significant additional business opportunities.

Downtown Development

Downtown Bridgeport is at the nexus of road, rail, transit, and water related transportation infrastructure. Its location and existing assets provide the opportunity for Bridgeport to become the transit-oriented development hub of Fairfield County. Bridgeport is increasingly an option for residents and businesses seeking a cost effective and convenient location to live and work. Census data also shows that Bridgeport has the second highest percentage of millennial aged population in southwestern Connecticut.

In 2017 and 2018, the City bonded funds for a new Congress Street bridge, remediation clean up efforts along the Seaview Avenue corridor, and downtown parking improvements, to be implemented alongside other Bridgeport downtown improvements. Another \$25 million in state and federal funding is being spent over the next two years including a major upgrade to Lafayette Circle and Boulevard and Main Street traffic light upgrades. The City’s Intermodal Transportation Center and a 1,400-car commuter parking facility help link the various modes of transportation (such as Amtrak, Metro North, water ferries, city buses and taxis). Downtown Bridgeport and the South End is receiving a \$40 million grant to upgrade flood protection and resilience efforts. A plan for a high-speed ferry dock along Water Street is also planned by the Port Authority for 2020.

Housatonic Community College has doubled the size of its downtown facilities over the past decade. The college’s enrollment has increased to over 6,000 students. Significant private investment is occurring along Main Street and Main Street North, including a joint venture of the *Spinnaker Group* and *Forstone Capital* along sections of downtown real estate from People’s United Bank to Main Street North. Forstone’s renovation of the former Mechanics & Farmers Bank Complex on State Street into 32 housing units, professional offices, the Stress Factory comedy club, and a Bavarian restaurant have opened. A \$12 million project 333 State Street development created 65 rental apartments and 15,000 square feet of street-level commercial space. The Kuchma Corporation (developer of Bijou Square) has built nearly 30 residential units, a restaurant, and built a new City public senior center for city residents.

A major new and historic \$400 million plan to revitalize the Majestic and Poli Theaters and to build two landmark eighteen story apartment towers has been agreed with the City and construction is planned to start in 2019. Mixed-use buildings have been refurbished into new office and retail space and inter-connected buildings and adding to the downtown residential housing stock *along* the Securities block. Just north of those buildings, the city has helped to start redevelopment of five city blocks, including both historic buildings and vacant land, with joint developers Spinnaker, POKO, Urban Green Builders, and Navarino. These projects include 105 housing units and retail space, have commenced remediation and reconstruction.

Industrial Development and Housing Projects

In the City's West End Redevelopment area, significant industrial investment has occurred. The \$70 million Bridgeport Fuel Cell Energy Park produces enough electricity for 15,000 homes. An Eco-Technology Park is located in the West End and South End neighborhoods. Adjacent to the Eco-Technology Park, a block of vacant industrial buildings is being repurposed as a mixed-use neighborhood. The block attracted \$1.2 million in state brownfield assistance.

The Cherry Street Associate redevelopment has renovated several former dilapidated industrial buildings and plans to create approximately 325 units of mixed-income housing, space for a charter school, and approximately 20,000 square feet of retail space. The first phase underway includes 157 units of housing, the charter school, and open space.

Medical Sector and Senior Living Projects

As the center for hospital care in Eastern Fairfield County, the City's health care industry continues to grow. Bridgeport Hospital, employs over 2,500 people and is constantly innovating. St. Vincent's Medical Center, which employs more than 2,600, after construction of a \$140 million expansion project.

Jewish Senior Services (JSS) has completed a \$95 million building on Park Avenue, a 367,000 square foot skilled nursing and assisted living facility. Nearly 300 jobs were moved to Bridgeport. The City helped back this project with support on financing fully paid by JSS.

Education

The City and Bridgeport Public Schools are completing the most comprehensive school upgrade program in decades. New high schools, middle schools and elementary schools are now complete, with the new Harding High School and renovated Central High School reopened this autumn. The city public school system is striving to improve student outcomes while simultaneously taking steps to conserve budget resources. The City and State support Bridgeport Public Schools.

Bridgeport's Major Financial Initiatives

The City has instituted significant cost-saving initiatives through financial system upgrades, improvement of revenue collection, restructuring of employee benefits, and budget freezes on hiring. In addition, the City is completing technology upgrades to improve public customer services including online payment systems, web-based operations and fiber optic connectivity.

The major historic economic development initiatives described above will provide a significant boost to the tax base and to budgetary revenues over the next couple of years. The City has also adopted revenue enhancements including improved tax collections, received new federal grants. A huge anti-blight program is cleaning up city owned properties.

Revenue Collection Initiatives

The City implements innovative strategies for enhancing its tax revenues, accelerating its receipt of delinquent taxes, non-tax revenues and controlling costs. The City increased collection of real estate taxes, through heightened enforcement and the sale of tax liens. Tax lien sales have proven to be an effective management tool for collecting current and arrears taxes, interest and penalties. The City conducted its last tax lien sale in May 2018 netting over \$2 million.

Internal Service Fund & OPEB Fund

The City, by Ordinance, established an Internal Service Fund (ISF) and an Other Post Employment Benefits Fund (OPEB) to account for self-insured health benefit activities of the City, Board of Education and all other departments. Governmental Accounting Standards allow for the use of Internal Service Funds for risk financing activities. The ISF is a proprietary type fund which utilizes the accrual basis of accounting. The use of an Internal Service Fund, for self-insured benefit activities can help smooth the impact of claims fluctuations. Funding of the Internal Service Fund is provided through the annual Board of Education budget, the City General Budget, the Library, WPCA Budget, and by employee contributions. As of June 30, 2018, the fund continues to have a deficit which considered in the calculation of contributions to be made to the Fund in future years. The long-term liability decreased \$4 million from the previous year. It is expected that deficits will be reduced over a reasonable period of years. The OPEB Trust Fund was established with a small deposit from the General Fund as the City plans to deal with this long-term challenge. The City is striving to rein in and restructure health costs with newly hired employees not eligible for OPEB.

City Investment Policies

Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes. It is the policy of the City to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all statutes governing the investment of funds. The City's investment of cash and cash equivalents consist primarily of FDIC insured money market investments and funds invested in the State Short-Term Investment Fund ("STIF").

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded another 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, 2017. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easy to read and well-organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. The City of Bridgeport has received a Certificate of Achievement in each of the last 15 years. We believe our current report continues to conform to the Certificate of Achievement program requirements.

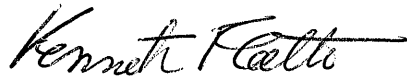
In addition to the award for the Financial Reporting, the Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Bridgeport, Connecticut for the FY2018 Annual Budget.

The preparation of the Comprehensive Annual Financial Report was made possible by the tremendous dedication and hard work of the entire staff of the Finance Department, particularly the Comptroller's and Finance Offices, the City Treasurer's Office, Tax Collectors Office and In-Plant Print Shop. We want to express our appreciation for the cooperation, assistance and support of all other City departments and to the City Council Budget and Appropriations Committee. Thanks to all the Finance department employees who helped to ensure that this audit report is complete and accurate.

For more information on the City of Bridgeport, as well as financial documents, economic development updates, and other matters, please visit the City's redesigned web site at: www.bridgeportct.gov.

We would like to acknowledge the thorough and professional nature of our independent auditors, Blum Shapiro, who conducted this annual audit and assisted with the CAFR. The leadership and support of the Mayor and City Council has helped to ensure that our professional and dedicated Finance department continues to do its best.

Respectfully submitted,

A handwritten signature in black ink that reads "Kenneth Flatto". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Kenneth A. Flatto
Director of Finance/CFO



Government Finance Officers Association

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

Presented to

**City of Bridgeport
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF BRIDGEPORT, CONNECTICUT

LIST OF PRINCIPAL OFFICERS

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



Financial Section

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bridgeport, Connecticut, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Bridgeport, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bridgeport, Connecticut, as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 16 to the financial statements, during the fiscal year ended June 30, 2018, the City of Bridgeport, Connecticut, adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net position of the City of Bridgeport, Connecticut, has been restated to recognize the net other postemployment benefit liability in accordance with GASB No. 75. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Bridgeport, Connecticut, as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated January 10, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2017 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2017 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2018 on our consideration of the City of Bridgeport, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bridgeport, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bridgeport, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 27, 2018

City of Bridgeport, Connecticut
Management's Discussion and Analysis
June 30, 2018

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, 2018. 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 and deferred outflows of resources of the City were less than its liabilities and deferred inflows of resources, resulting in total net position at the close of the fiscal year of \$(575.3) million. The change from prior year is primarily due to a slight increase in capital assets and strengthening in financial operations. Total net position for Governmental Activities at fiscal year-end was \$(673.6) million and total net position for Business-Type Activities was \$98.3 million. The primary reason for the total net deficiency position for Governmental Activities is primarily due to the long-term liability for pensions. The City reduced this liability in fiscal year 2018 and plans to take steps to reduce these liabilities in the future. The primary reason for a slight \$(.08) million decrease in net position for Business Activities is due to capital related expenses for the ongoing operation of the Water Pollution Control Authority and its assets.
- ◆ On a government-wide basis, during the year, the City's net position increased by \$218.9 million from \$(794.2) million to \$(575.3) million. The change from prior year is primarily due to a decrease in the city's MERS pension system prior service cost liability due to a repayment of this liability by the city during fiscal year 2018, as well as some strengthening in general fund and grant financial operations. Net position increased by \$219.7 million for Governmental Activities and decreased by \$0.8 million for Business-Type Activities. Government-wide expenses for governmental activities were \$745.0 million, while revenues were \$806.9 million, and the special item for reduction of the MERS pension liability totaled \$156.7 million. The total unrestricted net deficit at June 30, 2018 was \$(1.59) billion including the ongoing costs of long term pension obligations. The improvement in net position for Governmental Activities is due to the improvement in net investment in capital assets as described above as well as steps taken by management to strengthen the financial condition of the city.
- ◆ At the close of the year, the City's governmental funds reported, on a current financial resource basis, combined ending total fund balances of \$153.5 million, an increase of \$24.0 million from the prior fiscal year. This improvement in total fund balances is due to a combination of surplus generated from operations of \$1.7 million, a \$0.6 million change in Education Grants fund balance, and an increase in capital bond issue fund of \$34.0 million. Of the total fund balance as of June 30, 2018, \$25.2 million represents the restricted fund balance, \$107.3 million committed or assigned, and \$21.0 million is unassigned in the general fund, special revenue funds, capital projects fund and permanent trust fund. The unassigned \$21.0 million fund balance represents the positive fund balance that is available for spending at the City's discretion.
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund alone was \$21.0 unassigned. This improvement of \$1.7 million from the prior year is due to the favorable results from general operations. The available unassigned general fund balance at year-end represents 3.5% of total general fund expenditures and other financing sources of \$606.0 million.
- ◆ The City's total long-term debt increased by \$121.1 million during fiscal year 2018 due to the net issuance of additional capital project bonds for city wide and school infrastructure improvements.

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 2007.

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 resources the City has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the City's overall financial status.

The statement of net position presents information on all the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating. It speaks to the question of whether the City is better or worse off because of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

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

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

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

The government-wide financial statements (statement of net position and statement of activities) can be found on Exhibits I and II of this report.

Fund Financial Statements

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-86 of this report.

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

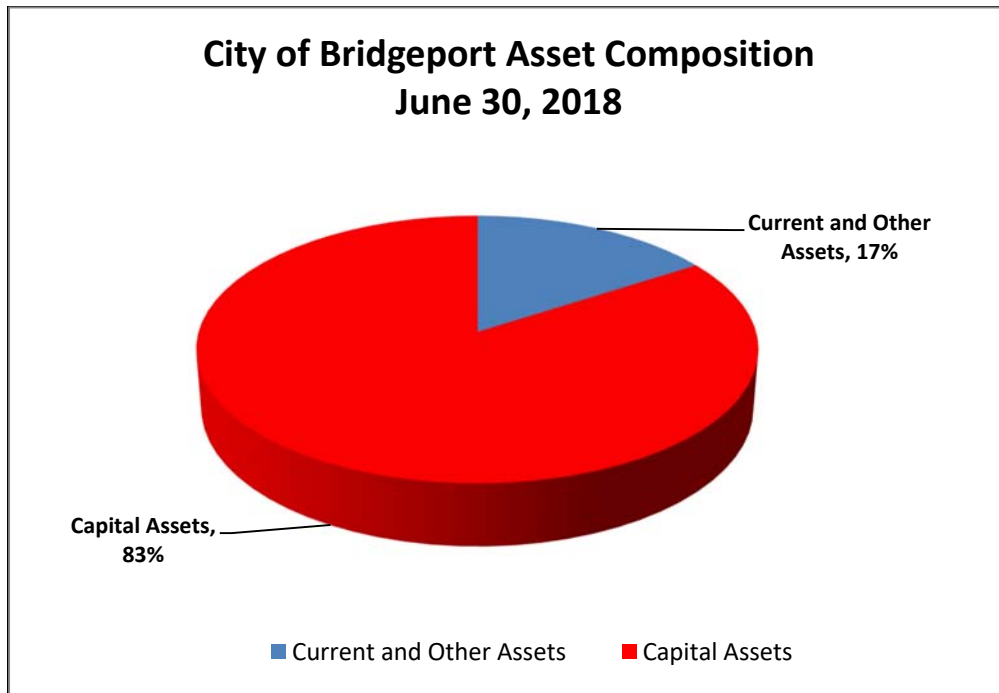
Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the City's assets and deferred inflows of resources were less than its liabilities and deferred outflows of resources by (\$575.3) million at June 30, 2018. This is an increase of \$218.9 million from last year's net restated position of \$(794.2) million. The change from prior year is primarily due to a decrease in the city's MERS pension system prior service cost liability due to a repayment of this liability by the city during fiscal year 2018, as well as some strengthening in general fund and grant financial operations.

CITY OF BRIDGEPORT, CONNECTICUT NET POSITION (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017 (as Restated)	2018	2017 (as Restated)	2018	2017 (as Restated)
Current and other assets	\$ 280,122	\$ 232,657	\$ 16,815	\$ 17,739	\$ 296,937	\$ 250,396
Capital assets	1,263,616	1,193,681	125,908	126,714	1,389,524	1,320,395
Total assets	<u>1,543,738</u>	<u>1,426,338</u>	<u>142,723</u>	<u>144,453</u>	<u>1,686,461</u>	<u>1,570,791</u>
Deferred outflows of resources	62,007	93,963	-	-	62,007	93,963
Other liabilities	106,672	85,796	3,463	3,319	110,135	89,115
Long-term debt outstanding	2,129,705	2,325,590	40,919	42,014	2,170,624	2,367,604
Total liabilities	<u>2,236,377</u>	<u>2,411,386</u>	<u>44,382</u>	<u>45,333</u>	<u>2,280,759</u>	<u>2,456,719</u>
Deferred inflows of resources	42,957	2,230	8	-	42,965	2,230
Net position:						
Net investment in capital assets	903,775	852,428	88,269	88,090	992,044	940,518
Restricted	24,249	8,970			24,249	8,970
Unrestricted	<u>(1,601,613)</u>	<u>(1,754,713)</u>	<u>10,064</u>	<u>11,030</u>	<u>(1,591,549)</u>	<u>(1,743,683)</u>
Total Net Position	<u>\$ (673,589)</u>	<u>\$ (893,315)</u>	<u>\$ 98,333</u>	<u>\$ 99,120</u>	<u>\$ (575,256)</u>	<u>\$ (794,195)</u>

City of Bridgeport Asset Composition June 30, 2018



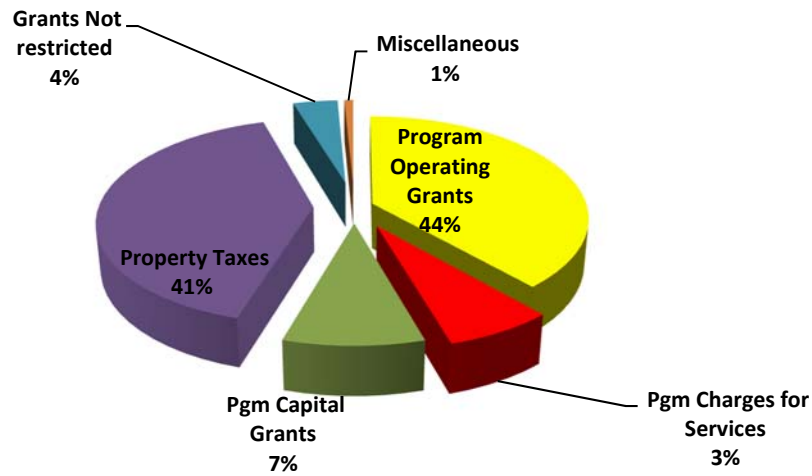
The portion of the City's net position in capital assets, \$992.0 million, reflects its investment in such capital assets (e.g., land, buildings, infrastructure, machinery and equipment), net of any outstanding debt related to these assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- ◆ The portion of the City's net position that is restricted, \$24.2 million, represents resources that are subject to external restrictions on how they may be used. Unrestricted net deficit of \$(1.59) billion may not be used to meet the government's ongoing obligations to citizens and creditors, due to the negative balance. The primary reason for the large negative balance is due to the level of long-term pension liabilities, pursuant to GASB 68, and the remaining balance in outstanding debt from the August 2000 issuance of General Obligation Taxable Pension Bonds which were issued to properly fund pension plans previously funded on a "pay-as-you-go" basis.
- ◆ The increase in net position in capital assets can primarily be explained by an increase in long term assets due to improvements to capital infrastructure, primarily to school buildings.

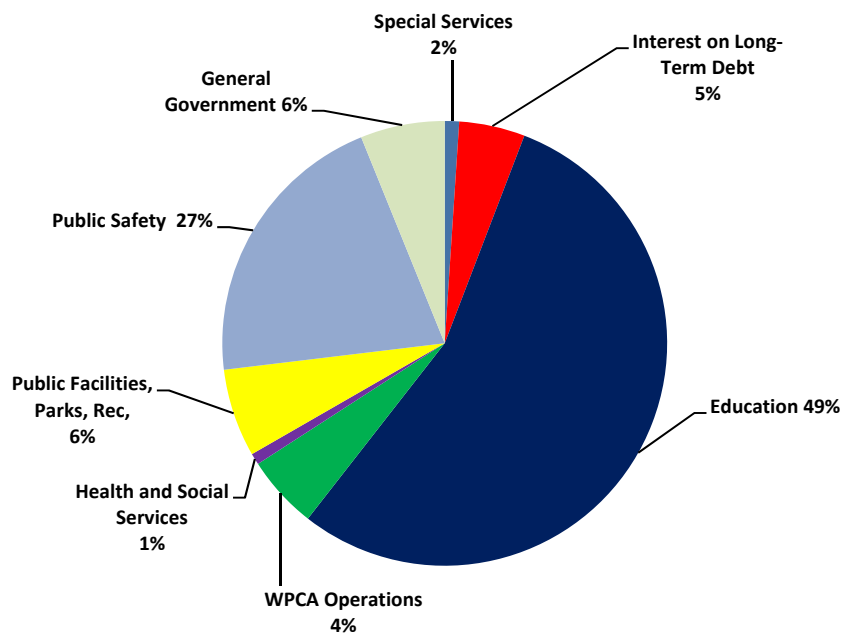
CITY OF BRIDGEPORT, CONNECTICUT
CHANGES IN NET POSITION
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Government-Wide	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 22,487	\$ 23,923	\$ 36,165	\$ 37,851	\$ 58,652	\$ 61,774
Operating grants and contributions	335,644	332,065			335,644	332,065
Capital grants and contributions	63,676	39,532	2,716	1,321	66,392	40,853
General revenues:						
Property taxes	314,782	298,910			314,782	298,910
Grants not restricted to specific programs	29,725	36,456			29,725	36,456
Unrestricted investment earnings	1,388	749	19	15	1,407	764
Miscellaneous	236	1,182			236	1,182
Total revenues	<u>767,938</u>	<u>732,817</u>	<u>38,900</u>	<u>39,187</u>	<u>806,838</u>	<u>772,004</u>
Expenses:						
General government	41,505	54,722			41,505	54,722
Public safety	154,715	161,664			154,715	161,664
Public facilities, parks and recreation, planning and development	51,851	44,073			51,851	44,073
Health and social services	6,156	4,579			6,156	4,579
Operations			39,687	39,180	39,687	39,180
Education	407,535	407,494			407,535	407,494
Interest on long-term debt	35,712	32,760			35,712	32,760
Special services	7,414	16,261			7,414	16,261
Total expenses	<u>704,888</u>	<u>721,553</u>	<u>39,687</u>	<u>39,180</u>	<u>744,575</u>	<u>760,733</u>
Special item - Reduction of MERS liability for prior service costs	156,676				156,676	-
Change in net position	219,726	11,264	(787)	7	218,939	11,271
Restatement		(659,916)		(3,390)		(663,306)
Net Position, beginning	<u>(893,315)</u>	<u>(244,663)</u>	<u>99,120</u>	<u>102,503</u>	<u>(794,195)</u>	<u>(142,160)</u>
Net Position, Ending	<u>\$ (673,589)</u>	<u>\$ (893,315)</u>	<u>\$ 98,333</u>	<u>\$ 99,120</u>	<u>\$ (575,256)</u>	<u>\$ (794,195)</u>

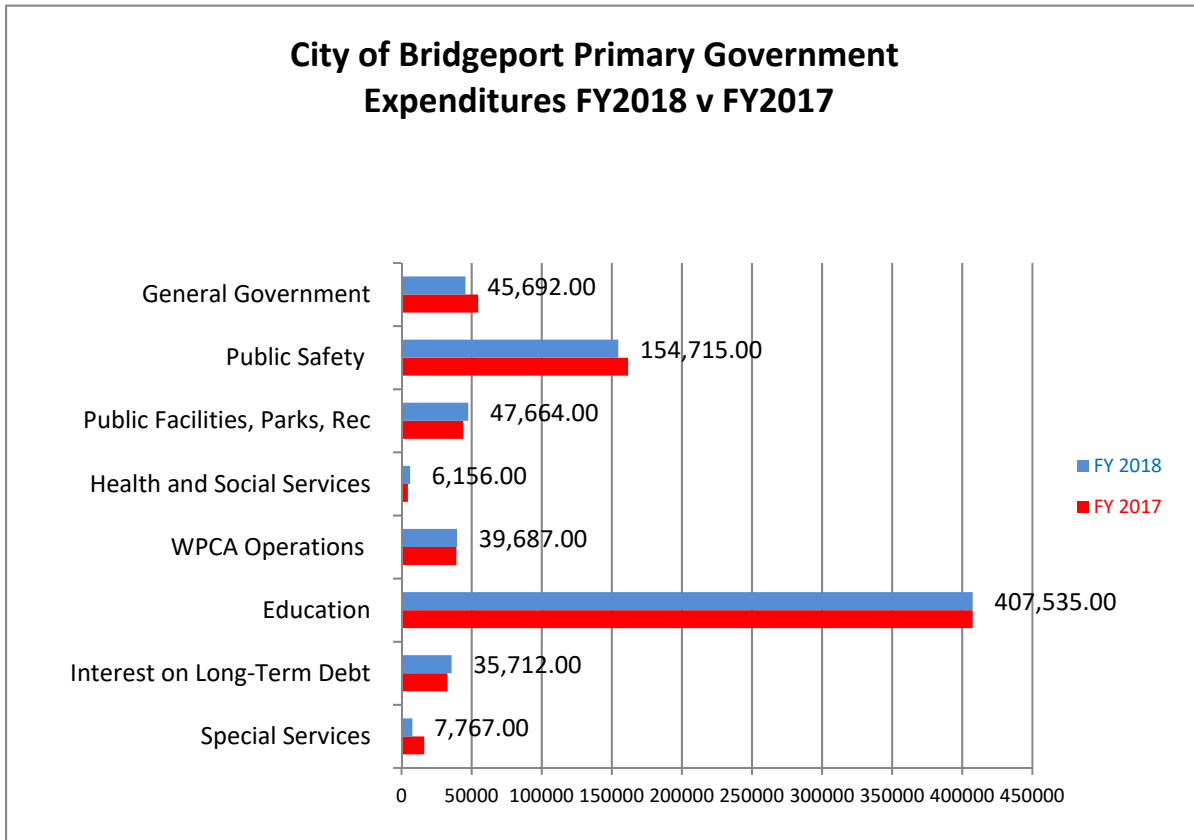
City of Bridgeport FY18 Revenues



City of Bridgeport Expenses - Primary Government June 30, 2018



City of Bridgeport Primary Government Expenditures FY2018 v FY2017



Governmental Activities

Program revenues represented 45% of total revenues, followed by property taxes at 41%, and program capital at 7%, other unrestricted grants at 4%, program charges for service at 3%, and other miscellaneous revenues at 1%.

Major revenue factors included:

- ◆ Property tax revenues recorded for fiscal year 2018 of \$314.8 million represents a decrease of \$(1.08) million from the prior fiscal year ended June 30, 2017, with no increase in the property tax mill rate of 54.37 mills.
- ◆ Program operating revenues of \$335.6 million increased \$3.6 million for fiscal year 2018 from the prior fiscal year to \$332.0 million. The decrease was primarily due to fewer school construction projects.

For Government-Wide Activities, 58% of the City’s expenses relate to education; 22% relate to public safety; 1% relate to special services; 5% relate to interest payments on long-term debt; 7% relate to public facilities, libraries and parks and recreation; 4% related to Water Pollution Control Authority operations; 6% relate to general government; and 1% relate to health and welfare.

Major expense factors include:

- ◆ During the 2017-2018 budget process, discretionary expenses slightly decreased as general government spending was kept minimal.
- ◆ Police, fire and other public safety staffing and operations also slightly decreased due to efficiencies in safety community programming during the year.

Financial Analysis of the Fund Financial Statements

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

Governmental funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$153.5 million, an increase of \$24.0 million from the prior year. Total General Fund balance increased from \$19.3 million to \$21.0 million, a significant increase of \$1.7 million. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned and assigned fund balance of the General Fund was \$21.0 million. This \$21.0 million general fund balance constitutes unassigned fund balance that is available for spending at the City's discretion. As a measure of the General Fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. Total General Fund balance represents 3.5% of total General Fund expenditures.

The Capital Bond Issue Fund has a total fund balance at June 20, 2018 of \$125.4 million up \$24.8 million from \$100.6 million in the prior year. This change in fund balance can be explained primarily by the issuance of new capital bonds for infrastructure projects and the timing of resources in and out of this fund for ongoing projects.

