Final Official Statement Dated August 17, 2016

NEW MONEY: Book-Entry-Only ***RATING: S&P Global Ratings: "AA"***

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming the material accuracy of representations and continuing compliance by the City with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is not included in gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code, and is not treated as a preference item for purposes of computing the Federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including adjusted current earnings for purposes of calculating the alternative minimum tax imposed on corporations (as defined for federal income tax purposes). In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. See Appendix B – "Form of Opinions of Bond Counsel and Tax Exemption" herein.

City of Ansonia, Connecticut
$4,970,000
General Obligation Bonds, Issue of 2016

Dated: Date of Delivery ***Due: Serially March 15, 2017-2036 as detailed below:***

Interest on the Bonds will be payable March 15, 2017 and semiannually thereafter on March 15 and September 15 in each year until maturity. The Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York. The beneficial owners of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of, redemption premium, if any, and interest payments on, the Bonds will be made by the City of Ansonia, Connecticut (the "City") to The Depository Trust Company, New York, New York ("DTC"), or its nominee as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of $5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

The Bonds are subject to redemption prior to maturity as more fully described under "Redemption Provisions" herein.

Year	*Principal*	*Coupon*	*Yield*	*CUSIP*	*Year*	*Principal*	*Coupon*	*Yield*	*CUSIP*
2017	$ 250,000	2.000%	0.600%	036519MU7	2027*	$ 250,000	2.000%	1.600%	036519NE2
2018	250,000	2.000%	0.700%	036519MV5	2028*	250,000	2.000%	1.700%	036519NF9
2019	250,000	2.000%	0.800%	036519MW3	2029*	250,000	2.000%	1.800%	036519NG7
2020	250,000	3.000%	0.900%	036519MX1	2030*	250,000	2.000%	1.900%	036519NH5
2021	250,000	3.000%	1.000%	036519MY9	2031	245,000	2.000%	2.000%	036519NJ1
2022	250,000	3.000%	1.100%	036519MZ6	2032	245,000	2.100%	2.100%	036519NK8
2023	250,000	3.000%	1.200%	036519NA0	2033	245,000	2.200%	2.200%	036519NL6
2024*	250,000	2.000%	1.300%	036519NB8	2034	245,000	2.300%	2.300%	036519NM4
2025*	250,000	2.000%	1.400%	036519NC6	2035	245,000	2.400%	2.400%	036519NN2
2026*	250,000	2.000%	1.500%	036519ND4	2036	245,000	2.500%	2.500%	036519NP7

** Priced assuming redemption on March 15, 2023; however any such redemption is at the option of the City.*

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The Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due. (See "Security and Remedies" herein.)

The Registrar, Transfer Agent, Certifying Agent and Paying Agent will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23rd Floor, Hartford, Connecticut 06103.

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about September 1, 2016.

No dealer, broker, salesman or other person has been authorized by the City of Ansonia, Connecticut (the "City") to give any information or to make any representations other than that contained in this Official Statement or any supplement which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the City since the date of this Official Statement.

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Bond Issue Summary

The information in this Bond Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Wednesday, August 17, 2016 at 11:30 A.M. (E.D.T.).
Location of Sale:	Ansonia City Hall, Office of the Comptroller, 253 Main Street, Ansonia, CT 06037.
Issuer:	City of Ansonia, Connecticut (the "City").
Issue:	$4,970,000 General Obligation Bonds, Issue of 2016 (the "Bonds").
Dated Date:	September 1, 2016.
Interest Due:	March 15, 2017 and semiannually thereafter on March 15 and September 15, in each year until maturity.
Principal Due:	Principal due serially March 15, 2017 through March 15, 2036.
Purpose:	The proceeds of the Bonds are being used to finance various capital improvements.
Redemption:	The Bonds are subject to redemption prior to maturity.
Security:	The Bonds will be general obligations of the City of Ansonia, Connecticut, and the City will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds received a rating of "AA" from S&P Global Ratings.
Bond Insurance:	The City does not expect to direct purchase a credit enhancement facility.
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Bonds shall be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data and notices of material events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
Financial Advisor:	Phoenix Advisors, LLC, of Milford, Connecticut will act as Financial Advisor. Telephone: (203) 283-1110.
Legal Opinion:	Joseph Fasi LLC, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about September 1, 2016. Delivery of the Bonds will be made against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Richard M. Bshara, Acting Comptroller, Ansonia City Hall, 253 Main Street, Ansonia, Connecticut 06037. Telephone (203) 736-5912.

