



BRIDGEPORT

The City Does Not Have the Money to Pay Bills

Bridgeport has \$1.2 billion worth of assets, but most of these assets are not available to meet their obligations.

More than \$940 million is infrastructure like land, building and equipment, which cannot realistically be used to pay bills. The use of \$4 million of the assets is restricted by law or contract.

Bridgeport is in Financial Jeopardy

Only \$229 million of the city's assets are available to pay \$1.6 billion of bills as they come due.

Almost \$1.4 billion of city employees' and teachers' retirement, and other costs have been pushed into the future, and thus onto our children's and grandchildren's backs.

Each household's share of the financial burden is \$27,100.

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Assets	\$1,173,382,000
Less: Capital Assets	\$940,113,000
Restricted Assets	\$3,982,000
Available Assets to Pay Bills	\$229,287,000
Bills	\$1,603,936,000
Money Needed to Pay Bills	\$1,374,649,000

Each Household's* Financial Burden \$27,100

Data is derived from the city of Bridgeport's June 30, 2010 audited Comprehensive Annual Financial Report and retirement systems' actuarial reports.

*Based on 2009 U.S. Census Estimate.

So-Called "Balanced" Budgets Ignore True Costs

The city of Bridgeport reported liabilities, not related to capital assets, of only \$521 million. IFTA's detailed analysis discovered almost \$1.1 billion of additional retirement benefits have been promised. When these retirement systems' obligations are included, the city's bills total \$1.6 billion.

So-Called "Balanced" Budgets Ignore True Costs

Reported Liabilities	\$521,110,000
Additional Retirement Obligations	\$1,082,826,000
Total	\$1,603,936,000

The Charter of the City of Bridgeport mandates a balanced budget. One of the reasons Bridgeport is in this precarious financial position is city officials use antiquated budgeting and accounting rules to determine true compensation costs.

Since retirement benefits are not immediately payable in cash, Bridgeport politicians have ignored most of these true compensation costs when calculating "balanced" budgets. Furthermore, the city has set aside only 37 cents to pay for each dollar of these promised benefits.

Truthful budgetary accounting would include the portion of retirement benefits employees earn every year they work in compensation costs.

Accurate accounting requires all real and certain expenses be reported in the city's budget and financial statements when earned, not when paid.



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About



The Institute for Truth in Accounting (IFTA) was created by distinguished financial and public policy experts concerned with the quality of public and private organizations' financial reporting.

The mission of IFTA is to encourage private and public entities to produce financial reports that are understandable, reliable and transparent, and to inform the public of the importance of truthful budgeting and accounting.

IFTA actively seeks association with other public interest groups and individuals that recognize the need to improve financial reporting, or want to better understand the true consequences of financial decisions.

The Institute is a non-profit, nonpartisan organization that does not advocate public policy beyond that of truthful accounting.

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Financial State of the City