The Other Governmental Funds have a total fund balance at June 30, 2018 of \$7.0 million, down \$3.2 million in the prior year, due to fewer committed funds and additional special services expenses for the year.

Proprietary funds

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

Net position of the proprietary fund consisting of the Water Pollution Control Authority at June 30, 2018 was \$98.3 million, as compared to \$99.1 million in the prior year.

The unrestricted net position of the Water Pollution Control Authority as of June 30, 2018 was \$10.0 million. The Water Pollution Control Authority experienced operating revenues of \$36.2 million from user fees. There was a total operating loss for the WPCA of \$2.7 million after interest expenditures of \$(0.8) million and capital contributions of \$2.7 million. The net position for the fiscal year ended June 30, 2018 decreased \$(0.8) million for fiscal year ended June 30, 2018, due solely to a restatement of OPEB liability in this fund.

Net position of the Internal Service Fund was \$(62.5) million, as compared to \$(66.0) million in the prior year. This decrease was due to reduced estimates in the workmen's compensation program and efforts related to negotiated lower benefit costs to the city, as well as the restatement to the proprietary WPCA fund.

General Fund Budgetary Highlights

The City's fiscal 2018 budget was a balanced budget, producing a surplus of \$1.7 million. The budget kept the mill rate at 54.37, no change from the prior year including a 1 mill rate set aside for the library funding per a voter-approved millage requirement. Total expenditures and other financing use budget was \$552.5 million versus actual expenditures of \$549.7 million showing total expenditures and other financing uses lower than budget by \$2.8 million.

Total revenues and other financing sources had a budgetary basis of \$567.3 million versus an actual result of \$548.8 resulting in actual below budgetary revenues of \$(18.5) million. Over all total property taxes were slightly higher than the budgetary results for fiscal year 2018 by \$0.5 million, due to the settlement of major tax appeals which reduced city exposure from such claims. Current tax collection rates remained strong at a 98.3%.

The City of Bridgeport's General Fund ended the fiscal year 2018 with a strong general fund surplus of \$1.7 million and a total unassigned fund balance of \$21.0 million.

Capital Asset and Debt Administration

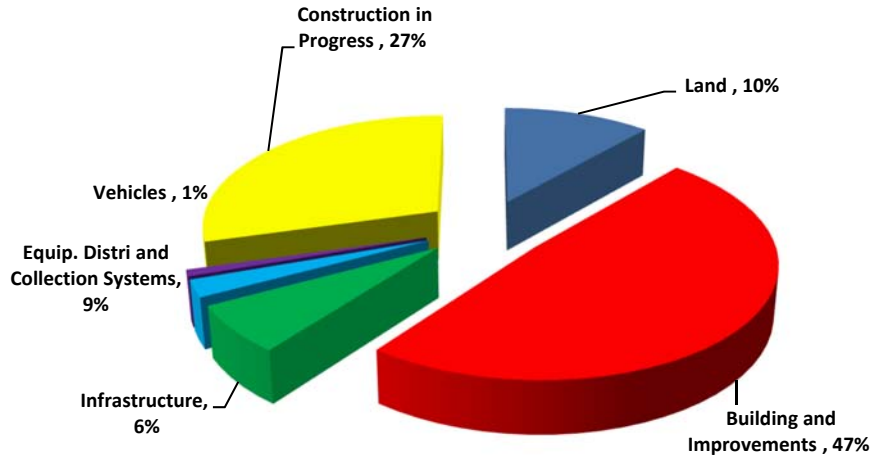
Capital Assets

The City's investment in capital assets for its governmental and business-type activities, as of June 30, 2018, amounted to \$1.26 billion, 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 \$69.9 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land	\$ 145,491	\$ 142,496	\$	\$	\$ 145,491	\$ 142,496
Buildings and improvements	617,829	633,983	38,724	43,239	656,553	677,222
Infrastructure	85,949	69,353			85,949	69,353
Equipment, distribution and collection systems	30,949	31,840	80,421	82,382	111,370	114,222
Vehicles	11,722	7,954	523	230	12,245	8,184
Construction in progress	371,676	308,055	6,240	863	377,916	308,918
Total	\$ 1,263,616	\$ 1,193,681	\$ 125,908	\$ 126,714	\$ 1,389,524	\$ 1,320,395

**City Bridgeport Capital Assets - Primary
Government - June 30, 2018**



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

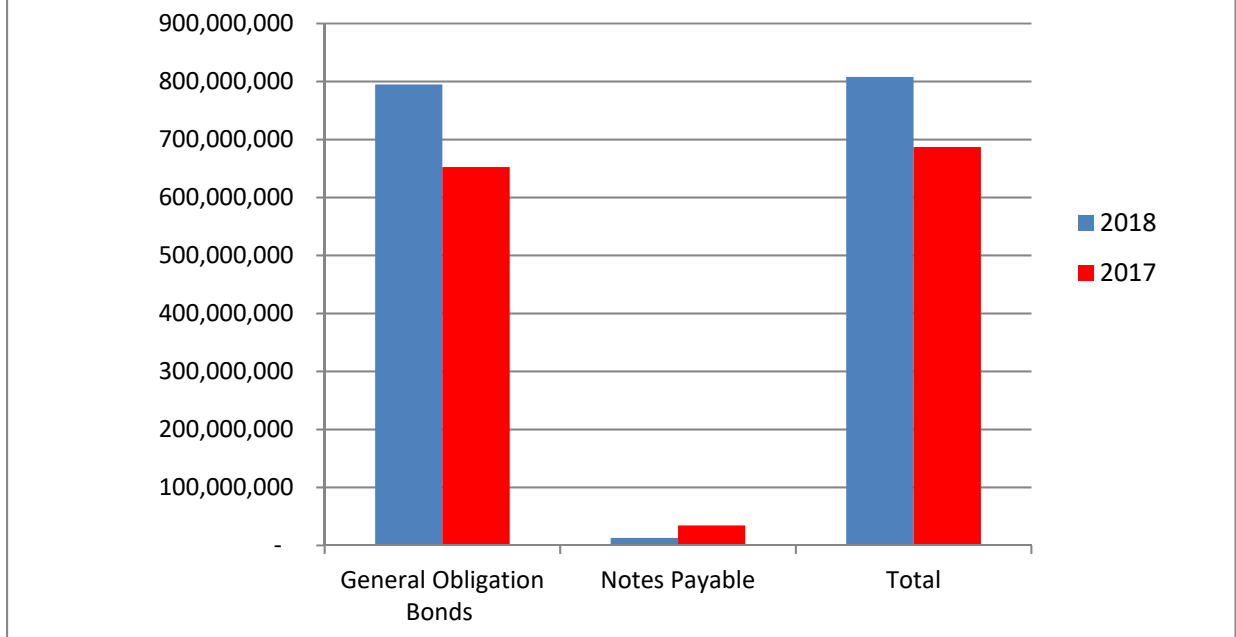
- ◆ Construction, improvements and renovations to school buildings and facilities.
- ◆ Continued rehabilitation of playgrounds and athletic fields.
- ◆ Infrastructure improvements including roads, bridges, and sanitary and sewer projects.
- ◆ Acquisition of parcels and remediation efforts for ongoing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

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

**CITY OF BRIDGEPORT, CONNECTICUT
OUTSTANDING DEBT**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds \$	763,760,607	\$ 648,585,506	\$ 4,434,391	\$ 3,854,495	\$ 768,194,998	\$ 652,440,001
Notes payable			30,271,403	34,331,925	30,271,403	34,331,925
Totals	\$ 763,760,607	\$ 648,585,506	\$ 34,705,794	\$ 38,186,420	\$ 798,466,401	\$ 686,771,926

Outstanding Debt - General Obligation and Revenue Bonds FY2018 vs FY2017



Long-term debt

At the end of the 2018 fiscal year, the City had total bonded debt outstanding of \$807.8 million. 100% of this debt is backed by the full faith and credit of the City government. The Water Pollution Control Authority is expected to reimburse the City \$37.5 million of this long-term debt through ongoing user fee charges.

The City's total long-term debt increased by \$121.1 million during fiscal 2018 due to issuance of new capital improvement bonds and obligations bonds to repay outstanding MERS pension liabilities.

Standard & Poor's Rating Group (Standard & Poor's), Fitch Ratings, Inc. (Fitch), and Moody's Investors Service, Inc. (Moody's), have each assigned their underlying municipal bond rating of "A-", "A", and Baa1, respectively, to the City. With respect to long-term debt of the City that is insured by Assured Guaranty Corp. or Assured Guaranty Municipal Corp. (formally FSA), Moody's and Standard & Poor's have each assigned their municipal bond rating of "A2" and "AA-", respectively, with the understanding that there is an insurance policy insuring the payment when due of the principal and interest on the bonds. Fitch does not currently rate Assured Guaranty Corp. or Assured Guaranty Municipal Corp.

The overall statutory debt limit for the City is equal to seven times the annual receipts from taxation or \$2.17 billion. As of June 30, 2018, the City recorded long-term debt of \$755.7 million related to Governmental Activities and \$37.5 million related to Business-Type Activities, well below its statutory debt limit.

Additional information on the City of Bridgeport's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

The City, surrounding towns, and the State are still recuperating from the effects of the national economic downturn, but all are starting to show a small improvement in their unemployment rate. As of June 30, 2018, the unemployment rate for the City of Bridgeport was 6.8%, down from 7.4% from the prior year. Connecticut's overall unemployment rate decreased to 4.6% from 5.1% in the previous year.

Requests for Information

The financial report is designed to provide a general overview of the City's finances for all those with an interest in government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Kenneth Flatto, Director of Finance, 999 Broad Street, Bridgeport, CT 06604 or emailed to kenneth.flatto@bridgeportct.gov.



Basic Financial Statements

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 157,471,615	\$ 7,253,913	\$ 164,725,528
Restricted cash and cash equivalents	21,787,869		21,787,869
Investments	1,469,989		1,469,989
Receivables, net of allowances for collection losses:			
Property taxes	34,832,890		34,832,890
Sewer user fees and liens		7,872,676	7,872,676
Federal and state governments	58,433,687	352,044	58,785,731
Other	2,309,364	1,472,494	3,781,858
Internal balances	305,992	(305,992)	-
Prepaid and other assets	2,461,540	170,000	2,631,540
Total current assets	<u>279,072,946</u>	<u>16,815,135</u>	<u>295,888,081</u>
Noncurrent:			
Net pension asset	1,049,034		1,049,034
Capital assets not being depreciated	517,166,290	6,240,267	523,406,557
Capital assets being depreciated, net of depreciation	746,449,570	119,667,460	866,117,030
Total noncurrent assets	<u>1,264,664,894</u>	<u>125,907,727</u>	<u>1,390,572,621</u>
Total assets	<u>1,543,737,840</u>	<u>142,722,862</u>	<u>1,686,460,702</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	12,370,485		12,370,485
Deferred outflows related to PERS	2,602,050		2,602,050
Deferred outflows related to MERS	47,034,918		47,034,918
Total deferred outflows of resources	<u>62,007,453</u>	<u>-</u>	<u>62,007,453</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	67,883,640	3,462,533	71,346,173
Due to fiduciary funds	4,227,304		4,227,304
Unearned revenue	4,378,868		4,378,868
Notes payable	13,000,000	2,818,256	15,818,256
Accrued interest payable	17,180,918		17,180,918
Current maturities of long-term obligations	59,099,211	4,076,504	63,175,715
Total current liabilities	<u>165,769,941</u>	<u>10,357,293</u>	<u>176,127,234</u>
Noncurrent liabilities:			
Due in more than one year	2,070,606,445	34,024,412	2,104,630,857
Total liabilities	<u>2,236,376,386</u>	<u>44,381,705</u>	<u>2,280,758,091</u>
Deferred Inflows of Resources:			
Deferred inflows related to PERS	1,747,251		1,747,251
Deferred inflows related to MERS	6,883,323		6,883,323
Deferred inflows related to OPEB	34,327,327	8,407	34,335,734
Total deferred inflows of resources	<u>42,957,901</u>	<u>8,407</u>	<u>42,966,308</u>
Net Position:			
Net investment in capital assets	903,774,582	88,269,353	992,043,935
Restricted for:			
Self-insured claims	2,461,540		2,461,540
Future debt payments	21,787,869		21,787,869
Unrestricted	<u>(1,601,612,985)</u>	<u>10,063,397</u>	<u>(1,591,549,588)</u>
Total Net Position	<u>\$ (673,588,994)</u>	<u>\$ 98,332,750</u>	<u>\$ (575,256,244)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ (41,504,991)	\$ 7,377,287	\$ 119,780	\$	\$ (34,007,924)	\$	\$ (34,007,924)
Public safety	(154,714,714)	6,125,456	115,052		(148,474,206)		(148,474,206)
Public facilities, parks and recreation	(47,664,397)	3,675,542	6,344,113	4,105,414	(33,539,328)		(33,539,328)
Planning and economic development	(4,186,575)	3,411,604	3,627,369		2,852,398		2,852,398
Health and social services	(6,155,545)	1,325,099	1,270,964		(3,559,482)		(3,559,482)
Education	(407,535,202)	542,899	317,766,584	59,559,689	(29,666,030)		(29,666,030)
Special services	(7,413,753)	29,115	6,205,626	10,437	(1,168,575)		(1,168,575)
Interest on long-term debt	(35,712,209)		194,167		(35,518,042)		(35,518,042)
Total governmental activities	(704,887,386)	22,487,002	335,643,655	63,675,540	(283,081,189)	-	(283,081,189)
Business-type activities:							
Water Pollution Control Authority	(39,687,374)	36,164,732		2,716,685		(805,957)	(805,957)
Total	\$ (744,574,760)	\$ 58,651,734	\$ 335,643,655	\$ 66,392,225	(283,081,189)	(805,957)	(283,887,146)
General revenues:							
Property taxes					314,781,907		314,781,907
Grants and contributions not restricted to specific programs					29,725,039		29,725,039
Unrestricted investment earnings					1,387,642	18,555	1,406,197
Miscellaneous					236,045		236,045
Total general revenues					346,130,633	18,555	346,149,188
Special item - Reduction of MERS liability for prior service costs					156,676,272		156,676,272
Change in Net Position					219,725,716	(787,402)	218,938,314
Net Position at Beginning of Year, as Restated					(893,314,710)	99,120,152	(794,194,558)
Net Position at End of Year					\$ (673,588,994)	\$ 98,332,750	\$ (575,256,244)

The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>General Fund</u>	<u>Education Grants</u>	<u>Capital Bond Issue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 52,629,762	\$ 1,187,288	\$ 94,180,738	\$ 8,997,943	\$ 156,995,731
Restricted cash			21,787,869		21,787,869
Investments				1,469,989	1,469,989
Receivables, net:					
Property taxes	34,832,890				34,832,890
Intergovernmental	24,530,292	4,025,904	22,933,524	6,943,967	58,433,687
Other	1,715,163		16,679	577,522	2,309,364
Due from other funds	8,667,330	260,400	4,222,443	2,614,806	15,764,979
Total Assets	<u>\$ 122,375,437</u>	<u>\$ 5,473,592</u>	<u>\$ 143,141,253</u>	<u>\$ 20,604,227</u>	<u>\$ 291,594,509</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 26,092,232	\$ 2,113,882	\$ 17,621,126	\$ 1,295,863	\$ 47,123,103
Accrued payroll liabilities	19,231,684	464,594		45,793	19,742,071
Due to other funds	6,324,322	2,076,718	49,390	11,166,848	19,617,278
Unearned revenues	2,456,178	818,398		1,104,292	4,378,868
Notes payable	13,000,000				13,000,000
Total liabilities	<u>67,104,416</u>	<u>5,473,592</u>	<u>17,670,516</u>	<u>13,612,796</u>	<u>103,861,320</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	34,256,588				34,256,588
Total deferred inflows of resources	<u>34,256,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,256,588</u>
Fund Balances:					
Restricted			21,787,869	3,403,780	25,191,649
Committed			103,682,868	3,587,651	107,270,519
Unassigned	21,014,433				21,014,433
Total fund balances	<u>21,014,433</u>	<u>-</u>	<u>125,470,737</u>	<u>6,991,431</u>	<u>153,476,601</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 122,375,437</u>	<u>\$ 5,473,592</u>	<u>\$ 143,141,253</u>	<u>\$ 20,604,227</u>	<u>\$ 291,594,509</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2018

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

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

Fund balances - total governmental funds	\$ 153,476,601
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 1,721,228,242	
Less accumulated depreciation	<u>(457,612,382)</u>	
Net capital assets		1,263,615,860

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

Property tax receivables greater than 60 days	12,325,371
Interest receivable on property taxes	21,931,217
Deferred outflows related to PERS	2,602,050
Deferred outflows related to MERS	47,034,918
Net pension assets - PERS	1,049,034

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

(62,531,043)

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

Bonds and notes payable	(763,760,607)
Bond issuance premiums	(44,049,024)
Deferred amounts for refunding	12,370,485
Compensated absences	(25,111,694)
Net OPEB liability	(938,698,280)
Net pension liability - PERS	(256,120,852)
Net pension liability - MERS	(37,584,211)
Interest payable on bonds and notes	(17,180,918)
Deferred inflows related to PERS	(1,747,251)
Deferred inflows related to MERS	(6,883,323)
Deferred inflows related to OPEB	<u>(34,327,327)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ (673,588,994)</u>
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The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Education Grants</u>	<u>Capital Bond Issue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 311,378,677	\$	\$	\$	\$ 311,378,677
Intergovernmental	272,473,344	79,258,198	68,464,917	9,602,395	429,798,854
Fees, permits and licenses	18,136,529				18,136,529
Interest	526,679		816,548	44,415	1,387,642
Other	5,214,991			1,169,916	6,384,907
Total revenues	<u>607,730,220</u>	<u>79,258,198</u>	<u>69,281,465</u>	<u>10,816,726</u>	<u>767,086,609</u>
Expenditures:					
Current:					
General government	42,081,924			586,485	42,668,409
Public safety	139,352,315				139,352,315
Public facilities	38,983,342				38,983,342
Planning and economic development	3,918,969				3,918,969
Health and social services	4,747,608			1,022,044	5,769,652
Libraries	5,477,336			1,174,553	6,651,889
Education	302,605,027	78,954,543		2,405	381,561,975
Special services	917,362			9,232,521	10,149,883
Debt service:					
Principal retirements	37,205,672				37,205,672
Interest and other charges	32,687,821		6,911,212		39,599,033
Capital outlay			97,226,365		97,226,365
Payment to MERS for prior service costs	98,582,467				98,582,467
Total expenditures	<u>706,559,843</u>	<u>78,954,543</u>	<u>104,137,577</u>	<u>12,018,008</u>	<u>901,669,971</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(98,829,623)</u>	<u>303,655</u>	<u>(34,856,112)</u>	<u>(1,201,282)</u>	<u>(134,583,362)</u>
Other Financing Sources (Uses):					
Transfers in	394,391	300,000	2,020,534	4,426	2,719,351
Transfers out	(304,426)		(378,087)	(2,036,838)	(2,719,351)
Bonds issued	99,500,000		33,980,773		133,480,773
Bond refunding issue	79,975,000		17,410,000		97,385,000
Premium on bonds issued	6,941,186		6,659,466		13,600,652
Payment to escrow agent	(85,928,224)				(85,928,224)
Total other financing sources (uses)	<u>100,577,927</u>	<u>300,000</u>	<u>59,692,686</u>	<u>(2,032,412)</u>	<u>158,538,201</u>
Net Change in Fund Balances	1,748,304	603,655	24,836,574	(3,233,694)	23,954,839
Fund Balances at Beginning of Year	<u>19,266,129</u>	<u>(603,655)</u>	<u>100,634,163</u>	<u>10,225,125</u>	<u>129,521,762</u>
Fund Balances at End of Year	<u>\$ 21,014,433</u>	<u>\$ -</u>	<u>\$ 125,470,737</u>	<u>\$ 6,991,431</u>	<u>\$ 153,476,601</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 23,954,839
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	100,905,787
Depreciation expense	(30,970,925)

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

Property tax receivable - accrual basis change	(18,936)
Property tax interest and lien revenue - accrual basis change	3,179,076
School building grant receipts	(2,309,919)
Net pension asset	1,049,034
Deferred outflows related to PERS	(4,843,351)
Deferred outflows related to MERS	(32,830,197)

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

General obligation bonds issued	(133,480,773)
Refunding bonds issued	(97,385,000)
Bond and note principal payments	115,690,672
Premiums on bonds issued	(13,600,652)

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

Change in unamortized issuance premiums	7,644,943
Change in deferred amounts on refunding	5,717,565
Compensated absences	878,979
Net OPEB liability	7,691,918
MERS prior service costs	255,258,739
Net pension liability - PERS	27,871,466
Net pension liability - MERS	24,575,881
Accrued interest	(2,032,460)
Deferred inflows related to PERS	(1,726,522)
Deferred inflows related to MERS	(4,673,507)
Deferred inflows related to OPEB	(34,327,327)

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

3,506,386

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>219,725,716</u>
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The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2018

	Business-Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
Assets:		
Current:		
Cash and cash equivalents	\$ 7,253,913	\$ 475,884
Receivables, net:		
Unbilled usage charges	7,872,676	
Intergovernmental	352,044	
Other receivables	1,472,494	
Due from other funds		756,866
Prepaid asset	170,000	2,461,540
Total current assets	<u>17,121,127</u>	<u>3,694,290</u>
Noncurrent:		
Capital assets not being depreciated	6,240,267	
Capital assets being depreciated, net of accumulated depreciation	119,667,460	
Total noncurrent assets	<u>125,907,727</u>	<u>-</u>
Total assets	<u>143,028,854</u>	<u>3,694,290</u>
Liabilities:		
Current:		
Current portion of bonds payable, bond premiums and notes payable	4,076,504	
Accounts payable and accrued expenses	2,994,127	1,018,466
Accrued interest payable	94,614	
Construction contracts payable	373,792	
Note payable	2,818,256	
Due to other funds	305,992	825,879
Claims payable - current portion		16,135,549
Total current liabilities	<u>10,663,285</u>	<u>17,979,894</u>
Noncurrent:		
Claims payable - noncurrent portion		48,245,439
Bonds payable, bond premiums and notes payable less current portion	30,743,614	
Net OPEB liability	3,280,798	
Total noncurrent liabilities	<u>34,024,412</u>	<u>48,245,439</u>
Total liabilities	<u>44,687,697</u>	<u>66,225,333</u>
Deferred Inflows of Resources:		
Deferred inflows related to OPEB	8,407	
Net Position:		
Net invested in capital assets	88,269,353	
Restricted for self-insured claims		2,461,540
Unrestricted	10,063,397	(64,992,583)
Total Net Position	<u>\$ 98,332,750</u>	<u>\$ (62,531,043)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund
Operating Revenues:		
Sewer user fees	\$ 35,187,941	\$
Miscellaneous income	976,791	
Charges for services		118,102,165
Total operating revenues	<u>36,164,732</u>	<u>118,102,165</u>
Operating Expenses:		
Operation and maintenance	30,581,951	
Depreciation	8,312,002	
Claims		114,595,779
Total operating expenses	<u>38,893,953</u>	<u>114,595,779</u>
Operating Income (Expense)	<u>(2,729,221)</u>	<u>3,506,386</u>
Nonoperating Revenue (Expense):		
Interest income	18,555	
Interest expense	<u>(793,421)</u>	
Total nonoperating expense	<u>(774,866)</u>	<u>-</u>
Income (Loss) Before Capital Contributions	(3,504,087)	3,506,386
Capital Contributions	<u>2,716,685</u>	<u>-</u>
Change in Net Position	(787,402)	3,506,386
Net Position at Beginning of Year, as Restated	<u>99,120,152</u>	<u>(66,037,429)</u>
Net Position at End of Year	<u>\$ 98,332,750</u>	<u>\$ (62,531,043)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Business-Type Activities</u> <u>Enterprise Fund</u>	<u>Governmental Activities</u> <u>Internal Service Fund</u>
Cash Flows from Operating Activities:		
Receipts from customers and users	\$ 37,256,508	\$
Payments to suppliers	(30,025,893)	
Payments to employees	(874,085)	
Cash received for interfund services used	(160,797)	(3,658,689)
Cash received from charges for services		119,038,633
Cash paid to vendors and beneficiaries		(115,369,475)
Net cash provided by (used in) operating activities	<u>6,195,733</u>	<u>10,469</u>
Cash Flows from Capital and Related Financing Activities:		
Principal payments on debt	(4,284,853)	
Interest paid on debt	(765,590)	
Proceeds from bonds issued	804,227	
Proceeds from notes payable	2,484,937	
Proceeds received on capital grants	2,716,685	
Purchase of capital assets	(7,152,935)	
Net cash provided by (used in) capital and related financing activities	<u>(6,197,529)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest received on investments	<u>18,555</u>	
Net increase (decrease) in cash and cash equivalents	16,759	10,469
Cash and Cash Equivalents at Beginning of Year	<u>7,237,154</u>	<u>465,415</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,253,913</u>	<u>\$ 475,884</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ (2,729,221)	\$ 3,506,386
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	8,312,002	
(Increase) decrease in accounts receivable and unbilled usage charges	914,639	
(Increase) decrease in other receivables	177,137	936,468
(Increase) decrease in prepaids	10,000	
(Increase) decrease in due to (from) other funds	(160,797)	(3,658,689)
Increase (decrease) in accounts payable and accrued expenses	(227,069)	(36,160)
Increase (decrease) in claims payable		(737,536)
Increase (decrease) in deferred inflows of resources	8,407	
Increase (decrease) in net OPEB liability	<u>(109,365)</u>	
Net Cash Provided by (Used in) Operating Activities	<u>\$ 6,195,733</u>	<u>\$ 10,469</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2018

	Pension and Other Post Employment Benefits Trust Funds	Agency Fund
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 20,951,074	\$ 553,761
Investments:		
U.S. government agencies	715,076	
U.S. government securities	6,589,040	
Corporate bonds	8,593,041	
Common stocks	84,322,187	
Mutual funds	36,830,560	
Alternative investments	1,831,327	
Total investments	<u>138,881,231</u>	<u>-</u>
Due from other funds	<u>4,227,304</u>	
Contributions receivable	<u>72,418</u>	
Total assets	<u>164,132,027</u>	<u>\$ 553,761</u>
Liabilities:		
Other liabilities	39,514	
Due to student groups	<u> </u>	<u>\$ 553,761</u>
Total liabilities	<u>39,514</u>	<u>\$ 553,761</u>
Net Position Restricted for Pensions	<u>\$ 164,092,513</u>	

The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Pension and Other Post Employment Benefits Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 45,453,381
Annuity proceeds	<u>916,465</u>
Total contributions	<u>46,369,846</u>
Investment income:	
Net change in fair value of investments	12,142,264
Interest and dividends	<u>2,396,484</u>
	14,538,748
Less investment expenses:	
Investment management fees	<u>800,614</u>
Net investment income	<u>13,738,134</u>
Total additions	<u>60,107,980</u>
Deductions:	
Benefits	<u>64,887,676</u>
Change in Net Position	(4,779,696)
Net Position at Beginning of Year	<u>168,872,209</u>
Net Position at End of Year	<u>\$ <u>164,092,513</u></u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for Agency Funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Intergovernmental grants and entitlements and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period.