I. Bond Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the City of Ansonia, Connecticut (the "City"), in connection with the original issuance and sale of $4,970,000 General Obligation Bonds, Issue of 2016 (the "Bonds") of the City.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the City contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The Bonds are being offered for sale through public bidding. A Notice of Sale dated August 9, 2016 has been furnished to prospective bidders and is included herein as Appendix D for the Bonds. Reference is made to the Notice of Sale for the terms and conditions of the bidding.

U.S. Bank, National Association, will certify and act as Registrar, Transfer Agent, Certifying Agent and Paying Agent for the Bonds.

The presentation of information in this Official Statement is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the City.

The independent auditors for the City are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A – Financial Statements excerpted from the City's 2015 Annual Financial Report), and they make no representation that they have independently verified the same. The Auditors have not been engaged nor performed audit procedures regarding the past audit period nor reviewed the Official Statement. The Auditors have not provided their written consent to use their Independent Auditors Report.

Bond Counsel is not passing on and does not assume any responsibility for the sufficiency, accuracy or completeness of the statements made or financial information presented in this Official Statement, other than matters expressly set forth as its opinion, and makes no representation that they have independently verified the same.

The City deems this Official Statement to be "final" for purpose of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

The City currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data with respect to the Bonds and notices of material events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed in substantially the form of Appendix C to this Official Statement.

Financial Advisor

Phoenix Advisors, LLC, of Milford, Connecticut has served as Financial Advisor to the City with respect to the issuance of the Bonds (the "Financial Advisor"). The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

The Bonds

Description of the Bonds

The Bonds will be dated September 1, 2016 and will bear interest at the rates per annum specified on the front cover page, payable semiannually on March 15 and September 15 in each year until maturity, commencing March 15, 2017. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest is payable to the registered owner as of the close of business on the last business day of February and August in each year by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the City shall agree. Principal will be payable at the principal office of U.S. Bank National Association. The Bonds will be issued as fully registered in denominations of $5,000 or any integral multiple thereof.

The legal opinion for the Bonds will be rendered by Joseph Fasi LLC in substantially the form set forth in Appendix B to this Official Statement.

Redemption Provisions

The Bonds maturing on or before March 15, 2023 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2024 and thereafter are subject to redemption prior to maturity, at the election of the City, on and after March 15, 2023, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

Redemption Dates	*Redemption Prices*
March 15, 2023 and thereafter	100%

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of the Bonds of such maturity to be redeemed shall be selected by lot in such manner as the City in its discretion may determine, provided, however, that the portion of any Bonds to be redeemed shall be in the principal amount of $5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000.

The City, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the City will reduce the outstanding principal amount of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the City authorizing the issuance of the Bonds and will not be conducted by the City, the Registrar or Paying Agent.

Authorization and Purpose

The Bonds are issued pursuant to Title 7, Chapter 109, Sections 7-369 et seq. of the Connecticut General Statutes, as amended, the Charter of the City of Ansonia, and bond resolutions approved by the City's Board of Finance and City Council. (See "Use of Proceeds" herein.)

Use of Proceeds

Subject to the Issuer's election to reallocate proceeds among its bond authorized projects to meet its capital cash flow needs, the proceeds of the Bonds are expected to finance the following projects.

Project	*Amount Authorized*	*Maturing Notes Due: 9/1/2016 Lot A (Tax-Exempt)*	*Paydowns*	*New Money*	*This Issue: The Bonds*
2013-14 CIP	$ 5,120,000	$ 4,000,000	$ 150,000	$ 1,120,000	$4,970,000
Totals..............................	$ 5,120,000	$ 4,000,000	$ 150,000	$ 1,120,000	$4,970,000

Book-Entry-Only Transfer System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. For the Bonds, one fully-registered Security certificate will be issued for each maturity of the Securities in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates rep resenting their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such

Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, principal and interest and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, principal and interest and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

DTC Practices

The City can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Replacement Bonds

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the City fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the City determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the City is authorized to issue fully registered Bond or Note certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

Security and Remedies

The Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues of the City. The City has the power under Connecticut statutes to levy ad valorem taxes on all property subject to taxation by the City without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income and of qualified disabled persons taxable at limited amounts. There were 35.34 acres of such certified forest land on the last completed grand list of the City and under existing statutes, the State of Connecticut is obligated to pay the City the amount of tax revenue which the City would have received except for the limitation on its power to tax such dwelling houses.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the City may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the City. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The City is subject to suit on its general obligation debt and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the City. A Court of competent jurisdiction also has the power in appropriate proceedings to order a payment of a judgment on such Bonds from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors, including the current operating needs of the City and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights heretofore or, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied.

Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9 of Title 11 of the United States Code without the express prior written consent of the Governor. This prohibition applies to any City, city, borough, metropolitan district and any other political subdivision of the State of Connecticut having the power to levy taxes and issue bonds or other obligations.

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Qualification for Financial Institutions

The Bonds shall be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense allocable to the Bonds.

Availability of Continuing Information

The City prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State of Connecticut, Office of Policy and Management on an annual basis. The City provides, and will continue to provide, to the rating agencies ongoing disclosure in the form of the annual financial reports, recommended and adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

The City will enter into Continuing Disclosure Agreements with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement (the "Continuing Disclosure Agreements"). The winning bidders' obligation to purchase the Bonds shall be conditioned upon their receiving, at or prior to the delivery of the Bonds, an executed copy of the respective Continuing Disclosure Agreement.

The City has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds to provide certain annual financial information and event notices pursuant to the Rule. To date, the City has not failed to substantially comply with its undertakings under such agreements.

Rating

The City received a rating of "AA" from S&P Global Ratings ("S&P") on the Bonds. The City furnished S&P with certain information and materials, some of which may not have been included in this Official Statement.

The ratings reflect only the views of the S&P and an explanation of the significance of the rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Bonds.

Insurance

The City does not expect to direct purchase a credit enhancement facility.

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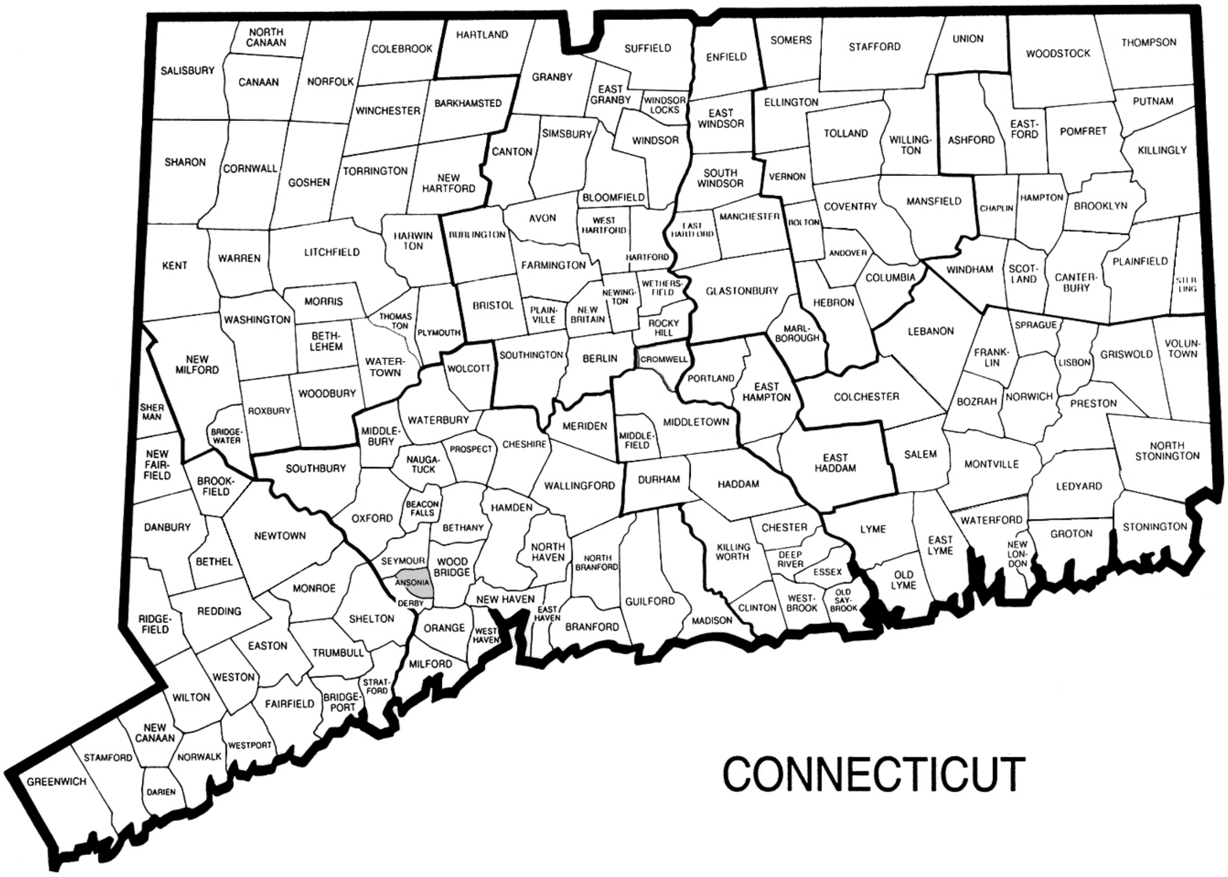