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

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

The City reports the following major governmental funds.

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

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

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

The Pension and Other Post Employment Trust Funds account for the activities of the City's four defined benefit pension plans and the Other Post Employment Benefit (OPEB) Trust Fund, which accumulate resources for pension and health benefit payments to qualified employees.

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

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

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

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

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When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Cash and Cash Equivalents

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

E. Restricted Cash and Cash Equivalents

Certain assets are classified as restricted because their use is limited. Restricted cash and cash equivalents in the Capital Bond Issue Fund is to be used for debt service purposes.

F. Investments

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

G. 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.

H. Capital Assets

In the government-wide and proprietary fund financial statements, capital assets include property, plant, equipment and infrastructure assets. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Purchased and constructed assets are recorded at cost. Donated capital assets are recorded at estimated acquisition 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 \$793,421. Of this amount, \$28,215 was included as part of the cost of capital assets under construction in connection with wastewater treatment facilities' construction projects.

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

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

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

I. Deferred Outflows/Inflows of Resources

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

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

J. Claims and Judgments

This liability relates to the City's self-insurance programs. The obligation consists of claims incurred and incurred but not reported for medical self-insurance, the estimated loss for probable general liability matters and an actuarial estimate for claims incurred and incurred but not reported for workers compensation claims. This liability is paid out of the Internal Service Fund.

K. Compensated Absences

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

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

M. Net Pension Liability (Asset)

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

N. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

O. Fund Equity and Net Position

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

P. Encumbrances

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

Q. 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.

R. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 27, 2018.

2. BUDGETS AND BUDGETARY ACCOUNTING

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

Mayor Recommended Preparation

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

City Council Process

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

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

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

For financial statement comparisons, budgetary results have been reconciled to GAAP. The differences between the budgetary and GAAP basis of accounting are as follows:

- State of Connecticut payments on behalf of City of Bridgeport teachers for the State Teachers’ Retirement System and OPEB Plan are reported for GAAP purposes only.
- The Board of Education does not budget for the excess cost, magnet schools and vocational agriculture grants payments. For budgetary reporting those payments are recorded against expenditures. For GAAP reporting those payments are recorded as revenues and expenditures.

Budgeted amounts are as originally adopted or as amended by the City Council. During the year ended June 30, 2018, there was \$25,710,035 of supplemental budget amendments were made to the adopted fiscal year 2018 General Fund budget.

During the year ended June 30, 2018, the following line items had overexpended appropriations:

	<u>Final Appropriation</u>	<u>Expenditures, Encumbrances and Other Financing Uses</u>	<u>Balance Overexpended</u>
Registrars of voters	\$ 860,438	\$ 918,426	\$ 57,988
City attorney	5,679,140	6,004,876	325,736
Airport	1,314,057	1,326,269	12,212
Roadway	4,526,464	5,195,424	668,960
Sanitation	5,681,677	5,984,694	303,017
Parks administration	306,103	310,845	4,742
Parks	2,480,931	2,614,980	134,049
Health and social services	363,917	454,051	90,134
Vital statistics	403,533	409,463	5,930
Lead preventions program	168,537	181,965	13,428
Persons with disabilities	82,293	90,429	8,136

Special Revenue Funds

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

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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.

Deficit Fund Equity

For the year ending June 30, 2018, the City reported a negative net position for the Internal Service Fund of \$62,531,043. The City anticipates eliminating the deficit through future revenues.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

Deposit Custodial Credit Risk

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

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Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$116,942,549 of the City’s bank balance of \$119,103,412 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 105,048,294
Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name	<u>11,894,255</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 116,942,549</u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2018 the City’s cash equivalents amounted to \$91,534,910. The following table provides a summary of the City’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

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

* Not rated

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B. Investments

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

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

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

Interest Rate Risk

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

Concentrations

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

Custodial Credit Risk

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

**CITY OF BRIDGEPORT, CONNECTICUT
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Investments of the City consist of the following at June 30, 2018:

Investments:	
Special Revenue Fund:	
U.S. Government Securities	\$ <u>1,469,989</u> *
Pension Trust Funds:	
U.S. Government Agencies	715,076 *
U.S. Government Securities	6,589,040 *
Corporate Bonds	8,593,041 *
Common Stocks	84,322,187 *
Mutual Funds	36,830,560
Alternative Investments	<u>1,831,327</u> *
Total Pension Trust Funds	<u>138,881,231</u>
 Total Investments	 \$ <u><u>140,351,220</u></u>

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

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

Statement of net position:	
Cash and cash equivalents	\$ 164,725,528
Restricted cash and cash equivalents	21,787,869
Investments	<u>1,469,989</u>
	<u>187,983,386</u>
Fiduciary funds:	
Cash and cash equivalents	21,504,835
Investments	<u>138,881,231</u>
	<u>160,386,066</u>
 Total Cash, Cash Equivalents and Investments	 \$ <u><u>348,369,452</u></u>

**CITY OF BRIDGEPORT, CONNECTICUT
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Interest Rate Risk

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the exposure of the City's debt type investments to this risk using the segmented time distribution model is as follows:

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-10 Years</u>	<u>Over 10 Years</u>
Interest-bearing investments:				
U.S. Government Securities	\$ 8,059,029	\$ 359,021	\$ 6,963,532	\$ 736,476
U.S. Government Agencies	715,076	114,638	269,659	330,779
Corporate Bonds	<u>8,593,041</u>	<u>924,708</u>	<u>5,553,043</u>	<u>2,115,290</u>
Total	<u>\$ 17,367,146</u>	<u>\$ 1,398,367</u>	<u>\$ 12,786,234</u>	<u>\$ 3,182,545</u>

Credit Risk

Generally, credit risk is the risk that an issuer of a debt-type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. As indicated above, the City investment policies conform to the policies set forth by the State of Connecticut. The City has no investment policy that would further limit investment choices as a means of managing its exposure to fair value losses arising from increasing interest rates, however exposure is limited when compared to total assets. Presented below is the rating of investments for each debt type investment.

<u>Average Rating</u>	<u>Corporate Bonds</u>	<u>U.S. Government Securities</u>	<u>U.S. Government Agencies</u>
Aaa	\$ 74,081	\$ 8,059,029	\$ 715,076
Aa1	226,107		
Aa2	333,950		
Aa3	393,067		
A1	968,559		
A2	1,439,124		
A3	1,849,080		
Baa1	1,370,544		
Baa2	1,086,705		
Baa3	417,666		
Caa2	12,170		
Caa3	147,790		
Ca	118,475		
C	12,421		
Unrated	<u>143,302</u>		
	<u>\$ 8,593,041</u>	<u>\$ 8,059,029</u>	<u>\$ 715,076</u>

**CITY OF BRIDGEPORT, CONNECTICUT
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Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2018:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government Securities	\$ 8,059,029	\$ 8,059,029	\$	\$
U.S. Government Agencies	715,076	715,076		
Corporate Bonds	8,593,041	8,593,041		
Common Stock	84,322,187	84,322,187		
Mutual Funds	<u>36,830,560</u>	<u>36,830,560</u>		
 Total investments by fair value level	 138,519,893	 \$ <u>138,519,893</u>	 \$ <u>-</u>	 \$ <u>-</u>
Investments measured at the net asset value (NAV)				
Other - Alternative Investments	<u>1,831,327</u>			
 Total Investments Measured at Fair Value	 \$ <u>140,351,220</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The valuation process for alternative investments takes into consideration factors such as interest rate changes, movement in credit spreads, default rate assumptions, prepayment assumptions, type and quality of collateral and market dislocation.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Alternative Investments	\$ <u>1,831,327</u>	\$ -	Quarterly	30-60 days
 Total Investments Measured at NAV	 \$ <u>1,831,327</u>			

The above includes investments in alternative investments which invest in various types of investments. The fair value of the investments in this type have been determines using the NAV per share of the investments.

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NOTES TO THE FINANCIAL STATEMENTS
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4. RECEIVABLES - FUND BASIS

Receivables at June 30, 2018 for the City’s individual major funds and nonmajor and fiduciary funds in aggregate, including the applicable allowances for collection losses, are as follows:

	<u>General</u>	<u>Education Grants</u>	<u>Capital Bond Issue</u>	<u>Enterprise</u>	<u>Nonmajor and Other Funds</u>	<u>Totals</u>
Property taxes	\$ 30,881,545	\$	\$	\$	\$	\$ 30,881,545
Interest on property taxes	21,931,217					21,931,217
Contributions					72,418	72,418
Sewer user fees				12,833,456		12,833,456
Intergovernmental	24,530,292	4,025,904	22,933,524	352,044	6,943,967	58,785,731
Other	1,715,163		16,679	1,472,494	577,522	3,781,858
Gross receivables	<u>79,058,217</u>	<u>4,025,904</u>	<u>22,950,203</u>	<u>14,657,994</u>	<u>7,593,907</u>	<u>128,286,225</u>
Less allowance for uncollectable amounts	<u>17,979,872</u>			<u>4,960,780</u>		<u>22,940,652</u>
Net Receivables	<u>\$ 61,078,345</u>	<u>\$ 4,025,904</u>	<u>\$ 22,950,203</u>	<u>\$ 9,697,214</u>	<u>\$ 7,593,907</u>	<u>\$ 105,345,573</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

5. INTERFUND ACCOUNTS

As of June 30, 2018, amounts due from and to other funds were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 8,667,330	\$ 6,324,322
Education Grants	<u>260,400</u>	<u>2,076,718</u>
Capital Bond Issue Fund	<u>4,222,443</u>	<u>49,390</u>
Special Revenue Funds:		
Health and sanitation	687,440	
Public safety		4,641,675
Facility and miscellaneous	202,315	2,714,423
Social services	485,411	202,315
Community Development Block Grant	48,401	
Housing Opportunities AIDS		1,192,417
HOME Program		742,023
Section 108 Loan Guarantee		722,158
Development administration state grant	4,130	1,158,282
Library	3,647	
Library operations	1,072,377	
Miscellaneous grants	49,391	
General government	267,371	
Education Scholarships	768	
Total special revenue funds	<u>2,821,251</u>	<u>11,373,293</u>
Enterprise Funds:		
WPCA		<u>305,992</u>
Pension Trust Funds:		
Public Safety Plan A	<u>4,227,304</u>	
Internal Service Fund:		
City health insurance	<u>756,866</u>	<u>825,879</u>
Nonmajor Governmental Fund elimination	<u>(206,445)</u>	<u>(206,445)</u>
Total	<u>\$ 20,749,149</u>	<u>\$ 20,749,149</u>

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

Interfund transfers during the year ended June 30, 2018 were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Capital Bond Issue	\$ 378,087
General Fund	Nonmajor Governmental Funds	16,304
Education Grants	General Fund	300,000
Capital Bond Issue	Nonmajor Governmental Funds	2,020,534
Nonmajor Governmental Funds	General Fund	<u>4,426</u>
	Total	<u>\$ 2,719,351</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Transfers are used for regularly recurring operation transfers. Interfund transfers are used to supplement revenues to other funds such as the General Fund, Capital Bond Issue Fund and Nonmajor Governmental Funds in accordance with budget authorizations.

6. BULK LIEN SALES

During the year ended June 30, 2018, the City executed a bulk sale of property tax liens and collected proceeds of \$8,442,572. The City retains no interest in the assigned liens. The purchaser bears all risks relating to its ability to collect the amounts owed and, should it acquire title to the underlying real estate through foreclosure or otherwise, will bear all risks associated with the ownership and sale of the real property.

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposal/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 142,495,968	\$ 2,994,745	\$	\$ 145,490,713
Construction in progress	308,054,243	92,778,989	(29,157,655)	371,675,577
Total capital assets not being depreciated	<u>450,550,211</u>	<u>95,773,734</u>	<u>(29,157,655)</u>	<u>517,166,290</u>
Capital assets being depreciated:				
Buildings and improvements	867,917,662	1,590,125		869,507,787
Machinery and equipment	73,583,070	4,028,657		77,611,727
Infrastructure	180,351,403	22,582,076		202,933,479
Vehicles	49,246,153	6,088,850	(1,326,044)	54,008,959
Total capital assets being depreciated	<u>1,171,098,288</u>	<u>34,289,708</u>	<u>(1,326,044)</u>	<u>1,204,061,952</u>
Less accumulated depreciation for:				
Buildings and improvements	233,934,245	17,744,952		251,679,197
Machinery and equipment	41,742,862	4,918,630		46,661,492
Infrastructure	110,998,316	5,986,329		116,984,645
Vehicles	41,292,078	2,321,014	(1,326,044)	42,287,048
Total accumulated depreciation	<u>427,967,501</u>	<u>30,970,925</u>	<u>(1,326,044)</u>	<u>457,612,382</u>
Total capital assets being depreciated, net	<u>743,130,787</u>	<u>3,318,783</u>	<u>-</u>	<u>746,449,570</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,193,680,998</u>	<u>\$ 99,092,517</u>	<u>\$ (29,157,655)</u>	<u>\$ 1,263,615,860</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Disposals/ Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 862,628	\$ 5,377,639	\$ -	\$ 6,240,267
Capital assets being depreciated:				
Buildings and improvements	119,161,209	261,304	-	119,422,513
Machinery and equipment	14,226,568	413,174	-	14,639,742
Distribution and collection systems	104,531,127	1,048,401	-	105,579,528
Vehicles	2,779,779	405,071	-	3,184,850
Total capital assets being depreciated	<u>240,698,683</u>	<u>2,127,950</u>	<u>-</u>	<u>242,826,633</u>
Less accumulated depreciation for:				
Buildings and improvements	75,921,717	4,777,591	-	80,699,308
Machinery and equipment	10,957,201	1,046,606	-	12,003,807
Distribution and collection systems	25,418,358	2,375,768	-	27,794,126
Vehicles	2,549,895	112,037	-	2,661,932
Total accumulated depreciation	<u>114,847,171</u>	<u>8,312,002</u>	<u>-</u>	<u>123,159,173</u>
Total capital assets being depreciated, net	<u>125,851,512</u>	<u>(6,184,052)</u>	<u>-</u>	<u>119,667,460</u>
Business-Type Activities Capital Assets, Net	<u>\$ 126,714,140</u>	<u>\$ (806,413)</u>	<u>\$ -</u>	<u>\$ 125,907,727</u>

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

Governmental Activities:	
General government	\$ 4,604,616
Public safety	2,721,313
Public facilities, parks and recreation	8,196,313
Health and social services	3,707
Libraries	276,378
Education	<u>15,168,598</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 30,970,925</u>
Business-Type Activities:	
WPCA	<u>\$ 8,312,002</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds and notes payable:					
General obligation bonds	\$ 648,585,506	\$ 230,865,773	\$ 115,690,672	\$ 763,760,607	\$ 32,650,000
Premium	38,093,315	13,600,652	7,644,943	44,049,024	4,035,738
Total bonds and notes payable	<u>686,678,821</u>	<u>244,466,425</u>	<u>123,335,615</u>	<u>807,809,631</u>	<u>36,685,738</u>
Claims and judgments	65,118,524	114,760,694	115,498,230	64,380,988	16,135,549
Compensated absences	25,990,673	5,618,689	6,497,668	25,111,694	6,277,924
Net OPEB liability *	946,390,198	*	7,691,918	938,698,280	
MERS prior service costs	255,258,739		255,258,739	-	
Net pension liability - MERS	62,160,092		24,575,881	37,584,211	
Net pension liability - PERS	<u>283,992,318</u>		<u>27,871,466</u>	<u>256,120,852</u>	
Governmental Activity Long-Term Liabilities	<u>\$ 2,325,589,365</u>	<u>\$ 364,845,808</u>	<u>\$ 560,729,517</u>	<u>\$ 2,129,705,656</u>	<u>\$ 59,099,211</u>
Business-type activities:					
Bonds and notes payable:					
General obligation bonds	\$ 3,854,495	\$ 804,227	\$ 224,331	\$ 4,434,391	\$ 170,812
Bond premiums	104,539	16,779	6,994	114,324	
Notes payable	34,331,925		4,060,522	30,271,403	3,905,692
Net OPEB liability *	<u>3,390,163</u>	*	<u>109,365</u>	<u>3,280,798</u>	
Business-Type Activity Long-Term Liabilities	<u>\$ 41,681,122</u>	<u>\$ 821,006</u>	<u>\$ 4,401,212</u>	<u>\$ 38,100,916</u>	<u>\$ 4,076,504</u>

* The beginning Net OPEB liability has been restated. See Note 16 for details.

Governmental activities liabilities for bonds, claims and judgements, compensated absences, net OPEB liability and net pension liability are generally liquidated by the General Fund.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Notes Payable

Notes payable as of June 30, 2018 includes the following:

Business-Type Activities:

Clean Water Program, due in varying installments,
plus interest at 2% through 2039 \$ 30,271,403

General Obligation Bonds

As of June 30, 2018, the City had the following general obligation bonds outstanding:

Governmental Activities:

Pension, 2.5% to 7.6%	\$ 331,915,000
General Purpose, 2.5% to 6.6%	291,714,302
School, 4.0% to 6.8%	<u>140,131,305</u>
	<u>\$ 763,760,607</u>

Business-Type Activities:

General Purpose, 1.68% to 6.388%	\$ <u>4,434,391</u>
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**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

A schedule of bonds at June 30, 2018 is presented below:

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2018</u>	<u>Fiscal Year Maturity</u>
08/29/00	Pension	6.92 - 7.64%	\$ 350,000,000	\$ 232,415,000	2030
08/12/04	General Purpose	3.0 - 5.50%	48,035,600	8,995,400	2022
08/12/04	Schools	3.0 - 5.50%	10,544,400	1,974,600	2022
12/15/09	General Purpose	3.98 - 6.571%	13,614,785	11,163,797	2029
12/15/09	Schools	3.98 - 6.571%	15,520,215	12,726,203	2029
12/15/09	Schools	6.821%	4,000,000	4,000,000	2030
07/22/10	General Purpose	1.68 - 6.388%	19,440,000	13,530,000	2030
07/22/10	General Purpose-Refunding	2.50 - 3.0%	6,324,318	1,130,922	2019
07/22/10	Schools-Refunding	2.50 - 3.0%	3,685,682	659,078	2019
06/14/12	General Purpose	3.0 - 5.0%	55,940,355	24,009,140	2032
06/14/12	Schools	3.0 - 5.0%	11,989,645	5,145,858	2032
07/12/12	General Purpose-Refunding	2.0 - 5.0%	41,971,000	17,126,600	2022
07/12/12	Schools-Refunding	2.0 - 5.0%	13,254,000	5,408,400	2022
07/11/13	General Purpose-Refunding	5.0%	8,235,327	1,002,762	2019
07/11/13	Schools-Refunding	5.0%	6,054,673	737,238	2019
08/28/14	General Purpose	3.525%	43,077,260	32,738,200	2034
08/28/14	Schools	3.525%	23,502,740	17,861,800	2034
11/18/14	General Purpose-Refunding	4.0-4.5%	11,027,900	9,606,700	2026
11/18/14	Schools-Refunding	4.0-4.5%	21,407,100	18,648,300	2026
03/04/16	General Purpose	2.125 - 5.0%	13,917,000	9,549,000	2036
03/04/16	Schools	2.125 - 5.0%	9,278,000	6,366,000	2036
03/04/16	General Purpose-Refunding	4.0 - 5.0%	21,503,160	21,106,260	2026
03/04/16	Schools-Refunding	4.0 - 5.0%	15,096,840	14,788,740	2026
03/04/16	General Purpose-Refunding	4.0 - 5.0%	18,086,880	13,786,640	2025
03/04/16	Schools-Refunding	4.0 - 5.0%	4,983,120	3,798,360	2025
10/26/16	General Purpose	4.0 - 5.0%	46,008,000	40,392,000	2047
10/26/16	Schools	4.0 - 5.0%	11,502,000	10,098,000	2047
10/26/16	General Purpose - Taxable	1.82 - 3.08%	4,260,000	3,615,000	2027
11/14/17	General Purpose	5.00%	23,653,800	20,740,000	2038
11/14/17	Schools	5.00%	11,131,200	9,760,000	2038
11/14/17	General Purpose-Refunding	5.00%	31,359,438	30,170,634	2030
11/14/17	Schools-Refunding	5.00%	10,055,562	9,674,366	2030
11/14/17	General Purpose-Crossover	5.00%	8,182,700	8,182,700	2029
11/14/17	Schools-Crossover	5.00%	9,227,300	9,227,300	2029
01/14/18	Pension (MERS)	2.84 - 4.32%	99,500,000	99,500,000	2046
06/08/18	General Purpose-Refunding	4.03 - 4.13%	25,822,038	25,822,038	2031
06/08/18	Schools-Refunding	4.03 - 4.13%	8,492,962	8,492,962	2031
06/08/18	General Purpose-Refunding	5.00%	3,480,900	3,480,900	2031
06/08/18	Schools-Refunding	5.00%	764,100	764,100	2031
	Total		<u>\$ 1,083,930,000</u>	768,194,998	
	Less amount representing business-type activities			<u>(4,434,391)</u>	
	Total Outstanding, Governmental Activities			<u>\$ 763,760,607</u>	

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Designation of 2010 Series B Bonds as Build America Bonds

The federal American Recovery and Reinvestment Act of 2009, Pub. L No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009 (the Recovery Act) permits the City to issue taxable bonds referred to as "Build America Bonds" to finance capital expenditures for which it could otherwise issue tax-exempt bonds, and to elect to receive payments from the federal government equal to 35% of the corresponding interest payable on such taxable bonds (the BAB Subsidy Payments). The City elected to designate the 2010 Series B Bonds as "Build America Bonds" for purposes of the Recovery Act and to receive BAB Subsidy Payments from the United States Treasury in connection therewith. BAB Subsidy Payments for the 2010 Series B Bonds will be paid to the City on or about each interest payment date; the holders of the 2010 Series B Bonds are not entitled to a tax credit. Such BAB Subsidy Payments are not pledged to pay the 2010 Series B Bonds, nor is their receipt by the City a condition of payment of any portion of the principal and interest on the 2010 Series B Bonds. For the fiscal year ended June 30, 2018, the City received \$869,031 in interest subsidy.

General Obligation Bonds Refunding

On November 14, 2017, the City issued \$41,415,000 (2017, Series B) of general obligation refunding bonds with an interest rate of 5.0%. The bonds were issued to refund portions of the outstanding principal amounts of the 2012 Series A general obligation bonds, 2014 Series A general obligation bonds and the 2016 Series A general obligation bonds. The net proceeds of \$47,398,012 after an original issue premium of \$6,341,707 and payment of \$358,695 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated November 14, 2017 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited into escrow for payment of the refunded bonds. The City refunded the above bonds to reduce total debt service payments over the near term (7 years) by \$19,776,151. The City total debt service has increased by \$3,444,744 for the life of the bonds ending in 2031. The City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$246,670. As of June 30, 2018, the amount of defeased debt outstanding from this refunding was \$40,790,000 and the escrow balance is \$44,184,845. This amount is removed from the governmental activities column of the statement of net position.

On June 12, 2018, the City issued \$34,315,000 (2018, Series A) of general obligation refunding bonds with interest rates ranging from 2.84%-4.32%. The bonds were issued to refund all of the outstanding principal amounts of the 2004 Series C, 2014 Series A, 2016 Series A,B,C,D,E and 2017 Series A,B general obligation bonds. The net proceeds of \$33,757,677 after payment of \$557,323 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated June 8, 2018 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited into escrow for payment of the refunded bonds. The City refunded the above bonds to reduce total debt service payments over the near term (10 years) by \$23,853,325. The City total debt service has increased by \$11,967,707 for the life of the bonds ending in 2031. The City obtained an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$2,100,231. As of June 30, 2018, the amount of defeased debt outstanding from this refunding was \$30,690,000 and the escrow balance is \$33,957,289. This amount is removed from the governmental activities column of the statement of net position.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

On June 12, 2018, the City issued \$4,245,000 (2018, Series B) of general obligation refunding bonds with an interest rate of 5.0%. The bonds were issued to refund all of the outstanding principal amounts of the 2004 Series C general obligation refunding bonds. The net proceeds of \$4,772,537 after an original issue premium of \$599,479 and payment of \$71,941 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated June 8, 2018 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited into escrow for payment of the refunded bonds. The City refunded the above bonds to reduce total debt service payments for fiscal year 2019 by \$4,639,744. The City's total debt service has increased by \$2,046,131 for the life of the bonds ending in 2031. The City obtained an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$147,873. As of June 30, 2018, the amount of defeased debt outstanding from this refunding was \$4,655,000 and the escrow balance is \$4,795,630. This amount is removed from the governmental activities column of the statement of net position.

General Obligation Bonds - Crossover Refunding

On November 14, 2017, the City issued \$17,410,000 (2017 Series C) of general obligation refunding bonds with an interest rate of 5.0%. The Series C bonds were issued to crossover refinance previously issued Taxable Build America Bonds dated November 14, 2017. The net proceeds of \$19,723,785 (including a premium of \$2,313,785 and issuance costs of \$93,439) were deposited into an escrow account which remains in the City's possession until the crossover date of August 15, 2020. At the crossover date, the 2009 Taxable Build America Bonds will be considered defeased and the liability for those bonds as well as the funds deposited into the escrow account will be removed from the statement of net position. The refunding will reduce total debt service payments by \$228,353 from fiscal year 2021 through 2029, and represents an economic gain (difference between present values of the debt service payments on the old and the new debt) of \$183,621.