Description of the Municipality

A wealthy businessman named Anson G. Phelps established the City of Ansonia as an industrial village in 1844. It was incorporated in 1889 and was chartered as a city in 1893. The City, which has a land area of 6.2 square miles, is located in New Haven County eleven miles west of New Haven and three miles north of Shelton. Ansonia is one of seven communities that form the All-American region known as the Naugatuck River Valley, or more commonly known as the Valley. It is centrally located within the triangular formation of some of the state's largest cities: Bridgeport to the south, New Haven to the east, and Waterbury to the north.

Transportation facilities include railroads, with both passenger and freight service. State highways include routes 115, 234, 334 and 8. Route 8 provides four-lane divided highway access to intersect I-95 in Bridgeport and I-84 in Waterbury. The Valley Transit District provides bus transportation to residents throughout the community. Two additional companies provide inter- and intra-state bus transportation.

The largest employers of the City are Ansonia Copper and Brass, manufacturer of copper and brass alloys; Farrel Corporation, manufacturer of heavy machinery screw products; Hershey Metal Products, manufacturer of piping insulation; and Stop & Shop and Big Y Supermarkets, representing the larger retail chain facilities. Other industries manufacture nail clippers, eyelets and electronic devices for screw machine products.

The City has one high school, one middle school, two elementary schools, one parochial grammar school and one State technical high school. For recreation in Ansonia, there are six parks, eight tennis courts, and the Ansonia Nature and Recreation Center. The General David Humphrey Homestead Museum is also located in Ansonia. Sports activities are conducted at Jarvis Field and the Nolan Athletic Complex. There are six banks and nine daycare facilities in the City.

Government Organization

Ansonia's current charter was granted by Special Act of the Connecticut General Assembly in 1901 and has been amended by the General Assembly and home-rule action from time to time. The City operates under a Mayor/Board of Aldermen/Board of Apportionment and Taxation form of government. The Mayor serves as chief executive officer. The Board of Aldermen is the legislative body, and the Board of Apportionment and Taxation has jurisdiction over fiscal affairs. Various boards and commissions are appointed to supervise various departments and activities.

The Comptroller is the Chief Fiscal Officer of the City and has direct supervision of the Offices of the Assessor, Collector of Revenues and the Finance Department.

Board of Education

The Board of Education is the policy-making body for grades pre-kindergarten through twelve. See "Educational System" herein.

City Officials

Office	*Name*	*Manner of Selection*	*Date of Election / Appointment*
Mayor	David S. Cassetti	Elected	December 2015
City Treasurer	Judy Larkin Nicolari	Elected	December 2015
Comptroller (Acting)	Richard M. Bshara	Appointed	March 2016
Chairman, Board of Apportionment and Taxation	Dan King	Elected	January 2016
President, Board of Aldermen	Phil Tripp	Elected	January 2016
Superintendent of Schools	Carol Merlone	Appointed	July 2007

Sources: Finance Director's Office.

Municipal Services

Police Protection: The Police Department is headed by a Chief and a five-member Board of Police Commissioners. The Commissioners are appointed by the Mayor with legislative consent for a two-year term. The Board is responsible for all policies as well as the formation and administration of the budget. The Department is staffed by the Chief, two lieutenants, six sergeants, five detectives, and 30 patrolmen. One of the patrolmen serves as a school resource officer in the high school. The Department has several bicycle officers and a K-9 officer. Eight cruisers and four unmarked vehicles provide patrol services for the City.