Prior Year Defeasance of Debt

In prior years, the City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2018, \$1,010,000 of prior bonds outstanding is considered defeased and the escrow balance is \$1,050,418.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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

Year Ending June 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 32,479,189	\$ 41,795,908	\$ 74,275,097	\$ 4,076,504	\$ 797,633	\$ 4,874,137
2020	32,171,390	40,553,950	72,725,340	3,949,475	712,827	4,662,302
2021 *	53,846,137	38,096,042	91,942,179	2,447,885	639,379	3,087,264
2022	40,081,905	35,382,561	75,464,466	2,392,308	584,141	2,976,449
2023	42,741,442	33,067,488	75,808,930	2,392,696	527,127	2,919,823
2024-2028	270,734,561	122,698,202	393,432,763	10,770,286	1,833,884	12,604,170
2029-2033	180,084,858	45,336,353	225,421,211	6,317,721	671,705	6,989,426
2034-2038	60,472,596	18,280,296	78,752,892	2,217,448	156,453	2,373,901
2039-2043	29,451,405	8,719,256	38,170,661	78,595	25,545	104,140
2044-2047	21,697,124	1,676,775	23,373,899	62,876	6,288	69,164
Total	\$ <u>763,760,607</u>	\$ <u>385,606,831</u>	\$ <u>1,149,367,438</u>	\$ <u>34,705,794</u>	\$ <u>5,954,982</u>	\$ <u>40,660,776</u>

*Includes payments on a crossover refunding in the amount of \$18,115,000 for Governmental Activities.

The State of Connecticut reimburses the City for eligible school bond principal and interest costs. The amount of principal reimbursement for the year ended June 30, 2018 was \$2,309,919. No additional reimbursements are expected subsequent to June 30, 2018.

Legal Debt Limit

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 692,855,294	\$ 320,894,798	\$ 371,960,496
Schools	1,385,710,587	215,952,514	1,169,758,073
Sewers	1,154,758,823	53,411,338	1,101,347,485
Urban renewal	1,000,790,980		1,000,790,980
Unfunded pension benefit obligation	923,807,058	331,915,000	591,892,058

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$2,155,549,802. All long-term debt obligations are retired through General Fund appropriations or user charges.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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

General purpose	\$	55,852,267
Schools		30,498,501
Sewer		<u>1,635,783</u>
	<u>\$</u>	<u>87,986,551</u>

Notes Payable

The City issues tax anticipation note payable to fund cash flows for operating expenses. The activity related to the tax anticipation notes payable and balance at June 30, 2018 is summarized in the table below:

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2018</u>
6/27/2017	7/31/2017	1.47	\$ 10,000,000	\$	\$ 10,000,000	\$ -
6/15/2018	7/31/2018	2.25		7,000,000		7,000,000
6/29/2018	7/31/2018	2.46		<u>6,000,000</u>		<u>6,000,000</u>
Total			<u>\$ 10,000,000</u>	<u>\$ 13,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 13,000,000</u>

In addition, the City has a note payable of \$2,818,256 reported in the business-type activities, which was issued for sewer construction projects. The note carries a 2% interest rate and the principal becomes payable upon the permanent refinancing of the note payable.

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9. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2018 are as follows:

	<u>General Fund</u>	<u>Education Grants Fund</u>	<u>Capital Bond Issue Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Prepays	\$	\$	\$	\$	\$ -
Restricted for:					
Future debt payments			21,787,869		21,787,869
Grants				2,817,404	2,817,404
Library trust fund				477,648	477,648
Education scholarship fund				108,728	108,728
Committed to:					
General government projects			3,110,987		3,110,987
Public safety projects			6,531,094		6,531,094
Public facilities projects			37,643,605		37,643,605
OPED and other projects			56,397,182	5,843	56,403,025
Library				3,081,294	3,081,294
General special revenue				267,371	267,371
Education				233,143	233,143
Unassigned	<u>21,014,433</u>				<u>21,014,433</u>
Total Fund Balances	<u>\$ 21,014,433</u>	<u>\$ -</u>	<u>\$ 125,470,737</u>	<u>\$ 6,991,431</u>	<u>\$ 153,476,601</u>

10. COMMITMENTS AND CONTINGENCIES

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

Personal Injury and Other Actions

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

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

Wheelabrator Bridgeport L.P. (Wheelabrator), operator of the solid waste to energy facility which is currently one of the City's largest taxpayers. The City and Wheelabrator reached a full and final legal settlement tax valuation appeals relating to the 2007 through 2015 Tax Grand Lists, stipulated into a Judgment in Superior Court in spring 2017. The City stipulated to issue certain future tax credits against future tax bills, in lieu of any prior period tax refunds, for a period of years commencing in fiscal year

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2017. In addition, the City and Wheelabrator agreed to final assessed valuations for the grand list 2015 and Wheelabrator stipulated to drop all rights to any future tax appeals against the City until the next citywide revaluation in 2020. Such tax credits due to Wheelabrator are applied annually against normal taxpayer annual bills and have already been budgeted and absorbed into fiscal year 2018 results. Such annual tax credit amounts are not material to the City's tax levy or to the City's financial condition.

Beardsley Zoo

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

The City also entered into a service agreement with the Society in which the City is required to provide operating assistance to the Society for such costs as personnel, supplies, services, materials, utilities, maintenance, equipment and vehicles, that it currently provides to the Zoo, which approximated \$1.5 million during the year ended June 30, 2018, before the subsidy referred to below. These levels can be adjusted up or down depending on changes to the Zoo such as expansion. However, the Society is required to pay the City any subsidy received from the State. A subsidy of \$203,130 was received for the year ended June 30, 2018. The Society retains any revenues from admissions, vending, concessions, other grants or bequests.

WPCA Privatization Agreement

On October 8, 2013 the WPCA entered into a ten-year agreement (the Agreement) with an independent contractor Inframark, Incorporated, formerly known as Severn Trent, (the Contactor) to provide operations, maintenance and management services to its two wastewater treatment facilities and collection system. This agreement took effect on January 1, 2014. The Agreement was amended in 2017 to include a two-year early termination clause should the city seek any regionalization or other restructuring of the wastewater plant and treatment system. The City of Bridgeport and the Town of Trumbull resolved all litigation regarding amounts Trumbull users pay to the Bridgeport WPCA and such rates are billed on that agreed upon basis.

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. As of June 30, 2018, approximately \$201,000,000 has been spent related to these projects primarily for property and equipment. Funding for these improvements provided by the State of Connecticut's Clean Water Fund in the form of loans and grants, with such grants paying 20% of all project costs and the remaining 80% paid to WPCA in the form of loans at 2% interest which are paid back as debt service by the WPCA and its ratepayers in annual WPCA budgets. Based on current engineering estimates, an additional \$100 million will be expended for these plants in capital funds, also eligible from this Clean Water grant and loan program, with completion of these projects expected within the next five years. As of June 30, 2018, the State is committed to providing the WPCA additional funding in the form of loans and grants of approximately \$3,126,000 and \$7,953,000 respectively.

Municipal Solid Waste Service Agreement

Bridgeport is one of twelve municipalities that has entered into a Greater Bridgeport Regional Solid Waste Interlocal Agreement (Interlocal Agreement) which creates the Greater Bridgeport Regional Solid Waste Committee (Operating Committee) as a public body comprised of various southwest Connecticut municipalities (including but not limited to Bridgeport, Trumbull, Fairfield, Milford and Westport) for the purpose of, and with the authority to, contract with a solid waste facility for the disposal of municipal solid waste after June 30, 2014.

On or about March 20, 2014, Wheelabrator agreed to serve as the waste to energy plant for the consortium and contract terms were set for \$60.00 per ton up to 175,000 aggregate annual tonnage for a term of up to 20 years with a \$1.00 per ton decrease for each new 25,000 tons the Operating Committee attracts and an annual Consumer Price Index escalator at 75% of the change, subject to an executable contract and Wheelabrator Board approvals. The final agreement signed on June 27, 2014 remains enforce.

Bridgeport is also part of an Inter-Community Agreement establishing a regional recycling program. The original agreement dated September 15, 1989 Southwest Connecticut Regional Recycling Operating Committee (SWEROC) was established to implement a regional recycling program to meet the State of Connecticut mandated program for recycling, per Sections 22a-241 through 22a-241i of the Connecticut General Statutes. Bridgeport is one of seventeen "Contracting Communities" participating in the SWEROC recycling program, which expired on June 30, 2018. As of fiscal year 2019, a new revised Inter-Community Agreement has been established, the Greater Bridgeport Regional Recycling Interlocal Agreement, dated as of June 21, 2018 (the Interlocal Agreement) by and among twelve communities (Bridgeport and Milford, and the Towns of East Haven, Easton, Fairfield, Monroe, Orange, Stratford, Southbury, Westport, Woodbridge and Trumbull). The City is committed to supply recyclables annually consisting of: food and beverage containers made of glass, metal and certain plastics, and newspapers. Other defined residential recyclables are cardboard

11. PENSION PLANS

A. Municipal Employees' Retirement System

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

If any member covered by social security retires before age 62, the member's benefit until the member reaches age 62, or a social security disability award is received, is computed as if the member is not under social security.

Early Retirement

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

Disability Retirement - Service Connected

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

Disability Retirement - Non-Service Connected

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

Death Benefit

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

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Contributions

Member

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2.25% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

Employer

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

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

At June 30, 2018, the City reports a total liability of \$37,584,211 in Exhibit I for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2018, the City’s proportion of liability is 15.14%. The decrease in proportion from June 30, 2017 is 3.55%.

For the year ended June 30, 2018, the City recognized pension expense of \$31,967,361 in Exhibit II. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City contribution after the measurement date	\$ 21,545,140	\$
Change in proportionate share	1,190,148	2,674,884
Net difference between projected and actual earnings on pension plan	10,834,004	
Differences between expected and actual experience	<u>13,465,626</u>	<u>4,208,439</u>
Total	<u>\$ 47,034,918</u>	<u>\$ 6,883,323</u>

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Amounts reported as deferred outflows of resources related to the City’s contribution after the measurement date of \$21,545,140 will be recognized as a reduction of the new pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2019	\$ 6,689,486
2020	12,811,267
2021	5,436,004
2022	(6,330,302)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2007 - June 30, 2012.

Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

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

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

Discount Rate

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

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's Proportionate Share of the Net Pension Liability (Asset) \$	\$ <u>92,631,029</u>	\$ <u>37,584,211</u>	\$ <u>(8,752,930)</u>

B. Teachers Retirement

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

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Contributions

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

Employer (School Districts)

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

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

Employees

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

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

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

At June 30, 2018, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the City		<u>410,941,334</u>
Total	\$	<u><u>410,941,334</u></u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2018, the City recognized pension expense and revenue of \$47,533,908 in Exhibit II for on-behalf amounts for the benefits provided by the State.

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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Private equity	11.0%	7.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Alternative investments	8.0%	4.1%
Fixed income (Core)	7.0%	1.3%
Real estate	7.0%	5.1%
Cash	6.0%	0.4%
Emerging market bond	5.0%	3.7%
High yield bonds	5.0%	3.9%
Inflation linked bond fund	3.0%	1.0%
Total	<u>100.0%</u>	

Discount Rate

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

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

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

Other Information

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

C. Single Employer Defined Benefit Plans

Pension Trust Funds

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

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

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

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

In August 1985, the City purchased an annuity contract for approximately \$75 million to fund a portion of the net pension liability for Plan A. The plan assets available for benefits and the net pension liability amounts for Plan A exclude the plan assets and pension liability covered by the above-mentioned annuity contract. For the year ended June 30, 2018, \$916,465 of benefits was provided through this annuity contract.

In August 2000, the City issued \$350,000,000 of taxable general obligation pension funding bonds. The proceeds of these bonds were transferred into Plans A's Investment Trust (the A Trust). The proceeds and any future investment earnings are to be used to make contributions to the Plan A or to pay benefits on behalf of the Plan. The City can, however, withdraw from the Plan A Trust the greater of: 1) 20% of the amount by which the Plan A Trust assets exceed the present value of accrued Plan benefits (\$311,235,137 based on the June 30, 2018 actuarial valuation) or 2) the amount of the Plan A Trust assets in excess of 110% of the present value of accrued Plan benefits.

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Under State statutes regarding pension obligation bonds, the City shall make a contribution to such pension plan as follows: (a) at the beginning of each fiscal year, the City's actuary shall determine the unfunded actuarial accrued liability for such pension plan using actuarial methods and assumptions based on actuarial standards of practice, and a level per cent amortization of the unfunded actuarial accrued liability using a five per cent growth rate; (b) the amortization period shall be twenty-four years for the fiscal year ended June 30, 2013, and shall decline by one year annually for each subsequent fiscal year; and (c) the amount of contribution shall be recalculated each fiscal year, so any gains and losses experienced by such pension plan are taken into account. For the fiscal year ended June 30, 2018, the actuarially required contribution is \$15,596,475, of which the City contributed \$15,600,000.

Provisions of Pension Plans	Public Safety Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan
Employees covered	All police and fire employed before 6/4/81 and 1/1/84, respectively	All police employed on or after 6/4/81	All firefighters employed on or after 1/1/84	All employees hired before 1985
Plan Status	Closed	Closed, Active participants transferred to CMERS effective July 1, 2013	Closed, Active participants transferred to CMERS effective April 1, 2012	Closed
Benefit provisions	50% of compensation plus 2-1/2% for each year of service in excess of 20 years, maximum 75%	2% of annual salary for each full year of service plus 50% of subsequent compensation increase, maximum 70%	2% of annual salary for each year of service plus 50% of subsequent compensation increase, maximum 70%	2% of 3 year average compensation for each year of service, up to 33 years plus 1% of 3 year compensation thereafter
Definition of "Compensation"	Maximum yearly compensation currently being paid to members in the department in the same position that the employee held at the time of retirement	Maximum yearly compensation currently being paid to members in the department in the same position which the employee held at the time of retirement	Maximum yearly compensation currently being paid to members in the department in the same position which the employee held at the time of retirement	Average of three highest years
Eligibility requirements	Vest after 10 years of service	Vest after 5 years of service	Vest after 5 years of service	Vest after the earlier of 10 years of continuous or 15 years of aggregate service
Obligation to contribute in accordance with funding policy:				
Employee	8% of earnings	6% of earnings	6% of earnings	5% of earnings
Employer	\$ 15,596,475 (Normal Cost)	\$ 1,611,277	\$ 56,129	Pay as you go
Authority under which benefit provisions established	Contract negotiation	Contract negotiation	Contract negotiation	Contract negotiation

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At June 30, 2018, Plan membership consisted of the following:

	Public Safety Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan
Inactive employees or beneficiaries currently receiving benefits	650	130	68	24
Inactive employees entitled to but not yet receiving benefits	<u> </u>	<u> 6</u>	<u> 7</u>	<u> </u>
Total Number of Participants	<u> 650</u>	<u> 136</u>	<u> 75</u>	<u> 24</u>

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

Investments

Investment Policy

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

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for each pension plan is as follows:

Public Safety Plan A	9.42%
Police Retirement Plan B	9.07%
Firefighters' Retirement Plan B	6.42%

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

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Net Pension Liability (Asset) of the City

The components of the net pension liability (asset) of the City at June 30, 2018, were as follows:

	Public Safety Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Total
Total pension liability	\$ 298,311,407	\$ 78,083,167	\$ 36,273,892	\$ 6,395,852	\$ 419,064,318
Plan fiduciary net position	<u>63,271,230</u>	<u>63,394,911</u>	<u>37,322,926</u>	<u>3,433</u>	<u>163,992,500</u>
Net Pension Liability (Asset)	<u>\$ 235,040,177</u>	<u>\$ 14,688,256</u>	<u>\$ (1,049,034)</u>	<u>\$ 6,392,419</u>	<u>\$ 255,071,818</u>
Plan fiduciary net position as a percentage of the total pension liability	21.21%	81.19%	102.89%	0.05%	39.13%

The components of the net pension liability of the City at June 30, 2018, were as follows:

	Net Pension Liability
Public Safety Plan A	\$ 235,040,177
Police Retirement Plan B	14,688,256
Janitors' and Engineers' Retirement Plan	<u>6,392,419</u>
Total	<u>\$ 256,120,852</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2018, and the total pension liability was used to calculate the net pension liability as of that date, using the following actuarial assumptions, applied to all periods included in the measurement:

	Public Safety Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan
Inflation	2.0%	2.0%	2.0%	N/A
Salary increases including inflation	N/A	N/A	N/A	N/A
Actuarial cost method	N/A - All participants are inactive	N/A - All participants are inactive	N/A - All participants are inactive	N/A - All participants are inactive

Mortality rates were based on the RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017.

**CITY OF BRIDGEPORT, CONNECTICUT
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans and target asset allocation as of June 30, 2018 (see the discussion of the pension plans' investment policy) are summarized in the following table:

Public Safety, Plan A

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	50.0%	6.40%
Core fixed income	12.5%	1.75%
High yield fixed income	12.5%	4.30%
International equity	10.0%	7.40%
Hedge funds and alternatives	10.0%	4.10%
Emerging market equity	5.0%	9.80%
Total	<u>100.0%</u>	

Police Retirement Plan B

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	79.0%	6.40%
High yield fixed income	12.0%	4.30%
Core fixed income	9.0%	1.75%
Total	<u>100.0%</u>	

Firefighters' Retirement Plan B

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	65.0%	6.40%
Core fixed income	35.0%	1.75%
Total	<u>100.0%</u>	

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Discount Rate

The discount rate used to measure the total pension liability was 6.75% for Public Safety Plan A, 6.25% for Police Retirement Plan B, 6.25% for Firefighters' Plan B and 3.87% for Janitors' and Engineers' Retirement Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

Public Safety Plan A			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2017	\$ 311,235,137	\$ 71,029,447	\$ 240,205,690
Changes for the year:			
Interest on total pension liability	20,016,198		20,016,198
Differences between expected and actual experience	2,240,514		2,240,514
Changes in assumptions	(5,782,705)		(5,782,705)
Employer contributions		15,600,000	(15,600,000)
Net investment income (loss)		6,039,520	(6,039,520)
Benefit payments, including refund to employee contributions	(29,397,737)	(29,397,737)	-
Net changes	<u>(12,923,730)</u>	<u>(7,758,217)</u>	<u>(5,165,513)</u>
Balances as of June 30, 2018	\$ 298,311,407	\$ 63,271,230	\$ 235,040,177

Police Retirement Plan B			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2017	\$ 95,671,030	\$ 60,766,256	\$ 34,904,774
Changes for the year:			
Interest on total pension liability	4,537,651		4,537,651
Differences between expected and actual experience	1,411,913		1,411,913
Changes in assumptions	(18,929,991)		(18,929,991)
Employer contributions		1,850,000	(1,850,000)
Net investment income (loss)		5,386,091	(5,386,091)
Benefit payments, including refund to employee contributions	(4,607,436)	(4,607,436)	-
Net changes	<u>(17,587,863)</u>	<u>2,628,655</u>	<u>(20,216,518)</u>
Balances as of June 30, 2018	\$ 78,083,167	\$ 63,394,911	\$ 14,688,256

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Firefighters' Retirement Plan B

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Balances as of June 30, 2017	\$ 37,719,720	\$ 37,073,073	\$ 646,647
Changes for the year:			
Interest on total pension liability	2,287,399		2,287,399
Differences between expected and actual experience	(203,834)		(203,834)
Changes in assumptions	(1,286,736)		(1,286,736)
Employer contributions		180,000	(180,000)
Net investment income (loss)		2,312,510	(2,312,510)
Benefit payments, including refund to employee contributions	(2,242,657)	(2,242,657)	-
Net changes	(1,445,828)	249,853	(1,695,681)
Balances as of June 30, 2018	\$ 36,273,892	\$ 37,322,926	\$ (1,049,034)

Janitors' and Engineers' Retirement Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2017	\$ 8,238,640	\$ 3,433	\$ 8,235,207
Changes for the year:			
Interest on total pension liability	283,618		283,618
Differences between expected and actual experience	(1,338,204)		(1,338,204)
Changes in assumptions	(155,488)		(155,488)
Employer contributions		632,714	(632,714)
Benefit payments, including refund to employee contributions	(632,714)	(632,714)	-
Net changes	(1,842,788)	-	(1,842,788)
Balances as of June 30, 2018	\$ 6,395,852	\$ 3,433	\$ 6,392,419

**CITY OF BRIDGEPORT, CONNECTICUT
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Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

Public Safety Plan A

	<u>1% Decrease 5.75%</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75%</u>
Net Pension Liability	\$ <u>259,710,887</u>	\$ <u>235,040,177</u>	\$ <u>213,648,816</u>

Police Retirement Plan B

	<u>1% Decrease 5.25%</u>	<u>Current Discount Rate 6.25%</u>	<u>1% Increase 7.25%</u>
Net Pension Liability	\$ <u>25,218,692</u>	\$ <u>14,688,256</u>	\$ <u>6,157,287</u>

Firefighters' Retirement Plan B

	<u>1% Decrease 5.25%</u>	<u>Current Discount Rate 6.25%</u>	<u>1% Increase 7.25%</u>
Net Pension Liability (Asset)	\$ <u>3,531,148</u>	\$ <u>(1,049,034)</u>	\$ <u>(4,806,244)</u>

Janitors' and Engineers' Retirement Plan

	<u>1% Decrease 2.87%</u>	<u>Current Discount Rate 3.87%</u>	<u>1% Increase 4.87%</u>
Net Pension Liability	\$ <u>6,962,732</u>	\$ <u>6,392,419</u>	\$ <u>5,908,444</u>

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the City reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Public Safety Plan A</u>	<u>Police Retirement Plan B</u>	<u>Firefighters' Retirement Plan B</u>	<u>Total</u>
Deferred Outflows of Resources				
Net difference between projected and actual earning on pension plan investments	\$ 2,289,562	\$ -	\$ 312,488	\$ 2,602,050
	<u>Public Safety Plan A</u>	<u>Police Retirement Plan B</u>	<u>Firefighters' Retirement Plan B</u>	<u>Total</u>
Deferred Inflows of Resources				
Net difference between projected and actual earning on pension plan investments	\$ -	\$ 1,747,251	\$ -	\$ 1,747,251

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

<u>Year Ended June 30</u>	<u>Public Safety Plan A</u>	<u>Police Retirement Plan B</u>	<u>Firefighters' Retirement Plan B</u>	<u>Total</u>
2019	\$ 2,677,206	\$ 52,153	\$ 395,534	\$ 3,124,893
2020	1,098,193	(481,086)	190,714	807,821
2021	(1,143,695)	(983,444)	(261,779)	(2,388,918)
2022	(342,142)	(334,874)	(11,981)	(688,997)

For the year ended June 30, 2018, the City recognized pension expense of (\$4,087,913) as follows:

	<u>Pension Expense</u>
Public Safety Plan A	\$ 14,822,401
Police Retirement Plan B	(16,639,996)
Firefighters' Retirement Plan B	(1,060,244)
Janitors' and Engineers' Retirement Plan	<u>(1,210,074)</u>
Total	<u>\$ (4,087,913)</u>

**CITY OF BRIDGEPORT, CONNECTICUT
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Combining Schedule of Pension and OPEB Plans Net Position - June 30, 2018

	Pension Trust Funds					Total
	Pension Trust Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	OPEB Trust Fund	
Assets:						
Cash and cash equivalents	\$ 18,338,883	\$ 1,455,150	\$ 1,053,595	\$ 3,433	\$ 100,013	\$ 20,951,074
Investments, at fair value:						
U.S. Government Agencies		154,479	560,597			715,076
U.S. Government Securities		5,467,199	1,121,841			6,589,040
Corporate bonds	386,382	6,114,237	2,092,422			8,593,041
Common stocks	33,393,382	20,143,929	30,784,876			84,322,187
Mutual funds - equities	5,021,534	30,059,917	1,749,109			36,830,560
Alternative investments	1,831,327					1,831,327
Total investments	40,632,625	61,939,761	36,308,845	-	-	138,881,231
Due from other funds of the City of Bridgeport	4,227,304					4,227,304
Contributions receivable	72,418					72,418
Total assets	63,271,230	63,394,911	37,362,440	3,433	100,013	164,132,027
Liabilities:						
Other liabilities			39,514			39,514
Total Net Position	\$ 63,271,230	\$ 63,394,911	\$ 37,322,926	\$ 3,433	\$ 100,013	\$ 164,092,513

Combining Schedule of Pension and OPEB Plans Changes in Net Position for the Year Ended June 30, 2018

	Pension Trust Fund					Total
	Pension Trust Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	OPEB Trust Fund	
Additions:						
Contributions:						
Employer	\$ 15,600,000	\$ 1,850,000	\$ 180,000	\$ 632,714	\$ 27,190,667	\$ 45,453,381
Annuity proceeds	916,465					916,465
Total contributions	16,516,465	1,850,000	180,000	632,714	27,190,667	46,369,846
Investment income:						
Net change in fair value of investments	5,984,811	4,481,727	1,675,726			12,142,264
Interest and dividends	513,536	937,694	945,241		13	2,396,484
	6,498,347	5,419,421	2,620,967	-	13	14,538,748
Less investment management fees	(458,827)	(33,330)	(308,457)			(800,614)
Net investment income	6,039,520	5,386,091	2,312,510	-	13	13,738,134
Total additions	22,555,985	7,236,091	2,492,510	632,714	27,190,680	60,107,980
Deductions:						
Benefits	30,314,202	4,607,436	2,242,657	632,714	27,090,667	64,887,676
Change in net position	(7,758,217)	2,628,655	249,853	-	100,013	(4,779,696)
Net Position - Beginning of Year	71,029,447	60,766,256	37,073,073	3,433	-	168,872,209
Net Position - End of Year	\$ 63,271,230	\$ 63,394,911	\$ 37,322,926	\$ 3,433	\$ 100,013	\$ 164,092,513

12. OTHER POSTEMPLOYMENT BENEFITS

A. OPEB Fund

Plan Description

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

Management of the Other Post Employment Benefits (OPEB) plan is vested with the City Finance Director. Policy oversight and management of the OPEB Fund is vested with the City Finance Director and an OPEB Trustees, as established by city ordinance, which consists of seven members: three of whom specialize in the fields of employee benefits and finance, one from the City Council, one from the Board of Education and the Mayor.

At July 1, 2016, plan membership consisted of the following:

Number of members:	
Inactive employees currently receiving benefit payments	3,130
Active employees	<u>3,757</u>
Total	<u><u>6,887</u></u>

Funding Policy and Benefits Provided

The City currently pays for postemployment health care benefits on a pay-as-you-go basis. During fiscal year June 30, 2018 the City established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

The contribution requirements of plan members and the City are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Eligibility:

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

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Medical Benefit:

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

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

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

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

Investment Policy

The OPEB Benefits Plan Fund policy in regard to the allocation of invested assets is established under the OPEB Trust Agreement and may be amended by the OPEB Trustees by a majority vote of its members. It is the policy of the Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Fund's investment policy discourages the use risky investments and aims to refrain from dramatically shifting asset class allocations over short time spans. The initial Trust Fund account has been established in a money market investment account with further investments to be made over time.

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 0.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF BRIDGEPORT, CONNECTICUT
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Net OPEB Liability of the City

The City’s net OPEB liability was measured as of June 30, 2018. The components of the net OPEB liability of the City at June 30, 2018 were as follows:

Total OPEB liability	\$	942,079,091
Plan fiduciary net position		<u>100,013</u>
Net OPEB Liability	\$	<u><u>941,979,078</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		0.01%

Actuarial Assumptions

The total OPEB liability at June 30, 2018 was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	5.50%
Investment rate of return	2.85%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	9.60% decreasing to 4.00%
Mortality	RP-2014 Headcount-Weighted Combined Healthy Mortality Table projected generationally from central year using Scale MP-2016

The plan has not had a formal actuarial experience study performed.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	100.0%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. The discount rate was based on the Bond Buyer 20 GO Bond Index.

**CITY OF BRIDGEPORT, CONNECTICUT
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Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2017	\$ 949,780,361	\$ -	\$ 949,780,361
Changes for the year:			
Service cost	25,759,877		25,759,877
Interest on total OPEB liability	34,443,682		34,443,682
Changes in assumptions	(40,814,162)		(40,814,162)
Employer contributions		27,190,667	(27,190,667)
Net investment income (loss)		13	(13)
Benefit payments	(27,090,667)	(27,090,667)	-
Net changes	<u>(7,701,270)</u>	<u>100,013</u>	<u>(7,801,283)</u>
Balances as of June 30, 2018	\$ <u>942,079,091</u>	\$ <u>100,013</u>	\$ <u>941,979,078</u>

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

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

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	\$ <u>1,033,232,117</u>	\$ <u>941,979,078</u>	\$ <u>742,827,039</u>

**CITY OF BRIDGEPORT, CONNECTICUT
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Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (8.6% Decreasing to 3.0%)	Healthcare Cost Trend Rates (9.6% Decreasing to 4.0%)	1% Increase (10.6% Decreasing (to 5.0%)
Total OPEB Liability	\$ <u>792,349,401</u>	\$ <u>941,979,078</u>	\$ <u>1,132,677,736</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$53,725,118, of which \$53,694,542 was reported in the governmental activities and \$30,576 in the business-type activities/enterprise fund. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	Business-Type Activities	Total
	Deferred Inflows of Resources	Deferred Inflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earning on OPEB plan investments \$	10	\$	\$ 10
Changes of assumptions or other inputs	<u>34,327,317</u>	<u>8,407</u>	<u>34,335,724</u>
Total	<u>\$ 34,327,327</u>	<u>\$ 8,407</u>	<u>\$ 34,335,734</u>

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

Year Ended June 30	Governmental Activities	Business-Type Activities	Total
2019	\$ (6,476,383)	\$ (2,058)	\$ (6,478,441)
2020	(6,476,383)	(2,058)	(6,478,441)
2021	(6,476,383)	(2,058)	(6,478,441)
2022	(6,476,381)	(2,058)	(6,478,439)
2023	(6,478,263)	(175)	(6,478,438)
Thereafter	(1,943,534)		(1,943,534)

B. State Teachers Retirement Plan

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Benefit Provisions

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

• Medicare Supplement with Prescriptions	\$ 92
• Medicare Supplement with Prescriptions and Dental	136
• Medicare Supplement with Prescriptions, Dental, Vision & Hearing	141

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

**CITY OF BRIDGEPORT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018**

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the City was as follows:

City's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>105,771,643</u>
Total	<u>\$ 105,771,643</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016. At June 30, 2018, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the City recognized OPEB expense and revenue of \$4,901,992 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.04%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate or Health Care Cost Trend Rate and the Discount Rate

The City's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the discount rate or health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

13. 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 related to property and casualty claims. The City is self-insured for general liability, workers' compensation and employee health and dental insurance. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage or budget reserves for litigation claim expenditures in any of the past three years.

Workers' Compensation

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

**CITY OF BRIDGEPORT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018**

Group Health Insurance

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

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

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

The following programs are provided under fully insured contracts:

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

Approximately 3,980 employees and 3,602 retirees receive their health benefits through these plans. Payments related to these claims are made by outside administrators under administrative services contracts and are accounted for in the Internal Service Fund. The current contracts require that approximately \$2,461,540 be deposited with amount being recorded as a prepaid asset in the accompanying balance sheet. As of June 30, 2018, the amount of prepaid asset in the fund is \$2,461,540.

Reconciliation of Liabilities

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

		Beginning of Fiscal Year Liability		Current Year Claims and Changes in Estimates		Claim Payments		End of Fiscal Year Liability
		<u> </u>		<u> </u>		<u> </u>		<u> </u>
2017	\$	69,649,911	\$	115,284,166	\$	119,815,553	\$	65,118,524
2018		65,118,524		114,760,694		115,498,230		64,380,988

The current portion of claims incurred but not reported as of June 30, 2018 is \$16,135,549, which relates to Group Health Insurance Claims of \$6,329,186 and \$9,806,363 of general liability and workmen's compensation claims and is reported in the Internal Service Fund. The remaining liability for general liability and workmen's compensation claims of \$48,245,439 is recorded as long-term liability.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

14. TAX ABATEMENTS

As of June 30, 2018, the City provides tax abatements through multiple programs as listed below:

Program:	Affordable Housing Tax Abatement Program	Economic Development Tax Abatement Program
Purpose of program:	Generate citizen housing affordability	Generate Jobs and Tax Revenue
Tax being abated:	Real and Personal Property Tax	Real and Personal Property Tax
Authority under which abatement agreement is entered into:	City Council Approved Agreement Resolution under CT Statutes Section 8-215	City Council Approved Agreement Resolution under CT Statute 32-70
Criteria to be eligible to receive abatement:	Number of housing units created; Income limits eligibility	Amount of Net new Property Taxes after Abatement and Jobs created for Bridgeport
How recipients' taxes are reduced:	Through adjustments to annual property tax bills	Through adjustments to annual property tax bills
How amount of abatement is determined:	City Council Approved Agreement and Resolutions	City Council Approved Agreement and Resolutions
Provisions for recapturing abated taxes:	Abatement must be limited in duration and generate more taxes eventually than original property value.	Abatement must be limited in duration and generate more taxes eventually than original property value.
Types of commitments made by the City other than to reduce taxes:	None	None
Gross dollar amount (accrual basis) by which the City's taxes were reduced as a result of the abatement agreement/program:	\$1,809,643	\$3,036,798

15. SUBSEQUENT EVENTS

On December 12, 2018, the City issued a tax anticipation notes in the amount of \$20,000,000 to fund cash flows for operating expenses. The note matures on February 1, 2019 with an interest rates between 2.60% - 3.20%.

On December 12, 2018, the City issued a School construction grant anticipation note in the amount of \$22,500,000 to fund cash flows for school capital expenditures. The note matures on December 11, 2019 with an interest rate of 2.55%.

**CITY OF BRIDGEPORT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

16. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning net position of the governmental activities as a result of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*:

Governmental Activities

Net position at June 30, 2017, as previously recorded	\$ (233,399,023)
Adjustments:	
Eliminate net OPEB obligation reported per GASB No. 45	286,474,511
Record starting total/net OPEB liability per GASB No. 75	<u>(946,390,198)</u>
Net Position at July 1, 2017, as Restated	<u>\$ (893,314,710)</u>

Business Type Activities


Net position at June 30, 2017, as previously recorded	\$ 102,510,315
Adjustments:	
Record starting total/net OPEB liability per GASB No. 75	<u>(3,390,163)</u>
Net Position at July 1, 2017, as Restated	<u>\$ 99,120,152</u>

**Business Type Activities - Enterprise Fund
Water Pollution Control Authority**

Net position at June 30, 2017, as previously recorded	\$ 102,510,315
Adjustments:	
Record starting total/net OPEB liability per GASB No. 75	<u>(3,390,163)</u>
Net Position at July 1, 2017, as Restated	<u>\$ 99,120,152</u>

17. SPECIAL ITEM - REDUCTION OF MERS LIABILITY FOR PRIOR SERVICE COSTS

As of June 30, 2017, the City had recorded a liability to Connecticut MERS Fund of \$255,258,739 for past service cost. On December 5, 2017, the City issued \$99,500,000 of taxable general obligation bonds with a coupon rate between 2.84% and 4.32%. The proceeds from the bonds less the issuance costs of \$917,533 were used to fully prepay all remaining Connecticut MERS pension "past service" liability obligations of the City due to the Connecticut Municipal Retirement Fund. The difference resulted in a net gain of \$156,676,272 and is recorded as special item in the statement of activities. As of June 30, 2018, the City had no liability related to past service cost.



Required Supplementary Information

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues and Other Financing Sources:				
Property taxes:				
Current taxes	\$ 304,073,837	\$ 304,073,837	\$ 306,993,114	\$ 2,919,277
Interest - current	1,800,000	1,800,000	1,854,546	54,546
Arrears - principal	3,047,146	3,047,146	2,133,323	(913,823)
Arrears - interest	800,000	800,000	253,122	(546,878)
Lien fees	175,000	175,000	144,572	(30,428)
Total property taxes	<u>309,895,983</u>	<u>309,895,983</u>	<u>311,378,677</u>	<u>1,482,694</u>
Intergovernmental:				
Elderly exemption refund	694,000	694,000	54,769	(639,231)
Elderly freeze program	7,500	7,500	8,000	500
Distressed municipalities	198,975	198,975		(198,975)
Education cost sharing	138,431,495	164,139,530	163,945,344	(194,186)
School construction refunds	1,250,000	1,250,000	1,635,055	385,055
Aid to non-public schools	135,000	135,000	188,905	53,905
Town aid roads	1,390,778	1,390,778	1,392,923	2,145
Miscellaneous PILOTs	2,070,340	2,070,340	3,881,596	1,811,256
Tax exempt colleges and hospitals	21,977,477	21,977,477	7,454,025	(14,523,452)
Breakfast program:				
State	109,951	109,951	98,395	(11,556)
Federal	4,747,092	4,747,092	4,494,100	(252,992)
Nutrition Center:				
Federal	158,580	158,580	157,907	(673)
State	10,033,912	10,033,912	10,310,764	276,852
Mashantucket Pequot funds	5,856,925	5,856,925	5,856,925	-
Municipal Share	17,716,546	17,716,546	10,297,310	(7,419,236)
Beardsley Zoo subsidy	285,000	285,000	203,103	(81,897)
Build America Bonds subsidy	562,047	562,047	869,031	306,984
State-owned property	2,782,383	2,782,383	2,319,913	(462,470)
Total intergovernmental	<u>208,408,001</u>	<u>234,116,036</u>	<u>213,168,065</u>	<u>(20,947,971)</u>
Fees, permits and licenses:				
Finance:				
Comptroller Copies/Books/Miscellaneous	25,300	25,300	6,240	(19,060)
Comptroller Court Fine/CARC	60,000	60,000	23,985	(36,015)
Information Technology Services	250	250		(250)
Total finance	<u>85,550</u>	<u>85,550</u>	<u>30,225</u>	<u>(55,325)</u>
Town Clerk:				
Licenses and Town Fund	1,300	1,300	1,445	145
Notaries/late fees	2,800	2,800	2,278	(522)
Farm fund	25,000	25,000	9,671	(15,329)
Assignments	1,200,000	1,200,000	1,743,797	543,797
Certification	575,000	575,000	599,951	24,951
Other licenses	3,100	3,100	2,395	(705)
Total town clerk	<u>1,807,200</u>	<u>1,807,200</u>	<u>2,359,537</u>	<u>552,337</u>

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CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Building Department:				
Building permits	\$ 5,632,000	\$ 5,632,000	\$ 4,085,255	\$ (1,546,745)
Sign permits	12,300	12,300	11,265	(1,035)
Certificate of occupancy fees	50,000	50,000	98,687	48,687
Copies	500	500	914	414
Total building department	<u>5,694,800</u>	<u>5,694,800</u>	<u>4,196,121</u>	<u>(1,498,679)</u>
Police Department:				
Traffic violations	1,200,000	1,200,000	1,261,752	61,752
Photocopy fees	26,500	26,500	25,183	(1,317)
Outside overtime	4,800,000	4,800,000	4,031,313	(768,687)
Overtime surcharge	185,000	185,000	205,086	20,086
Reclaimed dog fees	2,000	4,000	5,550	1,550
Vendor annual registration fees	35,000	35,000	21,722	(13,278)
Towing fines	156,000	156,000	167,460	11,460
Alarms	15,600	15,600	14,720	(880)
Other	93,600	93,600	58,665	(34,935)
Total police department	<u>6,513,700</u>	<u>6,515,700</u>	<u>5,791,451</u>	<u>(724,249)</u>
Public facilities:				
Dump license fees	12,000	12,000	12,250	250
Commercial dump fees	65,000	65,000	94,554	29,554
Street excavation license	1,300	1,300	100	(1,200)
Public facility enforcement	15,700	15,700	825	(14,875)
Sewer permits	4,000	4,000	3,900	(100)
CRRA host revenue	130,000	130,000	131,286	1,286
Congress Plaza	25,000	25,000		(25,000)
Annual rent	423,650	423,650	155,781	(267,869)
Parking meters	685,000	685,000	2,331	(682,669)
Engineering map sales	5,000	5,000	4,058	(942)
Contractors license	107,150	107,150	151,185	44,035
Zoning appeals fees	42,200	42,200	38,152	(4,048)
Tavern zoning permits	285,900	285,900	262,174	(23,726)
Other revenues	80,000	80,000	136,342	56,342
Total public facilities	<u>1,881,900</u>	<u>1,881,900</u>	<u>992,938</u>	<u>(888,962)</u>
Parks and recreation:				
Golf course revenues	1,865,000	1,865,000	1,645,647	(219,353)
Wonderland of Ice	72,000	72,000	66,000	(6,000)
Kennedy Stadium	6,000	6,000		(6,000)
Leases/W.I.C.C.	10,500	10,500	21,000	10,500
Flea market/ball field	12,000	12,000	10,765	(1,235)
Miscellaneous	616,400	616,400	480,062	(136,338)
Parking stickers	44,740	44,740	40,005	(4,735)
Apartment rental	4,800	4,800	4,800	-
City concessions	2,500	2,500	6,755	4,255
Total parks and recreation	<u>2,633,940</u>	<u>2,633,940</u>	<u>2,275,034</u>	<u>(358,906)</u>
Civil service:				
Label/Admin fees	1,200	1,200	20,230	19,030

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CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Health Department:				
Vital statistics	\$ 457,200	\$ 457,200	\$ 422,105	\$ (35,095)
Business license	334,990	334,990	349,620	14,630
Housing code	46,500	46,500	40,300	(6,200)
Total health department	<u>838,690</u>	<u>838,690</u>	<u>812,025</u>	<u>(26,665)</u>
Education and Nutrition Center:				
Cafeteria	689,846	689,846	521,604	(168,242)
Summer school tuition	25,000	25,000	21,295	(3,705)
Total Education and Nutrition Center	<u>714,846</u>	<u>714,846</u>	<u>542,899</u>	<u>(171,947)</u>
Sikorsky Airport:				
Airport fees	60,000	60,000	76,093	16,093
Shared revenue	110,000	110,000	80,046	(29,954)
Airport leases	696,700	696,700	712,833	16,133
Total Sikorsky Airport	<u>866,700</u>	<u>866,700</u>	<u>868,972</u>	<u>2,272</u>
Fire Department:				
Firewatch reimbursement	130,150	130,150	172,868	42,718
Copies	850	850	712	(138)
Permit	78,200	78,200	72,612	(5,588)
Tank installation	4,850	4,850	905	(3,945)
Total fire department	<u>214,050</u>	<u>214,050</u>	<u>247,097</u>	<u>33,047</u>
Total fees, permits and licenses	<u>21,252,576</u>	<u>21,254,576</u>	<u>18,136,529</u>	<u>(3,118,047)</u>
Interest	<u>100,000</u>	<u>100,000</u>	<u>526,679</u>	<u>426,679</u>
Other:				
Property rental	75,000	75,000	36,603	(38,397)
O.T.B. income	250,000	250,000	272,780	22,780
State Bingo	200	200	42	(158)
Weights and measures	92,000	92,000	93,865	1,865
Sale of City-owned property	250,000	250,000	95,591	(154,409)
Miscellaneous	106,100	106,100	123,870	17,770
Foreclosure cost recovery	1,000	1,000		(1,000)
Restitution	5,000	5,000	3,706	(1,294)
Comptroller miscellaneous revenue	963,000	963,000	4,588,534	3,625,534
Total other	<u>1,742,300</u>	<u>1,742,300</u>	<u>5,214,991</u>	<u>3,472,691</u>
Total revenues	<u>541,398,860</u>	<u>567,108,895</u>	<u>548,424,941</u>	<u>(18,683,954)</u>
Other financing sources:				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>394,391</u>	<u>194,391</u>
Total Revenues and Other Financing Sources	<u>\$ 541,598,860</u>	<u>\$ 567,308,895</u>	<u>548,819,332</u>	<u>\$ (18,489,563)</u>

Budgetary revenues are different than GAAP revenues because:

On-behalf contributions to the Connecticut State Teachers'

Retirement System for Town teachers are not budgeted:

Pension

47,533,908

OPEB

4,901,992

The Board of Education does not budget for excess cost, magnet schools and vocational agriculture grant payments which are credited against expenditures for budgetary reporting. These amounts are recorded as revenues

and expenditures for GAAP financial statement purposes.

6,869,379

Proceeds from bond refunding.

79,975,000

Proceeds from bonds issued

99,500,000

Proceeds from premium on bonds

6,941,186

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

\$ 794,540,797

CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
General government:				
Mayor's office	\$ 983,308	\$ 983,308	\$ 950,406	\$ 32,902
Central grants	642,970	642,970	395,784	247,186
Finance divisions	6,163,358	6,163,358	5,285,876	877,482
Registrar of voters	860,438	860,438	918,426	(57,988)
City clerk	496,634	496,634	442,826	53,808
City attorney	5,679,139	5,679,140	6,004,876	(325,736)
Archives and records	14,580	14,580	13,390	1,190
Civil service	992,470	992,470	817,613	174,857
Labor relations/benefits/pensions	24,429,985	24,429,986	20,534,824	3,895,162
Town Clerk	847,619	847,619	810,357	37,262
Legislative department	287,446	287,446	157,469	129,977
Office of policy and management	749,002	749,002	668,795	80,207
Ethics commission	3,089	3,089		3,089
Chief administrative officer	1,152,581	1,152,581	1,033,824	118,757
Information technology service	3,979,258	3,979,257	3,845,017	134,240
Minority business enterprise office	260,632	260,632	202,441	58,191
Citistat	14,339	14,339		14,339
Total general government	<u>47,556,848</u>	<u>47,556,849</u>	<u>42,081,924</u>	<u>5,474,925</u>
Public Safety:				
Police department	103,735,665	103,737,665	103,109,182	628,483
Fire department	64,343,536	64,343,536	62,563,498	1,780,038
Weights and measures	168,503	168,503	167,726	777
Emergency Operation Center	5,987,884	5,987,884	5,452,377	535,507
Total public safety	<u>174,235,588</u>	<u>174,237,588</u>	<u>171,292,783</u>	<u>2,944,805</u>
Public facilities:				
Airport	1,314,057	1,314,057	1,326,269	(12,212)
Engineering	914,169	914,169	739,193	174,976
Harbor master	194,064	194,064	859	193,205
Maintenance	11,625,238	11,625,238	11,488,364	136,874
Municipal garage	2,617,101	2,617,101	2,344,445	272,656
Public facilities administration	16,025,967	16,025,967	14,296,360	1,729,607
Roadway	4,526,464	4,526,464	5,195,424	(668,960)
Sanitation	5,681,677	5,681,677	5,984,694	(303,017)
Transfer station	1,929,753	1,929,753	1,792,945	136,808
Recreation	1,282,707	1,282,707	1,070,878	211,829
Department on aging	535,900	535,900	504,906	30,994
Parks administration	307,713	307,713	312,455	(4,742)
Parks	2,480,931	2,480,931	2,614,980	(134,049)
Zoo	1,558,474	1,558,474	1,506,197	52,277
Golf course	1,604,948	1,604,948	1,560,049	44,899
Total public facilities	<u>52,599,163</u>	<u>52,599,163</u>	<u>50,738,018</u>	<u>1,861,145</u>

(Continued on next page)

CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Planning and Economic Development:				
OPED administration	\$ 9,344,315	\$ 9,344,315	\$ 8,111,798	\$ 1,232,517
Building department	1,687,248	1,687,248	1,486,221	201,027
Zoning board of appeals	100,167	100,167	98,646	1,521
Zoning commission	710,464	710,464	633,157	77,307
Total planning and economic development	<u>11,842,194</u>	<u>11,842,194</u>	<u>10,329,822</u>	<u>1,512,372</u>
Health and social services:				
Health and social services administration	363,917	363,917	454,051	(90,134)
Vital statistics	403,533	403,533	409,463	(5,930)
Communicable disease clinic	376,269	375,999	356,602	19,397
Environmental health	826,633	826,633	626,949	199,684
Housing code enforcement	690,404	690,404	674,048	16,356
Lead prevention program	168,538	168,537	181,965	(13,428)
Human services administration	160,582	160,582	135,219	25,363
Persons with disabilities	82,292	82,293	90,429	(8,136)
Veterans' affairs	178,740	179,010	173,051	5,959
Lighthouse/Youth services	1,560,964	1,560,964	1,445,772	115,192
Social services	250,994	250,994	200,053	50,941
Total health and social services	<u>5,062,866</u>	<u>5,062,866</u>	<u>4,747,602</u>	<u>315,264</u>
Libraries	5,713,859	5,713,859	5,713,859	-
Special services:				
Other financing uses	4,860,215	4,860,215	508,719	4,351,496
Supportive contributions	493,275	493,275	369,319	123,956
Citywide memberships	40,000	40,000	39,332	668
Debt service	3,985,000	3,985,000	1,276,793	2,708,207
Total special services	<u>9,378,490</u>	<u>9,378,490</u>	<u>2,194,163</u>	<u>7,184,327</u>
Education:				
Schools	202,008,471	227,716,982	227,716,980	2
Food services	15,739,380	15,738,903	15,582,769	156,134
Board of education debt service	17,462,001	17,462,001	16,673,108	788,893
Total education	<u>235,209,852</u>	<u>260,917,886</u>	<u>259,972,857</u>	<u>945,029</u>
Total Expenditures and Other Financing Uses	\$ <u>541,598,860</u>	\$ <u>567,308,895</u>	547,071,028	\$ <u>20,237,867</u>

Budgetary expenditures are different than GAAP expenditures because:

On-behalf payments to the Connecticut State Teachers'

Retirement System for Town teachers are not budgeted:

Pension

47,533,908

OPEB

4,901,992

The Board of Education does not budget for excess cost, magnet schools and vocational agriculture payments made by the State Department of Education, which are credited against expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.

6,869,379

Payment to MERS

98,582,467

Payment to escrow agent for refunding bonds

85,928,224

Bond refunding costs not budgeted by the City

1,905,495

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

\$ 792,792,493

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Interest	\$ 20,016,198	\$ 21,842,806	\$ 23,461,582	\$ 22,225,409	\$ 24,079,006
Differences between expected and actual experience	2,240,514	(6,996,385)	(3,217,484)	13,730,638	(22,337,660)
Changes of assumptions	(5,782,705)	(439,229)	(12,438,135)	54,487,379	(22,732,874)
Benefit payments, including refunds of member contributions	<u>(29,397,737)</u>	<u>(30,424,274)</u>	<u>(31,895,360)</u>	<u>(33,838,820)</u>	<u>(30,964,004)</u>
Net change in total pension liability	(12,923,730)	(16,017,082)	(24,089,397)	56,604,606	(51,955,532)
Total pension liability - beginning	<u>311,235,137</u>	<u>327,252,219</u>	<u>351,341,616</u>	<u>294,737,010</u>	<u>346,692,542</u>
Total pension liability - ending	<u>298,311,407</u>	<u>311,235,137</u>	<u>327,252,219</u>	<u>351,341,616</u>	<u>294,737,010</u>
Plan fiduciary net position:					
Contributions - employer	15,600,000	15,944,213	15,488,177	11,407,599	11,600,000
Contributions - member				12,334	143,974
Net investment income (loss)	6,039,520	8,866,020	(4,940,329)	778,674	15,837,803
Benefit payments, including refunds of member contributions	<u>(29,397,737)</u>	<u>(30,424,274)</u>	<u>(31,895,360)</u>	<u>(33,838,820)</u>	<u>(30,964,004)</u>
Net change in plan fiduciary net position	(7,758,217)	(5,614,041)	(21,347,512)	(21,640,213)	(3,382,227)
Plan fiduciary net position - beginning	<u>71,029,447</u>	<u>76,643,488</u>	<u>97,991,000</u>	<u>119,631,213</u>	<u>123,013,440</u>
Plan fiduciary net position - ending	<u>63,271,230</u>	<u>71,029,447</u>	<u>76,643,488</u>	<u>97,991,000</u>	<u>119,631,213</u>
Net Pension Liability - Ending	<u>\$ 235,040,177</u>	<u>\$ 240,205,690</u>	<u>\$ 250,608,731</u>	<u>\$ 253,350,616</u>	<u>\$ 175,105,797</u>
Plan fiduciary net position as a percentage of the total pension liability	21.21%	22.82%	23.42%	27.89%	40.59%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Benefit changes: None

Assumption changes:

Cost of living adjustment	2.25%	2.50%	2.50%	3.00% - Fire 2.50% - Police	3.00% - Fire 2.50% - Police
Inflation	2.00%	2.00%	2.00%	2.30%	2.60%
Investment rate of return	6.75%	6.75%	7.00%	7.00%	8.00%
Discount rate	6.75%	6.75%	7.00%	7.00%	8.00%
Mortality:					
RP-2014 (adjusted back to 2006) projected generationally with scale MP-2017.	**				
RP - 2014 (adjusted back to 2006), projected generationally with Scale MP-2016.		**	**		
RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2015.				**	
RP-2000 Combined Healthy Mortality, projected generationally with Scale AA					**

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

** Applicable for that particular year

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Interest	\$ 4,537,651	\$ 4,212,914	\$ 4,622,718	\$ 4,100,080	\$ 4,435,830
Differences between expected and actual experience	1,411,913	(3,470,389)	715,864	7,644,858	(991,025)
Changes of assumptions	(18,929,991)	(20,849,995)	16,313,199	10,329,185	(6,081,926)
Benefit payments, including refunds of member contributions	(4,607,436)	(4,460,565)	(4,901,990)	(3,839,612)	(3,804,480)
Net change in total pension liability	(17,587,863)	(24,568,035)	16,749,791	18,234,511	(6,441,601)
Total pension liability - beginning	95,671,030	120,239,065	103,489,274	85,254,763	91,696,364
Total pension liability - ending	78,083,167	95,671,030	120,239,065	103,489,274	85,254,763
Plan fiduciary net position:					
Contributions - employer	1,850,000	2,002,000			
Contributions - member				44,368	181,840
Net investment income	5,386,091	6,698,898	176,428	427,232	9,633,316
Benefit payments, including refunds of member contributions	(4,607,436)	(4,330,048)	(4,901,990)	(3,839,612)	(3,852,737)
Administrative expense		(130,517)		(305,157)	(215,762)
Net change in plan fiduciary net position	2,628,655	4,240,333	(4,725,562)	(3,673,169)	5,746,657
Plan fiduciary net position - beginning	60,766,256	56,525,923	61,251,485	64,924,654	59,177,997
Plan fiduciary net position - ending	63,394,911	60,766,256	56,525,923	61,251,485	64,924,654
Net Pension Liability - Ending	\$ 14,688,256	\$ 34,904,774	\$ 63,713,142	\$ 42,237,789	\$ 20,330,109
Plan fiduciary net position as a percentage of the total pension liability	81.19%	63.52%	47.01%	59.19%	76.15%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A
<u>Notes to Schedule:</u>					
Benefit changes: None					
Assumption changes:					
Cost of living adjustment	2.25%	2.50%	2.50%	2.50%	2.50%
Inflation	2.00%	2.00%	2.00%	2.30%	2.60%
Investment rate of return	6.25%	6.25%	6.25%	6.25%	5.50%
Discount rate	6.25%	4.86%	3.57%	4.58%	4.92%
Mortality:					
RP-2014 (adjusted back to 2006) projected generationally with scale MP-2017.	**				
RP - 2014 (adjusted back to 2006), projected generationally with Scale MP-2016.		**	**		
RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2015.				**	
RP-2000 Combined Healthy Mortality, projected generationally with Scale AA					**

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

** Applicable for that particular year

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
FIREFIGHTERS' RETIREMENT PLAN B
LAST FIVE FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Interest	\$ 2,287,399	\$ 2,199,953	\$ 2,476,699	\$ 2,281,088	\$ 2,283,352
Differences between expected and actual experience	(203,834)	(945,182)	(850,563)	130,083	(133,251)
Changes of assumptions	(1,286,736)	(6,714,794)	(1,461,547)	1,779,805	63,339
Benefit payments, including refunds of member contributions	<u>(2,242,657)</u>	<u>(2,348,288)</u>	<u>(2,207,398)</u>	<u>(2,171,567)</u>	<u>(2,170,390)</u>
Net change in total pension liability	(1,445,828)	(7,808,311)	(2,042,809)	2,019,409	43,050
Total pension liability - beginning	<u>37,719,720</u>	<u>45,528,031</u>	<u>47,570,840</u>	<u>45,551,431</u>	<u>45,508,381</u>
Total pension liability - ending	<u>36,273,892</u>	<u>37,719,720</u>	<u>45,528,031</u>	<u>47,570,840</u>	<u>45,551,431</u>
Plan fiduciary net position:					
Contributions - employer	180,000	302,100			
Net investment income (loss)	2,312,510	3,416,479	(285,465)	942,785	5,310,728
Benefit payments, including refunds of member contributions	(2,242,657)	(2,348,288)	(2,207,398)	(2,171,567)	(2,170,390)
Administrative expense				(4,879)	(23,230)
Net change in plan fiduciary net position	<u>249,853</u>	<u>1,370,291</u>	<u>(2,492,863)</u>	<u>(1,233,661)</u>	<u>3,117,108</u>
Plan fiduciary net position - beginning	<u>37,073,073</u>	<u>35,702,782</u>	<u>38,195,645</u>	<u>39,429,306</u>	<u>36,312,198</u>
Plan fiduciary net position - ending	<u>37,322,926</u>	<u>37,073,073</u>	<u>35,702,782</u>	<u>38,195,645</u>	<u>39,429,306</u>
Net Pension Liability (Asset) - Ending	<u>\$ (1,049,034)</u>	<u>\$ 646,647</u>	<u>\$ 9,825,249</u>	<u>\$ 9,375,195</u>	<u>\$ 6,122,125</u>
Plan fiduciary net position as a percentage of the total pension liability	102.89%	98.29%	78.42%	80.29%	86.56%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A
Notes to Schedule:					
Benefit changes: None					
Assumption changes:					
Cost of living adjustment	2.25%	2.50%	2.50%	3.00%	3.00%
Inflation	2.00%	2.00%	2.00%	2.30%	2.60%
Investment rate of return	6.25%	6.25%	6.25%	6.25%	5.50%
Discount rate	6.25%	6.25%	4.96%	5.33%	5.13%
Mortality:					
RP-2014 (adjusted back to 2006) projected generationally with scale MP-2017.	**				
RP - 2014 (adjusted back to 2006), projected generationally with Scale MP-2016.		**	**		
RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2015.				**	
RP-2000 Combined Healthy Mortality, projected generationally with Scale AA					**

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

** Applicable for that particular year

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Interest	\$ 283,618	\$ 256,507	\$ 315,328	\$ 361,880	\$ 401,794
Differences between expected and actual experience	(1,338,204)		(115,639)		
Changes of assumptions	(155,488)	(652,369)	1,270,097	330,555	226,706
Benefit payments, including refunds of member contributions	(632,714)	(731,496)	(796,380)	(861,495)	(889,803)
Net change in total pension liability	(1,842,788)	(1,127,358)	673,406	(169,060)	(261,303)
Total pension liability - beginning	8,238,640	9,365,998	8,692,592	8,861,652	9,122,955
Total pension liability - ending	<u>6,395,852</u>	<u>8,238,640</u>	<u>9,365,998</u>	<u>8,692,592</u>	<u>8,861,652</u>
Plan fiduciary net position:					
Contributions - employer	632,714	731,496	796,380	861,495	889,803
Benefit payments, including refunds of member contributions	(632,714)	(731,496)	(796,380)	(861,495)	(889,803)
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	3,433	3,433	3,433	3,433	3,433
Plan fiduciary net position - ending	<u>3,433</u>	<u>3,433</u>	<u>3,433</u>	<u>3,433</u>	<u>3,433</u>
Net Pension Liability - Ending	<u>\$ 6,392,419</u>	<u>\$ 8,235,207</u>	<u>\$ 9,362,565</u>	<u>\$ 8,689,159</u>	<u>\$ 8,858,219</u>
Plan fiduciary net position as a percentage of the total pension liability	0.05%	0.04%	0.04%	0.04%	0.04%
Covered payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A
<u>Notes to Schedule:</u>					
Benefit changes: None					
Assumption changes:					
Investment rate of return	3.87%	3.58%	2.85%	3.80%	4.29%
Discount rate	3.87%	3.58%	2.85%	3.80%	4.29%
Mortality:					
RP-2014 (adjusted back to 2006) projected generationally with scale MP-2017.	**	**			
RP - 2014 (adjusted back to 2006), projected generationally with Scale MP-2016.			**		
UP 1994 Projected with Scale AA to 2015				**	**

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

** Applicable for that particular year

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 15,596,475	\$ 15,945,203	\$ 15,488,177	\$ 11,407,599	\$ 12,623,967	\$ 11,554,504	\$ 9,794,368	\$ 13,556,622	\$ 12,352,193	\$ 9,621,019
Contributions in relation to the actuarially determined contribution	<u>15,600,000</u>	<u>15,944,213</u>	<u>15,488,177</u>	<u>11,407,599</u>	<u>11,600,000</u>	<u>10,500,000</u>	<u>7,000,000</u>	<u>5,000,000</u>	<u>4,726,098</u>	<u>8,219,906</u>
Contribution Deficiency (Excess)	\$ <u>(3,525)</u>	\$ <u>990</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,023,967</u>	\$ <u>1,054,504</u>	\$ <u>2,794,368</u>	\$ <u>8,556,622</u>	\$ <u>7,626,095</u>	\$ <u>1,401,113</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	\$ 1,675,494	\$ 2,076,760	\$ 2,556,092	\$ 2,551,393	\$ 3,069,756
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	626.68%	337.06%	195.61%	185.24%	267.77%

Notes to Schedule:

Valuation date: June 30, 2018

Measurement date: June 30, 2018

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method: N/A. All participants are inactive.

Amortization method: Closed, increasing 5% per year

Remaining amortization period: 19 years as of June 30, 2017

Asset valuation method: Market value

Actuarial assumptions:

Investment rate of return: 6.75 %

Inflation: 2.0%

Salary increases: N/A

Cost of living adjustment: 2.25%

Mortality: RP - 2014 (adjusted back to 2006), projected generationally with Scale MP-2017. (MP-2016 in prior year)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 1,611,277	\$ 2,099,288	\$ 2,002,083	\$ 1,333,325	\$ 1,851,758	\$ 7,792,559	\$ 6,314,039	\$ 5,351,197	\$ 3,544,117	\$ 4,481,341
Contributions in relation to the actuarially determined contribution	<u>1,850,000</u>	<u>2,002,000</u>				<u>5,895,224</u>	<u>5,474,826</u>	<u>6,176,243</u>	<u>3,396,479</u>	<u>4,340,150</u>
Contribution Deficiency (Excess)	\$ <u>(238,723)</u>	\$ <u>97,288</u>	\$ <u>2,002,083</u>	\$ <u>1,333,325</u>	\$ <u>1,851,758</u>	\$ <u>1,897,335</u>	\$ <u>839,213</u>	\$ <u>(825,046)</u>	\$ <u>147,638</u>	\$ <u>141,191</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$ 26,876,411	\$ 25,620,273	\$ 24,796,942	\$ 23,937,171
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	20.37%	24.11%	13.70%	18.13%

Notes to Schedule:

Valuation date: June 30, 2018
 Measurement date: June 30, 2018
 Valuation timing: Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method: N/A. All participants are inactive.
 Amortization method: Closed level dollar for remaining unfunded liability
 Remaining amortization period: 20 years as of June 30, 2018
 Asset valuation method: Market value of assets.
 Actuarial assumptions:
 Investment rate of return: 6.25%
 Inflation: 2.0%
 Salary increases: N/A
 Cost of living adjustment: 2.25%, 2.5% in the prior year
 Mortality: RP - 2014 (adjusted back to 2006), projected generationally with Scale MP-2017. (MP-2016 in prior year)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 56,129	\$ 239,304	\$ 310,155	\$ 515,442	\$ 518,934	\$	\$ 4,300,169	\$ 3,936,546	\$ 3,350,909	\$ 2,505,264
Contributions in relation to the actuarially determined contribution	<u>180,000</u>	<u>302,100</u>					<u>2,939,362</u>	<u>4,207,055</u>	<u>3,301,504</u>	<u>2,434,658</u>
Contribution Deficiency (Excess)	\$ <u>(123,871)</u>	\$ <u>(62,796)</u>	\$ <u>310,155</u>	\$ <u>515,442</u>	\$ <u>518,934</u>	\$ <u>-</u>	\$ <u>1,360,807</u>	\$ <u>(270,509)</u>	\$ <u>49,405</u>	\$ <u>70,606</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$ 15,917,577	\$ 16,162,733	15,814,641	\$ 16,017,719
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	18.47%	26.03%	20.88%	15.20%

Notes to Schedule:

Valuation date: June 30, 2018

Measurement date: June 30, 2018

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method: N/A. All participants are inactive.

Amortization method: Closed level dollar for remaining unfunded liability

Remaining amortization period: 20 years as of June 30, 2018

Asset valuation method: Market value of assets

Actuarial assumptions:

Investment rate of return: 6.25%

Inflation: 2.0%

Salary increases: N/A

Cost of living adjustment: 2.25%, 2.5% in the prior year

Mortality: RP - 2014 (adjusted back to 2006), projected generationally with Scale MP-2017. (MP-2016 in prior year)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 750,996	\$ 769,368	\$ 818,100	\$ 836,026	\$ 873,475	\$ 892,501	\$ 894,791	\$ 906,091	\$ 877,018	\$ 877,018
Contributions in relation to the actuarially determined contribution	<u>632,714</u>	<u>731,496</u>	<u>796,380</u>	<u>861,495</u>	<u>889,803</u>	<u>936,328</u>	<u>914,418</u>	<u>891,196</u>	<u>985,409</u>	<u>1,031,635</u>
Contribution Deficiency (Excess)	\$ <u>118,282</u>	\$ <u>37,872</u>	\$ <u>21,720</u>	\$ <u>(25,469)</u>	\$ <u>(16,328)</u>	\$ <u>(43,827)</u>	\$ <u>(19,627)</u>	\$ <u>14,895</u>	\$ <u>(108,391)</u>	\$ <u>(154,617)</u>
Covered payroll	N/A	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Valuation date: June 30, 2018

Measurement date: June 30, 2018

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method: N/A. All participants are inactive.

Amortization method: None

Remaining amortization period: N/A

Asset valuation method: Market Value

Actuarial assumptions:

Cost of living adjustment: 3%

Salary increases: N/A

Investment rate of return: 3.87%; previously 3.58%

Retirement age: N/A

Mortality: RP-2014 (adjusted back to 2006), projected generationally with Scale MP-2017

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

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense:					
Public Safety Plan A	9.42%	12.77%	-5.52%	0.72%	14.26%
Police Retirement Plan B	9.07%	12.11%	0.30%	0.68%	16.82%
Firefighters' Retirement Plan B	6.42%	9.85%	-0.77%	2.46%	15.11%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	<u>410,941,334</u>	<u>433,546,254</u>	<u>329,265,255</u>	<u>304,339,743</u>
Total	<u>\$ 410,941,334</u>	<u>\$ 433,546,254</u>	<u>\$ 329,265,255</u>	<u>\$ 304,339,743</u>
City's covered payroll	\$ 102,610,561	\$ 124,591,491	\$ 120,969,490	\$ 118,922,621
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

Notes to Schedule:

Changes in benefit terms	None
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015. During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	20.4 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.50%, net of investment related expense

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u> <u>(as Restated)</u>
City's proportion of the net pension liability	15.14%	18.69%	16.21%	2.98%
City's proportionate share of the net pension liability	\$ 37,584,211	\$ 62,160,092	\$ 31,237,539	\$ 2,935,498
City's covered payroll	\$ 154,745,655	\$ 146,586,378	\$ 145,741,934	\$ 139,687,029
City's proportionate share of the net pension liability as a percentage of its covered payroll	24.29%	42.41%	21.43%	2.10%
Plan fiduciary net position as a percentage of the total pension liability	91.68%	88.29%	92.72%	90.48%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

Notes to Schedule:

Changes in benefit terms	None
Changes of assumptions	During 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2012.
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	24 years
Asset valuation method	5 years smoothed market (20% write up)

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 21,545,140	\$ 22,690,385	\$ 22,169,395	\$ 24,404,803	\$ 20,033,088	\$ 12,847,194	\$ 9,589,103	\$ 7,199,397	\$ 5,559,696	\$ 5,243,868
Contributions in relation to the actuarially determined contribution	21,545,140	22,690,385	22,169,395	24,404,803	20,033,088	12,847,194	9,589,103	7,199,397	5,559,696	5,243,868
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 149,864,951	\$ 154,745,655	\$ 146,586,378	\$ 145,741,934	\$ 139,687,029	\$ 110,276,343	\$ 82,309,897	\$ 75,783,126	\$ 79,424,228	\$ 74,912,400
Contributions as a percentage of covered payroll	14.38%	14.66%	15.12%	16.75%	14.34%	11.65%	11.65%	9.50%	7.00%	7.00%

Notes to Schedule:

Valuation date: June 30, 2016
 Measurement date: June 30, 2017
 Actuarially determined contribution rates are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age
 Amortization method: Level dollar, closed
 Single equivalent amortization period: 24 years
 Asset valuation method: 5 years smoothed market (20% write up)
 Inflation: 3.25%
 Salary increases: 4.25% - 11%, including inflation
 Investment rate of return: 8%, net of investment related expense
 Changes in assumptions: In 2013, rates of mortality, withdrawal, retirement and assumed rates of salary increases were adjusted to more closely reflect actual and anticipated experience.

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND
LAST FISCAL YEAR***

	<u>2018</u>
Total OPEB liability:	
Service cost	\$ 25,759,877
Interest	34,443,682
Change of benefit terms	
Differences between expected and actual experience	
Changes of assumptions	(40,814,162)
Benefit payments, including refunds of member contributions	<u>(27,090,667)</u>
Net change in total OPEB liability	(7,701,270)
Total OPEB liability - beginning	<u>949,780,361</u>
Total OPEB liability - ending	<u>942,079,091</u>
Plan fiduciary net position:	
Contributions - employer	27,190,667
Net investment income	13
Benefit payments, including refunds of member contributions	<u>(27,090,667)</u>
Net change in plan fiduciary net position	100,013
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending	<u>100,013</u>
Net OPEB Liability - Ending	<u>\$ 941,979,078</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.01%
Covered-employee payroll	\$ 245,409,264
Net OPEB liability as a percentage of covered-employee payroll	383.84%

Notes to Schedule:

Assumption changes:

Discount rate 3.87%; prior: 3.58%

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 83,170,106	\$ 61,998,950	\$ 71,905,518	\$ 70,570,886	\$ 51,062,573	\$ 47,743,386	\$ 61,100,372	\$ 57,100,111	\$ 54,129,700	\$ 50,744,800
Contributions in relation to the actuarially determined contribution	<u>27,190,667</u>	<u>29,153,378</u>	<u>31,891,398</u>	<u>33,345,101</u>	<u>28,451,770</u>	<u>25,803,694</u>	<u>33,074,646</u>	<u>29,617,984</u>	<u>31,942,500</u>	<u>30,099,100</u>
Contribution Deficiency (Excess)	<u>\$ 55,979,439</u>	<u>\$ 32,845,572</u>	<u>\$ 40,014,120</u>	<u>\$ 37,225,785</u>	<u>\$ 22,610,803</u>	<u>\$ 21,939,692</u>	<u>\$ 28,025,726</u>	<u>\$ 27,482,127</u>	<u>\$ 22,187,200</u>	<u>\$ 20,645,700</u>
Covered-employee payroll	\$ 245,409,264	\$ 245,409,264	\$ 236,179,686	\$ 236,179,686	\$ 221,438,910	\$ 221,438,910	\$ 180,948,566	\$ 180,948,566	\$ 221,789,000	\$ 221,789,000
Contributions as a percentage of covered-employee payroll	11.08%	11.88%	13.50%	14.12%	12.85%	11.65%	18.28%	16.37%	14.40%	13.57%

Notes to Schedule:

Valuation date: July 1, 2016
 Measurement date: June 30, 2018
 Valuation timing: Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age Normal
 Amortization method: Level percent of payroll
 Remaining amortization period: 30 years, open
 Asset valuation method: Fair value
 Actuarial assumptions:
 Investment rate of return: 2.85%
 Healthcare cost trend rate:
 Inflation: 3.00%
 Salary increases: 5.50%
 Mortality: RP - 2014 Headcount-Weighted Combined Healthy Mortality Table projected generationally from the central year using Scale MP-2016

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND
LAST FISCAL YEAR***

2018

Annual money-weighted rate of return, net of investment expense:

0.00%

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

	<u>2018</u>
City's proportion of the net pension liability	0.00%
City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>105,771,643</u>
Total	<u>\$ 105,771,643</u>
City's covered payroll	\$ 102,610,561
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	1.79%

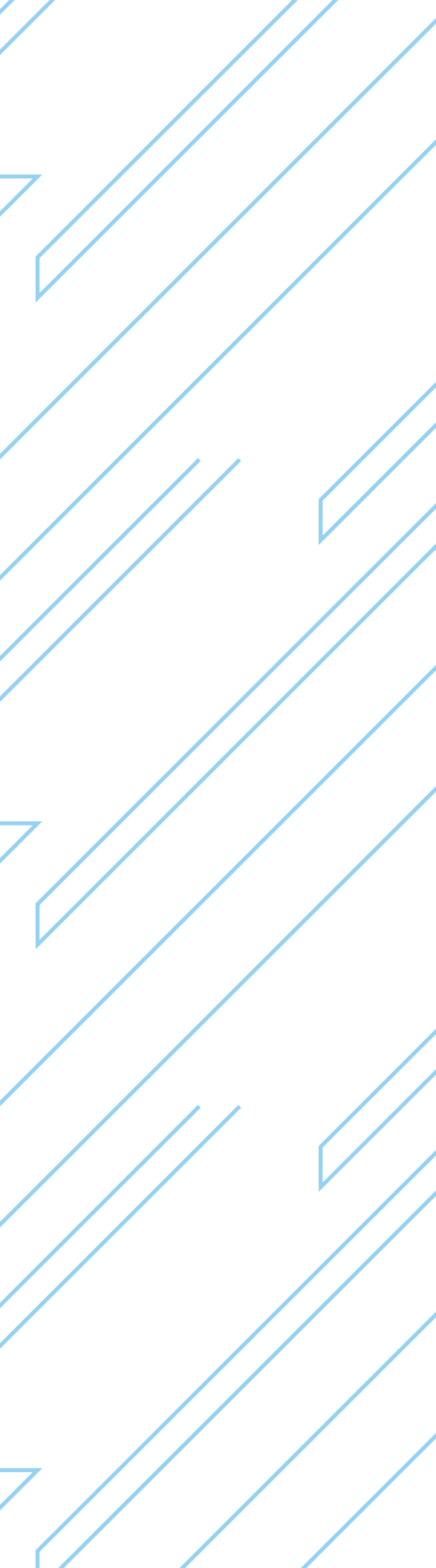
Notes to Schedule:

Changes in benefit terms	None
Changes of assumptions	The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate. Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations. As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.



**COMBINING AND
INDIVIDUAL FUND
STATEMENTS AND
SCHEDULES**



General Fund

GENERAL FUND

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

**CITY OF BRIDGEPORT, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 52,629,762	\$ 43,584,338
Receivables:		
Property taxes, net of allowance for uncollectible amounts of \$17,979,872 in 2018 and \$18,451,586 in 2017	34,832,890	31,619,916
Intergovernmental	24,530,292	26,679,602
Other	1,715,163	1,505,944
Due from other funds	8,667,330	20,080,303
Other assets		350,000
Total Assets	<u>\$ 122,375,437</u>	<u>\$ 123,820,103</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts and other payables	\$ 26,092,232	\$ 25,231,021
Accrued liabilities	19,231,684	16,496,345
Due to other funds	6,324,322	18,778,076
Unearned revenue	2,456,178	642,165
Notes payable	13,000,000	10,000,000
Total liabilities	<u>67,104,416</u>	<u>71,147,607</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	34,256,588	31,096,448
Unavailable revenue - school construction		2,309,919
Total deferred inflows of resources	<u>34,256,588</u>	<u>33,406,367</u>
Fund Balances:		
Nonspendable		350,000
Unassigned	21,014,433	18,916,129
Total fund balances	<u>21,014,433</u>	<u>19,266,129</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 122,375,437</u>	<u>\$ 123,820,103</u>

**CITY OF BRIDGEPORT, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2018**

Grand List Year	Balance Uncollected July 1, 2017	Current Levy	Net Adjustments	Transfers to Suspense	Adjusted Taxes Collectible	Collections				Balance Uncollected June 30, 2018
						Taxes	Interest	Lien Fees	Total	
2002	\$ 1,705,866		\$ (8,274)	\$ (6,666)	\$ 1,690,926	\$ 10,027	\$ 38,508	\$ 237	\$ 48,772	\$ 1,680,899
2003	1,000,547		(7,349)	(6,776)	986,422	6,753	17,987	184	24,924	979,669
2004	1,272,954		(9,232)	(2,852)	1,260,870	10,464	22,988	196	33,648	1,250,406
2005	1,447,280		(22,666)	(2,585)	1,422,029	11,673	24,423	365	36,461	1,410,356
2006	1,836,854		(26,218)	(3,715)	1,806,921	7,185	18,405	144	25,734	1,799,736
2007	2,792,236		(35,152)	(39,115)	2,717,969	17,335	27,896	290	45,521	2,700,634
2008	2,154,817		(202,181)	(16,640)	1,935,996	(124,656)	36,810	426	(87,420)	2,060,652
2009	2,301,819		(39,685)	(42,659)	2,219,475	47,884	66,044	482	114,410	2,171,591
2010	2,289,174		(38,900)	(267,476)	1,982,798	18,612	(52,453)	364	(33,477)	1,964,186
2011	2,343,145		(13,905)	(273,047)	2,056,193	49,764	(28,143)	559	22,180	2,006,429
2012	2,341,364		(6,797)	(276,000)	2,058,567	54,959	(37,745)	293	17,507	2,003,608
2013	1,996,635		42,729	(8,833)	2,030,531	182,115	57,110	1,015	240,240	1,848,416
2014	2,355,953		88,381	(5,014)	2,439,320	406,479	107,053	2,595	516,127	2,032,841
2015	3,635,259		(336,531)	(2,784)	3,295,944	795,207	201,447	15,947	1,012,601	2,500,737
2016		321,855,305	(8,599,541)	(2,209)	313,253,555	308,782,170	1,859,938	112,987	310,755,095	4,471,385
	<u>\$ 29,473,903</u>	<u>\$ 321,855,305</u>	<u>\$ (9,215,321)</u>	<u>\$ (956,371)</u>	<u>\$ 341,157,516</u>	<u>\$ 310,275,971</u>	<u>\$ 2,360,268</u>	<u>\$ 136,084</u>	<u>\$ 312,772,323</u>	<u>\$ 30,881,545</u>



Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

Facility and Miscellaneous Fund - is used to account for state and local grants for such programs as Veteran Affairs and Light House programs; School Security and other special revenue projects.

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

**CITY OF BRIDGEPORT, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds								
	Health and Sanitation	Public Safety	Facility and Miscellaneous	Social Services	Community Development Block Grant	Housing Opportunities AIDS	HOME Program	Section 108 Loan Guarantee	Development Administration State Grant
ASSETS									
Cash and cash equivalents	\$	\$ 869,176	\$ 3,273,050	\$	\$ 36,822	\$ 499,897	\$ 526,761	\$ 294,599	\$ 2,137,763
Investments									
Receivables:									
Intergovernmental	205,233	4,495,147	31,133	7,871	466,234	1,023,005	132,732	459,737	122,875
Other							577,522		
Due from other funds	687,440		202,315	485,411	48,401				4,130
Total Assets	<u>\$ 892,673</u>	<u>\$ 5,364,323</u>	<u>\$ 3,506,498</u>	<u>\$ 493,282</u>	<u>\$ 551,457</u>	<u>\$ 1,522,902</u>	<u>\$ 1,237,015</u>	<u>\$ 754,336</u>	<u>\$ 2,264,768</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and other liabilities	\$ 39,924	\$ 236,574	\$ 31,141	\$ 252,028	\$ 249,694	\$ 169,575	\$ 234,560	\$ 32,178	\$ 50,189
Accrued payroll liabilities	13,659			2,281	27,929	519	1,405		
Due to other funds		4,641,675	2,714,423	202,315		1,192,417	742,023	722,158	1,158,282
Unearned revenues	610,615	378,609	48,758	36,658	19,433	9,800	419		
Total liabilities	<u>664,198</u>	<u>5,256,858</u>	<u>2,794,322</u>	<u>493,282</u>	<u>297,056</u>	<u>1,372,311</u>	<u>978,407</u>	<u>754,336</u>	<u>1,208,471</u>
Fund Balances:									
Restricted	228,475	107,465	712,176		254,401	150,591	258,608		1,056,297
Committed									
Total fund balances	<u>228,475</u>	<u>107,465</u>	<u>712,176</u>	<u>-</u>	<u>254,401</u>	<u>150,591</u>	<u>258,608</u>	<u>-</u>	<u>1,056,297</u>
Total Liabilities and Fund Balances	<u>\$ 892,673</u>	<u>\$ 5,364,323</u>	<u>\$ 3,506,498</u>	<u>\$ 493,282</u>	<u>\$ 551,457</u>	<u>\$ 1,522,902</u>	<u>\$ 1,237,015</u>	<u>\$ 754,336</u>	<u>\$ 2,264,768</u>

(Continued on next page)

**CITY OF BRIDGEPORT, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds					Capital Projects		Interfund Eliminations	Total Nonmajor Governmental Funds	
	Library	Library Operations	Education	Miscellaneous Grants	General Government	Library	Education Scholarships			
ASSETS										
Cash and cash equivalents	\$ 535,281	\$	\$ 233,143	\$	\$	\$ 477,648	\$ 107,960	\$ 5,843	\$	\$ 8,997,943
Investments	1,469,989									1,469,989
Receivables:										
Intergovernmental										6,943,967
Other										577,522
Due from other funds	<u>3,647</u>	<u>1,072,377</u>		<u>49,391</u>	<u>267,371</u>		<u>768</u>		<u>(206,445)</u>	<u>2,614,806</u>
Total Assets	<u>\$ 2,008,917</u>	<u>\$ 1,072,377</u>	<u>\$ 233,143</u>	<u>\$ 49,391</u>	<u>\$ 267,371</u>	<u>\$ 477,648</u>	<u>\$ 108,728</u>	<u>\$ 5,843</u>	<u>\$ (206,445)</u>	<u>\$ 20,604,227</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable and other liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,295,863
Accrued payroll liabilities										45,793
Due to other funds									(206,445)	11,166,848
Unearned revenues										1,104,292
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(206,445)</u>	<u>13,612,796</u>
Fund Balances:										
Restricted				49,391		477,648	108,728			3,403,780
Committed	<u>2,008,917</u>	<u>1,072,377</u>	<u>233,143</u>		<u>267,371</u>			<u>5,843</u>		<u>3,587,651</u>
Total fund balances	<u>2,008,917</u>	<u>1,072,377</u>	<u>233,143</u>	<u>49,391</u>	<u>267,371</u>	<u>477,648</u>	<u>108,728</u>	<u>5,843</u>	<u>-</u>	<u>6,991,431</u>
Total Liabilities and Fund Balances	<u>\$ 2,008,917</u>	<u>\$ 1,072,377</u>	<u>\$ 233,143</u>	<u>\$ 49,391</u>	<u>\$ 267,371</u>	<u>\$ 477,648</u>	<u>\$ 108,728</u>	<u>\$ 5,843</u>	<u>\$ (206,445)</u>	<u>\$ 20,604,227</u>

**CITY OF BRIDGEPORT, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue								
	Health and Sanitation	Public Safety	Facility and Miscellaneous	Social Services	Community Development Block Grant	Housing Opportunities AIDS	HOME Program	Section 108 Loan Guarantee	Development Administration State Grant
Revenues:									
Intergovernmental	\$ 5,098	\$ 5,180,642	\$ 1,269,792	\$ 1,161,457	\$ 881,778	\$ 776,759	\$ 195,576	\$ -	\$ 131,293
Interest		4,414	26,125						12,514
Other	523,622	133,294	39,238	60,347					202,450
Total revenues	<u>528,720</u>	<u>5,318,350</u>	<u>1,335,155</u>	<u>1,221,804</u>	<u>881,778</u>	<u>776,759</u>	<u>195,576</u>	<u>-</u>	<u>346,257</u>
Expenditures:									
General government								579,500	
Health and social services	574,245					447,799			
Libraries									
Education									
Special services		4,486,996	1,671,131	1,228,044	1,240,138		239,533		364,159
Total expenditures	<u>574,245</u>	<u>4,486,996</u>	<u>1,671,131</u>	<u>1,228,044</u>	<u>1,240,138</u>	<u>447,799</u>	<u>239,533</u>	<u>579,500</u>	<u>364,159</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(45,525)</u>	<u>831,354</u>	<u>(335,976)</u>	<u>(6,240)</u>	<u>(358,360)</u>	<u>328,960</u>	<u>(43,957)</u>	<u>(579,500)</u>	<u>(17,902)</u>
Other Financing Sources (Uses):									
Transfers in				115,437	572,312			305,243	
Transfers out		(2,020,534)	(434,680)					(572,312)	
Total other financing sources (uses)	<u>-</u>	<u>(2,020,534)</u>	<u>(434,680)</u>	<u>115,437</u>	<u>572,312</u>	<u>-</u>	<u>-</u>	<u>(267,069)</u>	<u>-</u>
Net Change in Fund Balances	(45,525)	(1,189,180)	(770,656)	109,197	213,952	328,960	(43,957)	(846,569)	(17,902)
Fund Balances at Beginning of Year	274,000	1,296,645	1,482,832	(109,197)	40,449	(178,369)	302,565	846,569	1,074,199
Fund Balances at End of Year	<u>\$ 228,475</u>	<u>\$ 107,465</u>	<u>\$ 712,176</u>	<u>\$ -</u>	<u>\$ 254,401</u>	<u>\$ 150,591</u>	<u>\$ 258,608</u>	<u>\$ -</u>	<u>\$ 1,056,297</u>

(Continued on next page)

**CITY OF BRIDGEPORT, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue					Capital Projects		Interfund Eliminations	Total Nonmajor Governmental Funds
	Library	Library Operations	Education	Miscellaneous Grants	General Government	Library	Education Scholarships		
Revenues:									
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$	\$ 9,602,395
Interest	417		25	676		233	11		44,415
Other	157,069				53,896				1,169,916
Total revenues	<u>157,486</u>	<u>-</u>	<u>25</u>	<u>676</u>	<u>53,896</u>	<u>233</u>	<u>11</u>	<u>-</u>	<u>10,816,726</u>
Expenditures:									
General government					6,985				586,485
Health and social services									1,022,044
Libraries	260,848	892,793				20,912			1,174,553
Education			2,385				20		2,405
Special services				2,520					9,232,521
Total expenditures	<u>260,848</u>	<u>892,793</u>	<u>2,385</u>	<u>2,520</u>	<u>6,985</u>	<u>20,912</u>	<u>20</u>	<u>-</u>	<u>12,018,008</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(103,362)</u>	<u>(892,793)</u>	<u>(2,360)</u>	<u>(1,844)</u>	<u>46,911</u>	<u>(20,679)</u>	<u>(9)</u>	<u>-</u>	<u>(1,201,282)</u>
Other Financing Sources (Uses):									
Transfers in		4,426						(992,992)	4,426
Transfers out								992,992	(2,036,838)
Total other financing sources (uses)	<u>-</u>	<u>4,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,304)</u>	<u>(2,032,412)</u>
Net Change in Fund Balances	(103,362)	(888,367)	(2,360)	(1,844)	46,911	(20,679)	(9)	(2,304)	(3,233,694)
Fund Balances at Beginning of Year	2,112,279	1,960,744	235,503	51,235	220,460	498,327	108,737	8,147	10,225,125
Fund Balances at End of Year	<u>\$ 2,008,917</u>	<u>\$ 1,072,377</u>	<u>\$ 233,143</u>	<u>\$ 49,391</u>	<u>\$ 267,371</u>	<u>\$ 477,648</u>	<u>\$ 108,728</u>	<u>\$ 5,843</u>	<u>\$ 6,991,431</u>



Fiduciary Fund

FIDUCIARY FUND

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

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

Student Activities Fund

**CITY OF BRIDGEPORT, CONNECTICUT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Student Activities Fund				
Assets:				
Cash and Cash Equivalents	\$ 606,320	\$ 1,461,279	\$ 1,513,838	\$ 553,761
Liabilities:				
Due to Student Groups	\$ 606,320	\$ 1,461,279	\$ 1,513,838	\$ 553,761



Statistical Section

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities:										
Net investment in capital assets	\$ 903,774,582	\$ 852,428,086	\$ 813,952,729	\$ 723,867,957	\$ 676,991,832	\$ 637,950,314	\$ 552,338,566	\$ 480,649,847	\$ 444,946,155	\$ 444,537,656
Restricted	24,249,409	8,969,778	3,068,563	3,092,595	3,119,552	5,161,248	3,161,264	3,161,236	3,161,176	3,161,212
Unrestricted	(1,601,612,985)	(1,094,796,887)	(1,061,684,357)	(1,023,449,030)	(443,964,841)	(439,224,801)	(400,754,807)	(343,798,284)	(297,902,514)	(302,776,953)
Total Governmental Activities Net Position	(673,588,994)	(233,399,023)	(244,663,065)	(296,488,478)	236,146,543	203,886,761	154,745,023	140,012,799	150,204,817	144,921,915
Business-type activities:										
Net investment in capital assets	88,269,353	88,089,862	91,021,576	86,399,421	85,819,063	83,954,414	80,642,078	75,601,133	73,751,510	74,449,447
Restricted								923,098	820,556	1,433,775
Unrestricted	10,063,397	14,420,453	11,482,394	12,382,135	9,186,043	8,373,469	8,865,646	6,991,988	6,079,946	4,424,261
Total Business-Type Activities Net Position	98,332,750	102,510,315	102,503,970	98,781,556	95,005,106	92,327,883	89,507,724	83,516,219	80,652,012	80,307,483
Primary Government:										
Net investment in capital assets	992,043,935	940,517,948	904,974,305	810,267,378	762,810,895	721,904,728	632,980,644	556,250,980	518,697,665	518,987,103
Restricted	24,249,409	8,969,778	3,068,563	3,092,595	3,119,552	5,161,248	3,161,264	4,084,334	3,981,732	4,594,987
Unrestricted	(1,591,549,588)	(1,080,376,434)	(1,050,201,963)	(1,011,066,895)	(434,778,798)	(430,851,332)	(391,889,161)	(336,806,296)	(291,822,568)	(298,352,692)
Total Primary Government Net Position	\$ (575,256,244)	\$ (130,888,708)	\$ (142,159,095)	\$ (197,706,922)	\$ 331,151,649	\$ 296,214,644	\$ 244,252,747	\$ 223,529,018	\$ 230,856,829	\$ 225,229,398

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental activities:										
General government	\$ 41,504,991	\$ 54,721,387	\$ 56,810,111	\$ 49,042,611	\$ 58,489,188	\$ 50,229,529	\$ 47,585,310	\$ 72,446,991	\$ 59,866,015	\$ 91,804,266
Public safety	154,714,714	161,664,408	153,074,372	215,031,986	129,070,130	128,334,652	127,416,487	123,045,441	113,047,552	74,990,792
Public facilities, parks and recreation	47,664,397	40,449,688	41,919,358	46,823,535	44,866,708	42,355,324	40,813,295	36,878,325	35,788,530	31,183,603
Parks and recreation										5,898,866
Planning and economic development	4,186,575	3,623,577	4,117,610	4,385,793	4,000,056	3,804,545	3,630,343	3,610,102	3,441,668	
Health and social services	6,155,545	4,578,577	7,053,282	7,322,735	6,732,534	7,373,284	7,514,927	11,567,506	12,951,797	12,656,636
Education	407,535,202	407,493,688	422,865,095	395,326,952	374,610,065	358,684,463	341,738,042	343,046,242	331,514,612	319,481,793
Special services	7,413,753	16,261,348	11,369,812	15,057,650	17,238,984	21,196,639	16,736,988	20,432,503	26,640,656	19,319,483
Interest on long-term debt	35,712,209	32,760,018	31,583,840	38,508,401	33,248,783	36,008,703	41,869,525	41,407,157	38,620,545	46,224,302
Total governmental activities expenses	704,887,386	721,552,691	728,793,480	771,499,663	668,256,448	647,987,139	627,304,917	652,434,267	621,871,375	601,559,741
Business-type activities:										
Water Pollution Control Authority	39,687,374	39,180,368	37,237,285	35,943,716	35,625,341	28,399,775	26,387,727	26,011,481	27,836,743	24,894,883
Total primary government expenses	744,574,760	760,733,059	766,030,765	807,443,379	703,881,789	676,386,914	653,692,644	678,445,748	649,708,118	626,454,624
Program revenue:										
Governmental activities:										
Charges for services:										
General government	7,377,287	5,085,578	6,691,253	3,930,371	4,296,733	3,766,901	3,632,801	5,681,830	3,728,748	3,330,184
Public safety	6,125,456	5,718,407	6,933,320	5,604,016	6,418,090	6,077,391	6,263,832	6,217,889	5,281,305	7,713,796
Public facilities, parks and recreation	3,675,542	4,174,696	4,281,323	4,267,986	3,882,782	4,217,714	4,008,679	5,225,479	4,350,689	2,792,042
Parks and recreation										2,514,238
Planning and economic development	3,411,604	6,565,823	4,607,067	5,974,668	4,386,547	2,904,860	4,102,402	2,292,655	2,749,419	
Health and social services	1,325,099	1,045,142	772,288	750,404	1,125,770	2,013,222	865,318	1,502,929	924,169	570,541
Education	542,899	631,266	668,925	787,178	735,122	704,164	702,587	756,596	817,448	900,591
Special services	29,115	702,364	(152,931)	(1,135,968)	549,529	1,468,921		832,216		
Operating grants and contributions:										
General government	119,780	91,597	440,327	420,791	196,264	704,873	425,724	975,269	773,282	3,152
Public safety	115,052	38,098	189,018	43,870	58,274	64,006	77,404	530,148	4,148,209	
Public facilities	6,344,113	1,508,372	5,966,045	11,990,437	11,210,773	1,619,514	4,279,642	1,560,017	738,415	816,659
Parks and recreation										
Planning and economic development	3,627,369	6,113,859	6,046,274	8,558,403	11,141,789	12,587,947	12,320,951	7,291,614	20,985,448	
Health and social services	1,270,964	1,696,616	2,139,543	2,217,947	4,920,034	3,892,593	5,916,291	8,662,148	9,402,270	11,890,493
Education	317,766,584	316,170,091	326,052,764	310,324,708	299,181,796	276,324,293	257,452,149	265,667,950	255,015,046	251,852,265
Special services	6,205,626	5,383,521	11,708,441	8,573,446	3,813,519	8,993,807	3,880,602	6,890,585	1,627,623	25,798,114
Interest on long-term debt	194,167	1,062,649	907,552	1,289,418	1,356,816	1,526,001	1,570,900	1,703,694	798,503	1,350,146
Capital grants and contributions:										
General government			18,100						849,366	
Education	59,559,689	36,223,067	74,399,240	37,877,509	29,876,935	60,215,806	35,750,724	26,475,637	24,941,420	35,296,564
Public facilities	4,105,414	3,279,698	1,133,287	1,756,685	3,522,581	1,205,943	1,188,554	324,725		
Public safety										
Special services	10,437	29,502	66,670	7,799	251,000	310,000				
Total governmental activities program revenue	421,806,197	395,520,346	452,868,506	403,239,668	386,924,354	388,287,956	342,438,560	342,591,381	337,131,360	344,828,785

(Continued on next page)

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Business-type activities:										
Charges for services:										
Water Pollution Control Authority	\$ 36,164,732	\$ 37,850,950	\$ 36,596,546	\$ 37,891,428	\$ 36,038,499	\$ 28,159,305	\$ 28,083,135	\$ 28,076,908	\$ 26,813,200	\$ 28,099,203
Capital grants and contributions:										
Water Pollution Control Authority	2,716,685	1,320,768	4,353,922	1,821,809	2,256,871	3,052,731	4,284,004	775,944	1,342,985	1,404,430
Total business-type activities program revenues	<u>38,881,417</u>	<u>39,171,718</u>	<u>40,950,468</u>	<u>39,713,237</u>	<u>38,295,370</u>	<u>31,212,036</u>	<u>32,367,139</u>	<u>28,852,852</u>	<u>28,156,185</u>	<u>29,503,633</u>
Total primary government program revenues	<u>460,687,614</u>	<u>434,692,064</u>	<u>493,818,974</u>	<u>442,952,905</u>	<u>425,219,724</u>	<u>419,499,992</u>	<u>374,805,699</u>	<u>371,444,233</u>	<u>365,287,545</u>	<u>374,332,418</u>
Net (expense) revenue:										
Governmental activities	(283,081,189)	(326,032,345)	(275,924,974)	(368,259,995)	(281,332,094)	(259,699,183)	(284,866,357)	(309,842,886)	(284,740,015)	(256,730,956)
Business-type activities	(805,957)	(8,650)	3,713,183	3,769,521	2,670,029	2,812,261	5,979,412	2,841,371	319,442	4,608,750
Total primary government net expense	<u>(283,887,146)</u>	<u>(326,040,995)</u>	<u>(272,211,791)</u>	<u>(364,490,474)</u>	<u>(278,662,065)</u>	<u>(256,886,922)</u>	<u>(278,886,945)</u>	<u>(307,001,515)</u>	<u>(284,420,573)</u>	<u>(252,122,206)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	314,781,907	298,910,281	300,053,001	303,836,495	296,275,535	284,379,599	278,055,567	277,621,119	267,026,434	247,817,417
Grants and contributions not restricted to specific programs	29,725,039	36,455,578	25,146,880	20,206,133	22,591,287	23,820,702	21,237,067	21,546,933	22,625,844	32,403,834
Unrestricted investment earnings	1,387,642	749,011	279,984	251,486	259,308	307,620	305,947	468,605	370,639	864,608
Miscellaneous	236,045	1,181,517	2,270,522			23,000				
Transfers								14,211		
Special item-Reduction of MERS liability for prior services	156,676,272									
Total governmental activities	<u>502,806,905</u>	<u>337,296,387</u>	<u>327,750,387</u>	<u>324,294,114</u>	<u>319,126,130</u>	<u>308,530,921</u>	<u>299,598,581</u>	<u>299,650,868</u>	<u>290,022,917</u>	<u>281,085,859</u>
Business-type activities:										
Investment earnings	18,555	14,995	9,231	6,929	7,194	7,898	12,093	22,836	25,087	32,712
Total primary government	<u>502,825,460</u>	<u>337,311,382</u>	<u>327,759,618</u>	<u>324,301,043</u>	<u>319,133,324</u>	<u>308,538,819</u>	<u>299,610,674</u>	<u>299,673,704</u>	<u>290,048,004</u>	<u>281,118,571</u>
Changes in Net Position:										
Governmental activities	219,725,716	11,264,042	51,825,413	(43,965,881)	37,794,036	48,831,738	14,732,224	(10,192,018)	5,282,902	24,354,903
Business-type activities	(787,402)	6,345	3,722,414	3,776,450	2,677,223	2,820,159	5,991,505	2,864,207	344,529	4,641,462
Total Primary Government	<u>\$ 218,938,314</u>	<u>\$ 11,270,387</u>	<u>\$ 55,547,827</u>	<u>\$ (40,189,431)</u>	<u>\$ 40,471,259</u>	<u>\$ 51,651,897</u>	<u>\$ 20,723,729</u>	<u>\$ (7,327,811)</u>	<u>\$ 5,627,431</u>	<u>\$ 28,996,365</u>

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

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
General government	\$ 7,497,067	\$ 5,177,175	\$ 7,149,680	\$ 4,351,162	\$ 4,492,997	\$ 4,471,774	\$ 4,058,525	\$ 6,657,099	\$ 5,351,396	\$ 3,333,336
Public safety	6,240,508	5,756,505	7,122,338	5,647,886	6,476,364	6,141,397	6,341,236	6,748,037	9,429,514	7,713,796
Public facilities	14,125,069	8,962,766	11,380,655	18,015,108	18,616,136	7,043,171	9,476,875	7,110,221	5,089,104	3,608,701
Parks and recreation										2,514,238
Planning and economic development	7,038,973	12,679,682	10,653,341	14,533,071	15,528,336	15,492,807	16,423,353	9,584,269	23,734,867	
Health and social services	2,596,063	2,741,758	2,911,831	2,968,351	6,045,804	5,905,815	6,781,609	10,165,077	10,326,439	12,461,034
Education	377,869,172	353,024,424	401,120,929	348,989,395	329,793,853	337,244,263	293,905,460	292,900,183	280,773,914	288,049,420
Special services	6,245,178	6,115,387	11,622,180	7,445,277	4,614,048	10,772,728	3,880,602	7,722,801	1,627,623	25,798,114
Interest on long-term debt	194,167	1,062,649	907,552	1,289,418	1,356,816	1,526,001	1,570,900	1,703,694	798,503	1,350,146
Total governmental activities	<u>421,806,197</u>	<u>395,520,346</u>	<u>452,868,506</u>	<u>403,239,668</u>	<u>386,924,354</u>	<u>388,597,956</u>	<u>342,438,560</u>	<u>342,591,381</u>	<u>337,131,360</u>	<u>344,828,785</u>
Business-type activities:										
Water Pollution Control Authority	38,881,417	39,171,718	40,950,468	39,713,237	38,295,370	31,212,036	32,367,139	28,852,852	28,156,185	29,503,633
Total Government	<u>\$ 460,687,614</u>	<u>\$ 434,692,064</u>	<u>\$ 493,818,974</u>	<u>\$ 442,952,905</u>	<u>\$ 425,219,724</u>	<u>\$ 419,809,992</u>	<u>\$ 374,805,699</u>	<u>\$ 371,444,233</u>	<u>\$ 365,287,545</u>	<u>\$ 374,332,418</u>

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 30,876	\$
Unreserved									15,611,351	10,752,753
Nonspendable		350,000	350,000	350,000	350,000	350,000	350,000	350,000		
Assigned							3,222,700	5,222,700		
Unassigned	<u>21,014,433</u>	<u>18,916,129</u>	<u>14,269,142</u>	<u>13,363,461</u>	<u>13,045,816</u>	<u>12,574,082</u>	<u>9,147,814</u>	<u>10,987,910</u>		
Total General Fund	<u>\$ 21,014,433</u>	<u>\$ 19,266,129</u>	<u>\$ 14,619,142</u>	<u>\$ 13,713,461</u>	<u>\$ 13,395,816</u>	<u>\$ 12,924,082</u>	<u>\$ 12,720,514</u>	<u>\$ 16,560,610</u>	<u>\$ 15,642,227</u>	<u>\$ 10,752,753</u>
All Other Governmental Funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 10,068,125	\$ 5,068,118
Unreserved, reported in:										
Special revenue funds									(5,968,762)	(1,854,831)
Capital projects funds									53,320,116	29,831,588
Permanent fund									59,770	47,182
Restricted	25,191,649	11,876,732	5,902,507	7,578,873	4,864,914	4,592,021	1,910,141	1,398,998		
Committed	107,270,519	99,270,122	73,656,280	72,250,958	38,990,756	67,334,090	97,217,290	60,355,682		
Unassigned		(891,221)	(1,204,998)	(887,110)	(29,861)	(1,132,864)	(2,933,603)	(4,216,210)		
Total All Other Governmental Funds	<u>\$ 132,462,168</u>	<u>\$ 110,255,633</u>	<u>\$ 78,353,789</u>	<u>\$ 78,942,721</u>	<u>\$ 43,825,809</u>	<u>\$ 70,793,247</u>	<u>\$ 96,193,828</u>	<u>\$ 57,538,470</u>	<u>\$ 57,479,249</u>	<u>\$ 33,092,057</u>

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

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Property taxes	\$ 311,378,677	\$ 312,461,292	\$ 299,380,641	\$ 297,658,389	\$ 290,690,776	\$ 285,962,925	\$ 274,118,745	\$ 272,206,146	\$ 268,637,066	\$ 248,743,175
Intergovernmental	429,798,854	411,442,721	447,358,336	401,772,314	387,013,540	391,193,349	346,936,724	340,359,992	340,863,435	355,431,137
Fees, permits and licenses	18,136,529	19,752,714	22,139,661	19,169,677	17,937,764	15,953,121	16,664,394	15,355,420	15,454,092	16,100,329
Interest	1,387,642	749,006	279,985	251,486	259,308	307,039	305,673	467,604	370,639	864,608
Other	6,384,907	3,404,616	12,609,215	4,231,035	6,248,652	7,046,473	4,347,520	9,412,146	5,023,480	7,183,515
Total revenues	<u>767,086,609</u>	<u>747,810,349</u>	<u>781,767,838</u>	<u>723,082,901</u>	<u>702,150,040</u>	<u>700,462,907</u>	<u>642,373,056</u>	<u>637,801,308</u>	<u>630,348,712</u>	<u>628,322,764</u>
Expenditures:										
Governmental and community services:										
General government	42,668,409	41,861,010	36,079,269	35,060,037	39,060,527	39,691,634	39,935,817	38,663,676	39,461,942	84,165,283
Public safety	139,352,315	137,976,278	135,416,264	119,804,154	119,804,154	121,687,093	115,629,783	107,582,600	99,874,176	65,494,093
Public facilities	38,983,342	36,553,580	35,862,313	37,473,983	37,473,983	36,166,380	34,490,427	33,119,337	32,932,515	26,706,098
Parks and recreation										5,368,932
Planning and economic development	3,918,969	3,920,695	4,228,157	4,000,056	4,000,056	3,804,545	3,630,343	3,610,102	3,441,668	
Health and social services	5,769,652	5,580,511	7,319,991	6,847,381	6,847,381	6,962,930	6,536,848	11,501,774	12,954,954	13,378,869
Charities and hospitals										123,835
Libraries	6,651,889	5,614,656	7,485,850	6,576,900	6,576,900	6,166,881	6,034,045	5,392,768	4,660,185	
Education	381,561,975	379,893,985	388,183,531	353,994,653	353,994,653	332,092,576	312,976,935	317,360,583	306,601,910	302,812,667
Special services	10,149,883	16,630,856	21,568,961	20,274,199	20,274,199	20,237,367	17,368,994	21,096,024	27,006,901	27,925,851
Debt service:										
Principal retirements	37,205,672	39,754,694	38,679,933	38,143,098	38,143,098	27,717,065	31,183,000	31,641,000	32,375,000	30,961,925
Interest and other charges	39,599,033	37,170,844	34,878,001	35,880,297	35,880,297	38,484,830	39,791,002	41,269,592	40,933,701	41,594,667
Capital outlay	97,226,365	76,499,225	95,861,461	66,802,507	66,802,507	93,042,777	74,551,555	45,222,964	41,669,094	83,719,594
Payment to MERS for prior service costs	98,582,467									
Total expenditures	<u>901,669,971</u>	<u>781,456,334</u>	<u>805,563,731</u>	<u>724,857,265</u>	<u>728,857,755</u>	<u>726,054,078</u>	<u>682,128,749</u>	<u>656,460,420</u>	<u>641,912,046</u>	<u>682,251,814</u>
Excess of revenues under expenditures	<u>(134,583,362)</u>	<u>(33,645,985)</u>	<u>(23,795,893)</u>	<u>(1,774,364)</u>	<u>(26,707,715)</u>	<u>(25,591,171)</u>	<u>(39,755,693)</u>	<u>(18,659,112)</u>	<u>(11,563,334)</u>	<u>(53,929,050)</u>
Other financing sources (uses):										
Transfers in	2,719,351	2,528,854	4,313,331	3,410,284	3,410,284	500,000	500,000	500,000	205,649,402	224,867,074
Transfers out	(2,719,351)	(2,528,854)	(5,813,331)	(3,410,284)	(3,410,284)	(500,000)	(500,000)	(500,000)	(205,649,402)	(224,867,074)
Bonds issued	133,480,773	60,970,000	23,195,000				67,930,000	19,440,000	40,840,000	
Bond refunding issue	97,385,000		59,640,000	14,290,000	14,290,000	55,225,000				
Premium on long-term debt	13,600,652	9,224,816	12,337,545	1,150,189	1,150,189	4,874,093	6,641,055			
Payments to escrow agent	(85,928,224)		(69,559,903)	(15,228,178)	(15,228,178)	(59,704,935)				
Total other financing sources	<u>158,538,201</u>	<u>70,194,816</u>	<u>24,112,642</u>	<u>212,011</u>	<u>212,011</u>	<u>394,158</u>	<u>74,571,055</u>	<u>19,440,000</u>	<u>40,840,000</u>	<u>-</u>
Net Changes in Fund Balance	<u>\$ 23,954,839</u>	<u>\$ 36,548,831</u>	<u>\$ 316,749</u>	<u>\$ (1,562,353)</u>	<u>\$ (26,495,704)</u>	<u>\$ (25,197,013)</u>	<u>\$ 34,815,362</u>	<u>\$ 780,888</u>	<u>\$ 29,276,666</u>	<u>\$ (53,929,050)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>9.6%</u>	<u>11.0%</u>	<u>10.5%</u>	<u>11.2%</u>	<u>11.2%</u>	<u>10.5%</u>	<u>11.7%</u>	<u>12.0%</u>	<u>12.4%</u>	<u>12.3%</u>

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

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
2009	\$ 230,926,963	\$ 24,496,725	\$ 14,343,553	\$ 269,767,241
2010	224,429,907	31,097,659	15,181,089	270,708,655
2011	235,380,246	31,814,553	14,853,112	282,047,911
2012	231,147,846	31,242,492	17,044,538	279,434,876
2013	237,452,454	28,608,729	20,026,111	286,087,294
2014	247,634,510	29,273,456	20,620,272	297,528,238
2015	249,909,726	30,117,975	21,608,636	301,636,337
2016	251,167,365	31,015,137	22,335,890	304,518,362
2017	258,466,001	44,695,896	20,667,952	323,829,849
2018	255,799,752	43,620,964	22,434,590	321,855,306
Change 2009-2018	<u>10.77%</u>	<u>78.07%</u>	<u>56.41%</u>	<u>19.31%</u>

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

TABLE 7

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Miscellaneous Land	Personal Property	Motor Vehicle	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2009	\$ 4,087,787	\$ 1,256,373	\$ 291,075	\$ 79,212	\$ 703,831	\$ 379,451	\$ 6,797,729	21.30%	38.74	\$ 9,711,041	70.00%
2010	4,084,631	922,699	578,540	75,833	784,502	382,974	6,829,179	0.4%	39.64	9,755,970	70.00%
2011	4,159,228	877,194	421,714	84,023	804,932	396,467	7,022,705	0.2%	39.64	10,159,571	70.00%
2012	4,089,937	1,192,378	564,301	119,384	636,574	412,029	7,014,603	0.0%	41.11	10,020,861	70.00%
2013	4,082,205	1,225,399	587,398	125,387	698,880	419,227	7,138,496	0.2%	41.86	10,197,851	70.00%
2014	4,085,344	1,197,586	552,296	124,698	714,071	430,836	7,104,831	0.0%	42.20	10,149,759	70.00%
2015	4,085,727	1,220,504	552,923	129,092	734,447	442,829	7,165,522	0.0%	42.20	10,236,460	70.00%
2016	3,105,335	1,166,716	441,566	122,995	822,259	460,091	6,118,962	(-) 14.6 %	54.37	8,741,375	70.00%
2017	3,104,031	1,180,193	357,015	121,630	802,342	486,016	6,015,227	(-) 1.1%	54.37	8,593,181	70.00%
2018	3,119,848	1,170,171	371,453	135,448	808,092	492,576	6,097,588	0.7%	54.37	8,710,840	70.00%

Source: City of Bridgeport Tax Assessor's Office

**CITY OF BRIDGEPORT, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
FY 2018 and FY 2009
(Unaudited)**

TABLE 8

Taxpayer	FY 2018			FY 2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
United Illuminating Co. Inc.	\$ 299,288,000	1	4.93%	\$ 132,181,954	2	12.32%
CRRA/US Bank National Association (real property)	119,000,000	2	1.97%	140,046,244		13.05%
Bridgeport Energy LLC	110,258,940	3	1.82%	48,784,414	7	4.55%
PSEG Power Connecticut LLC*	67,011,096	4	1.10%	52,663,326	6	4.91%
Connecticut Light & Power	49,710,940	5	0.82%	45,923,653	8	4.28%
People's United Bank	49,443,840	6	0.82%	69,021,817	5	6.43%
Southern CT Gas Co.-Energy EA	43,507,490	7	0.72%	72,065,357	4	6.72%
Dominion Bpt Fuel Cell LLC	30,387,630	8	0.50%			
Watermark 3030 Park LLC	24,065,731	9	0.40%	25,532,028	10	2.38%
Aquarian Water Co. of CT*	22,425,580	10	0.37%			
Total	\$ 6,064,663,214		13.44%			
Success Village Apts Inc.	25,022,129			26,762,580	10	2.49%
Shelbourne Lafayette (formerly BPT Lafayette 2005 LLC)	12,510,990			15,400,000	9	1.44%
Wheelabrator BPT LP (personal property)	271,900			288,528,884	1	26.89%
AT&T Mobility	13,372,720			75,341,484	3	7.02%
Cingular Wireless LLC (now declares to State - City gets PILOT from CT State)				80,663,062	2	7.52%
Total				\$ 1,072,914,803		100.00%

* Note: Name change occurred during period.

Source: City of Bridgeport - Assessor's Office

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

Fiscal Year Ended June 30:	Grand List Year	Taxes Levied for the Tax Year	Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2009	2007	\$ 250,083,276	\$ 243,126,091	97.22%	\$ 1,634,940	\$ 243,126,091	97.22%
2010	2008	267,703,716	260,055,196	97.14%	2,599,244	262,654,440	98.11%
2011	2009	273,823,500	267,033,575	97.52%	1,969,582	269,003,157	98.23%
2012	2010	275,342,274	267,783,020	97.25%	2,463,132	270,246,152	98.15%
2013	2011	286,087,294	278,613,368	97.39%	2,826,411	281,439,779	98.38%
2014	2012	293,618,038	284,699,957	96.96%	4,559,726	289,259,683	98.52%
2015	2013	296,309,866	291,238,982	98.29%	2,686,607	293,925,589	99.20%
2016	2014	298,378,831	293,406,881	98.33%	1,810,121	295,217,001	98.94%
2017	2015	310,799,149	307,164,691	98.83%	2,827,411	309,995,102	99.74%
2018	2016	313,252,556	308,779,618	98.57%	1,493,803	310,273,421	99.05%

Source: City of Bridgeport - Tax Collector's Office

CITY OF BRIDGEPORT, CONNECTICUT
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands)
(Unaudited)

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Debt Per Capita	Business-Type Activities			Total Primary Government	Percentage of Per Capita Income	Per Capita
	General Obligation Bonds	Less Amount Available in Debt Services	Net General Bonded Debt			Loan Payable	General Obligation Bonds	Revenue Bonds			
2009	\$ 654,200	\$ -	\$ 654,200	6.74%	\$ 4,689	\$ 49,486	\$ 450	\$ -	704,136	24.86%	\$ 5,046
2010	669,140	-	669,140	6.86%	4,796	44,509	2,255	-	715,904	29.23%	5,131
2011	651,890	-	651,890	6.42%	4,520	43,621	2,152	-	697,663	29.66%	4,837
2012	689,265	-	689,265	6.80%	4,779	42,812	4,008	-	736,085	27.00%	5,104
2013	654,330	-	654,330	6.38%	4,493	44,866	3,874	-	703,070	24.00%	4,828
2014	636,625	-	636,625	6.08%	4,315	40,025	3,679	-	680,329	23.12%	4,618
2015	673,343	-	673,343	6.34%	4,399	38,276	3,595	-	715,214	23.26%	4,683
2016	662,157	-	662,157	7.57%	3,153	37,347	3,268	-	702,772	23.20%	4,873
2017	648,586	-	648,586	7.42%	3,143	34,332	3,854	-	686,772	22.19%	4,661
2018	763,761	-	763,761	8.77%	5,304	30,271	4,434	-	798,466	24.31%	5,537

Source: City of Bridgeport Finance Dept.

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

Fiscal Year	Governmental Activities		Percentage of Actual Property Value	Debt Per Capita	Business-Type Activities		Total Primary Government	Percentage of Per Capita Income	Per Capita
	General Obligation Bonds	Net General Bonded Debt			General Obligation Bonds				
2009	\$ 654,200	\$ 654,200	6.74%	\$ 4,689	\$ 450	\$ 654,650	23.11%	\$ 5,046	
2010	669,140	669,140	6.86%	4,796	2,255	671,395	23.70%	5,131	
2011	651,890	651,890	6.42%	4,520	2,152	654,042	24.22%	4,837	
2012	689,265	689,265	6.80%	4,779	4,008	693,273	25.68%	5,104	
2013	654,330	654,330	6.38%	4,493	3,874	658,204	24.38%	4,828	
2014	636,625	636,625	6.08%	4,315	3,806	640,431	21.86%	4,618	
2015	673,343	673,343	6.34%	4,399	3,595	676,938	21.97%	4,423	
2016	662,157	662,157	10.3%	4,440	3,268	665,425	21.97%	4,400	
2017	648,586	648,586	7.8%	4,370	3,854	652,440	21.90%	4,370	
2018	763,761	763,761	8.8%	5,304	4,434	768,195	24.31%	5,327	

Source: City of Bridgeport Finance Dept.

**CITY OF BRIDGEPORT, CONNECTICUT
DIRECT GOVERNMENTAL ACTIVITIES DEBT
FOR THE YEAR ENDED JUNE 30, 2018
(Unaudited)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>
General obligation debt	\$ 764,980,000
Less school construction grants receivable - principal portion only	<u>(8,868,832)</u>
Total Direct Debt	<u>\$ 756,111,168</u>

Source: City records.

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

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

Source: City of Bridgeport Finance Dept.

**CITY OF BRIDGEPORT, CONNECTICUT
DIRECT GOVERNMENTAL ACTIVITIES DEBT
FOR THE YEAR ENDED JUNE 30, 2018
(Unaudited)**

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Source: City of Bridgeport Finance Dept.

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 1,741,261	\$ 1,741,508	\$ 1,909,787	\$ 1,918,226	\$ 1,975,977	\$ 2,050,851	\$ 2,084,816	\$ 2,091,301	\$ 2,194,321	\$ 2,155,550
Total net debt applicable to limit	<u>925,639</u>	<u>959,344</u>	<u>717,376</u>	<u>755,691</u>	<u>870,367</u>	<u>689,996</u>	<u>761,541</u>	<u>934,134</u>	<u>818,169</u>	<u>913,150</u>
Legal debt margin	\$ <u>815,622</u>	\$ <u>782,164</u>	\$ <u>1,192,411</u>	\$ <u>1,162,535</u>	\$ <u>1,105,610</u>	\$ <u>1,360,855</u>	\$ <u>1,323,275</u>	\$ <u>1,157,167</u>	\$ <u>1,376,152</u>	\$ <u>1,242,400</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>60.01%</u>	<u>55.09%</u>	<u>37.56%</u>	<u>39.40%</u>	<u>44.05%</u>	<u>33.64%</u>	<u>36.53%</u>	<u>44.67%</u>	<u>37.29%</u>	<u>42.36%</u>

**CITY OF BRIDGEPORT, CONNECTICUT
COMPUTATION OF LEGAL DEBT LIMITATION
JUNE 30, 2018**

Total tax collections (including interest and lien fees) for the year ended June 30, 2018	\$ 310,755,095
Reimbursement for revenue loss:	
Tax relief for the elderly	<u>701,182</u>
Base	<u>\$ 311,456,277</u>
Debt Limit	<u>\$ 2,155,549,802</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewer</u>	<u>Urban Renewal</u>	<u>Unfunded Past Benefit Obligation</u>
Debt Limitation					
2-1/4 times base	\$ 692,855,294				
4-1/2 times base		1,385,710,587			
3-3/4 times base			1,154,758,823		
3-1/4 times base				1,000,790,980	
3 times base					923,807,058
Total debt limitation	<u>692,855,294</u>	<u>1,385,710,587</u>	<u>1,154,758,823</u>	<u>1,000,790,980</u>	<u>923,807,058</u>
Debt as Defined by Statute:					
Bonds and Notes Payable	305,593,349	113,765,088	39,142,831	1,583,000	331,915,000
Tax Anticipation Notes	-				
Bonds authorized but unissued ¹	29,064,596	75,937,109	18,705,544		
Less: school construction grants		<u>(2,556,990)</u>			
Total indebtedness	<u>334,657,945</u>	<u>187,145,207</u>	<u>57,848,375</u>	<u>1,583,000</u>	<u>331,915,000</u>
Debt Limitation in Excess of Indebtedness	<u>\$ 358,197,349</u>	<u>\$ 1,198,565,380</u>	<u>\$ 1,096,910,448</u>	<u>\$ 999,207,980</u>	<u>\$ 591,892,058</u>

1. Includes all bonds currently authorized

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

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2009	139,529	\$ 54,313	\$ 20,302	31.4	20,235	10.7%
2010	139,529	54,313	20,302	31.4	20,407	12.9%
2011	144,229	48,088	18,721	32.1	19,993	13.98%
2012	144,229	48,088	18,721	32.1	20,338	12.57%
2013	144,229	48,088	18,721	32.1	20,320	12.37%
2014	144,229	48,088	19,854	32.1	21,180	10.1%
2015	144,229	48,088	20,132	32.1	20,918	8.5%
2016	144,229	48,088	21,002	32.1	21,127	8.4%
2017	144,229	48,088	21,002	32.1	21,076	7.4%
2018	144,229	48,088	21,816	32.1	21,004	6.3%

**CITY OF BRIDGEPORT, CONNECTICUT
PRINCIPAL EMPLOYERS
2018 AND 2009
(Unaudited)**

Employer	2018		2009	
	Employees	Rank	Employees*	Rank
St. Vincent's Medical Center	2,109 (1,774 FT / 335 PT)	1	2,200*	3
Bridgeport Hospital, Inc.	2,702 (1,750 FT / 615 PT / 337 Per Diem)	2	2,700*	1
People's United Bank	1,338 (1,288 FT / 50 PT)****	3	2,400*	2
Prime Line Resources	710 (527 FT Reg. / 183 FT Temp.)	4	406*	7
Bridgeport Health Care Center	525***	5	1,100*	4
University of Bridgeport	922 (493 FT / 429 PT)	6	537**	6
Lacey Manufacturing Company	313 (311 FT / 2 PT)	7	350*	8
Sikorsky Aircraft	309 (3 Shifts)****	8	600*	5
Housatonic Community College	216 (192 Perm. FT / 24 Temp. FT)	9	184*	10
Watermark	280 (approx.140 FT / 140 PT)	10	300**	9

*=2007 Data

**=2008 Data

***=2016 Data

****=2017 Data

Note: Rankings are based on Full Time Employees Only

Sources: City of Bridgeport - Finance Dept.

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

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government:										
Office of the Mayor	7.5	7.5	9	9	9	9	8	8	8	9
Central Grants Office	5	6	8	5	5	5	6	6	6	6
Comptroller's Office	11	11	11	11	11	11	14.5	14.5	14.5	15
Finance Department	5	6	6	4.5	4	4	4	4	4	4
In-Plant Printing	5.5	6	6.5	6.5	6.5	7.5	7.5	7.5	7.5	7.5
Purchasing	6	6	6	6	6	5	6	6	6	7
Tax Collector	12	13	14	14	14	16	18	18	18	18
Tax Assessor	10	11	11	11	11	11	13	13	13	14
Treasurer's Office	2.5	2.5	2.5	2.5	2.5	3.5	2	2	2	2
Registrar of Voters / Elections	7	5	5	5	5	5	5	5	5	6
City Clerk	6	6	6	6	5	6	5	6	6	6
City Attorney	20	22	21	20	20	18	21	21	21	21
Archives and Records	0	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Civil Service	6	6	6	7	7	7	9	9	8	8
Grants Personnel / Benefits Administration	11	11	12	13.5	14	14	11	11	9	7
Labor Relations	5	6	6	6	6	6	6	6	6	6
Town Clerk	8	8	7	7	7	7	7	7	7	8
Legislative Department	0	0	0	-	-	-	2	1	2	2
Office of Policy and Management	6	6	6.5	6.5	6.5	6.5	6.5	6.5	5.5	5.5
Chief Administrative Office / Citistat	8.5	10	8	8	8	8	7	7	7	8
Information Technology Services	13	14	14	15	15	15	16	15	15	19
Minority Business Resource Ctr	4	0	3	3	3	3	2	2	2	-
Public Safety:										
Police Department / Animal Shelter	486.5	478	472	471	471	471	479	473	486	532
Fire Department	313	305	296	296	277	281	295	299	310	329
Weights and Measures	2	2	2	2	2	2	2	2	2	2
Emergency Operations Center	56	55	57	57	57	57	59	60	60	48
Public Facilities:										
Public Facilities Administration	19.5	14	18	17.5	16	16	15.5	15.5	15.5	17
Municipal Garage	10	10	10	10	10	10	10	10	10	10
Facilities Maintenance	32	32	32	33	33	31	31	31	31	37
Roadway Maintenance	49.5	37.5	37	37	37	44	45	45	45	43
Sanitation / Recycling	29	29	29	29	29	29	34	34	34	36
Transfer Station	5	1	1	1	1	1	1	1	1	1
Parks and Recreation:										
Recreation	4	3	3	3	3	3	3	3	3	3
Department on Aging	10.5	8.5	7	7	7	7	6	6	6	6
Parks & Rec Administration	3	3	5	5	5	4	4	4	4	5
Parks Maintenance	14	14	14	14	14	15	16	17	17	17
Beardsley Zoological Gardens	12	12	12	12	12	12	13	13	13	13
Fairchild Wheeler G.C.	3	2	2	2	2	2	3	3	3	3

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

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Transportation:										
Sikorsky Airport	11	12	13	13	13	13	14	14	14	15
City Engineer	9	7	6	5.25	6	5	6	6	6	5
Harbor Master	1	1	-	-	-	1	1	1	1	1
Planning & Development:										
Planning & Economic Development	14	15	21.5	20.5	20.5	20.5	19.5	18.5	20	22
Building Department	14	14	13	12.25	12	11	13	13	13	14
Zoning Board of Appeals	1	1	1	1	1	1	1	1	1	1
Zoning Commission	7	6	6	6	6	6	6	5	4	7
Health & Social Services:										
Health Administrative	4	5	6	4.5	3	2	2	2	2	3
Dental Hygiene	0	0	0	-	-	-	-	-	-	7
Vital Statistics	5	5	4.5	4.5	5	5	5	5	5	5
Communicable Diseases	3	4	5	5	5.2	5.2	5	5	5	4
Environmental Health	8.5	8	8	8	8	8	8	7	7	7
Housing Code	7	10	6	6	6	6	5	5	1	3
Lead Program	1	2.5	2	2	2	2	-	-	-	-
Public Health Nursing	0	0	-	-	-	-	-	-	-	-
Clinics	0	0	2	-	-	-	-	-	-	1
School Based Health Centers	0	0	-	-	-	-	-	-	-	19
Social Services	1.5	2	2	1.25	1.8	1.8	1	2	2	2
Human Services:										
Human Services Administration	2.5	2.5	2	2	2	2	2	2	2	2
Persons with Disabilities	1	2	1	1	1	1	0.5	-	-	1
Veterans Affairs	2	2	2	2	2	2	2	1	1	1
Lighthouse / Youth Services	4	4	6	6	6	6	4	4	4	4
Parent Aide Program	0	-	-	-	-	-	-	-	-	1
Libraries	56	57	53	53	54	53	53	52	52	60
Total	1,360.5	1,329.0	1,326.0	1,316.8	1,297	1,305	1,342	1,336	1,354	1,467

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police:										
Calls for service	111,765	109,523	109,919	114,115	114,780	112,740	111,331	122,713	102,659	104,266
Adult arrest	5,317	4,397	4,237	4,230	6,422	3,771	3,047	2,964	3,369	4,574
Juvenile arrest	1013	740	553	574	800	590	413	432	400	362
Fire:										
Total fire runs	12,318	8,720	10,180	12,648	9,394	9,262	10,130	5,781	3,981	1,026
Total rescue runs	3,366	3,573	3,166	4,838	8,810	5,660	8,650	4,167	7,602	11,678
Property loss	3,724,050	4,506,600	3,415,473	7,418,300	3,649,017	3,541,176	3,171,020	2,537,913	2,025,200	3,257,920
Building safety:										
Total building permits	2,683	2,522	2,425	N/A	3,127	2,939	3,199	3,461	3,520	3,263
Total value all permits	\$173,761,110	\$80,959,003	\$48,862,472	N/A	\$91,501,839	\$172,883,186	\$252,650,376	\$316,366,980	\$174,003,971	\$244,983,476
Library, volumes in collection	530,000	550,851	537,580	533,600	538,600	573,455	573,705	525,372	571,143	581,996
Public service:										
Garbage collected (ton)	58,543	59,756	60,436	58,736	55,698	55,538	55,224	57,218	55,088	53,660
Recycle collected (ton)	3,128	3,194	3,217	4,762	5,339	5,421	5,649	6,043	6,343	6,178
Parks and recreation:										
Recreation program attendance	1,500	1,850	1,950	2,000	2,000	1,750	1,750	1,750	1,675	1,700
Aquatics program attendance	900	600	700	700	750	750	750	750	700	700
Golf rounds played	53,706	60,059	54,776	59,286	50,703	52,884	53,284	59,154	51,684	49,247
Street trees maintained	1,430	1,430	1,800	1,800	1,700	1,962	1,990	1,900	1,962	1,850

Source: City Records

Note: n/a - Indicator not available

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

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police:										
Stations	2	2	1	1	1	1	1	1	9	9
Police Officer Sector Terminals (POST)	3	3	4	3	3	3	4	4	4	5
Number of personnel and officers	574	557	469	456	473	454	429	349	388	394
Number of Divisions	11	11	11	11	11	11	11	11	11	11
Fire:										
Stations	8	8	8	8	8	8	8	8	8	8
Number of personnel and officers	366	366	366	296	283	282	284	272	291	296
Equipment (pieces)	28	28	28	28	30	30	30	30	31	31
Refuse collection:										
Collection Trucks	15	15	15	15	18	18	18	18	18	18
Public facilities:										
Streets (Miles)	829	829	829	829	829	829	829	829	829	829
Traffic Signals	1,552	1,700	1,750	1,750	1,750	1,750	1,800	1,800	1,840	1,840
Parks and recreation:										
Playgrounds	19	19	19	21	21	19	24	24	24	22
Parks	45	45	45	46	46	46	47	47	47	47
Park Acreage	1,330	1,330	1,330	1,330	1,330	1,330	1,351	1,351	1,351	1,351
Golf Courses	2	2	2	2	2	2	2	2	2	2
Swimming Pools	2	2	3	3	2	2	2	2	2	2
Tennis Courts	24	23	25	25	25	24	24	25	25	23
Museums	2	2	2	2	2	2	2	2	2	2
Zoo	1	1	1	1	1	1	1	1	1	1
Baseball/softball diamonds	25	31	31	30	30	25	25	27	27	25
Ice Skating Rinks	1	1	1	1	1	1	1	2	2	2
Soccer/Football Fields	17	19	21	26	28	17	17	20	20	17
Library:										
Facilities	5	5	5	5	5	5	5	5	5	5
Volumes	530,000	550,851	537,580	533,600	538,600	573,455	573,705	525,372	571,143	581,996
Water:										
Average Daily Consumption (MGPD)	12,359	12,021	12,318	11,716	11,447	11,457	11,572	11,428	11,401	11,053
Wastewater:										
Sanitary Sewers (miles)	160	160	160	170	170	170	170	170	170	170
Storm Sewers (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Combination Sanitary and Storm (miles)	123	123	123	113	113	113	113	113	113	113
Number of sewer wells	55,050	55,050	55,050	55,050	55,050	55,050	55,050	55,050	55,050	55,050
Number of Treatment Plants	2	2	2	2	2	2	2	2	2	2

Source: City Records

Note: n/a - Indicator not available