Fire Protection: A volunteer force of approximately 400 firefighters, organized into five separately incorporated companies housed in five fire stations, provides fire protection. The department is headed by a chief and four assistant chiefs. Two companies are headed by a captain and three lieutenants; three companies are headed by a captain and two lieutenants. A Board of Fire Commissioners is responsible for setting the budget and policy formulation of the department. Present equipment consists of five 1,250-gallon-per-minute, 500-gallon tank pumpers, a 100-foot aerial ladder, and a fully equipped emergency rescue vehicle. The entire City is served by a call-box signal system and by a fire hydrant system. A tax abatement program is in place for City of Ansonia volunteer firefighters, whereby up to $1,000 in local property taxes can be rebated based on points earned toward the program's requirements. A training committee coordinates training for the volunteers that includes hazardous materials operations, anti-terrorism training, Firefighter-I and II training, and SOPS requirements. The City has a memorandum of Agreement with Northwest Connecticut Public Safety Communication Center, Inc. to provide fire and EMS dispatch services. They are based at 95 Union St. in Waterbury, Connecticut.

Emergency Medical Services: Ansonia Rescue Medical Services (ARMS) operates as the City of Ansonia's EMS & Rescue provider. ARMS is licensed by the Connecticut Department of Public Health – Office of Emergency Medical Services to operate 4 ambulances at the Basic Life Support level. ARMS also operate two first response vehicles, one Utility Terrain Vehicle, one Air Cascade & Light Truck as well as a newly formed EMS Bike Team.

It is the mission of Ansonia Rescue Medical Services to provide quality EMS and Rescue Services to those who live, work or visit the City of Ansonia and surrounding communities in the time of illness, injury, crisis or disaster. Highly trained members render services in a professional manner utilizing state of the art equipment. Members actively participate in the community, serve as role models and strive to provide services deemed excellent by the citizens of Ansonia. All EMS calls in the City are received by the Police Department and transferred to Northwest CT Public Safety where a trained Telecommunicator can provide lifesaving instructions (ie CPR) to callers over the 911 phone.

During 2015 ARMS responded to 3,190 calls for service. We are comprised of 10 active/certified volunteers, 10 non-certified volunteers, 40 part time paid employees, 4 supervisors and a Chief/EMS Account Executive. Our Paid and Volunteer Staff work side by side to staff two Basic Life Support Ambulances 6am to Midnight and one Basic Life Support Ambulance Midnight to 6am. Our membership consists of several levels of training – Emergency Medical Responder and Emergency Medical Technician. In addition we sponsor the Ansonia Community Emergency Response Team (CERT) made up of approximately 12 citizens.

Sewage: The City of Ansonia's Water Pollution Control Authority ("WPCA") operates a sanitary sewer system and secondary treatment facility for the collection and treatment of sanitary waste. The system includes 13 pump stations and a 3.5-million-gallon-per-day sewer treatment plant located at the Ansonia Public Works Complex. The WPCA estimates that approximately 60 miles of road and 98% of the City's population is currently sewered. The system is maintained and operated by four employees.

Working with the State of Connecticut Department of Environmental Protection the City recently completed a comprehensive $48.6 million upgrade to its Sewer Treatment Plant in October of 2011. The City has received about $11.9 million of grants from the State of Connecticut Clean Water Fund Program leaving a net cost to the City of about $36.7 million. This net cost of $36.7 million will be financed with a 2% loan from the State of Connecticut's Clean Water Fund Program. The loan will be repaid solely from assessments and revenues generated by the WPCA. Loan repayment is expected to begin in January 2012. The City's sludge is transported to the City of New Haven's incinerator for disposal.

Solid Waste: Winter Brothers of Connecticut provides curbside pickup and delivery of solid waste. The City has a three-year contract with Winter Brothers with an option to extend for another two years. The City's cost for fiscal year 2015–16 was $750,000, and the contract will expire on June 30, 2017, at which time the City will assess whether to extend for another two years. Since the City is not a member of the Connecticut Resources Recovery Authority, a spot-rate contract is in place which allows Winter Brothers to deliver the City's solid waste to either the Bristol or Bridgeport Resource Recovery Facilities. For fiscal year 2016-17 the City pays a tipping fee of $67.00 per ton on an annual volume of approximately 3,600 tons. The City closed and capped its landfill in 2006.

Water: South Central Connecticut Regional Water Authority provides water service to Ansonia. Almost 100% of the City is serviced by public water and residents who do not have public water have the option to connect. The 2000 Water Supply Plan indicates that there is more than adequate supply to meet current demand and the projected population through the year 2040. Only 50% of the available supply being used on an average day. The availability of plentiful public water provides a safe supply of potable water, and an adequate supply of water for fire protection.

Gas: Yankee Gas Service Company provides natural gas to the City of Ansonia. Natural gas is an alternative energy source to residential, commercial, and industrial areas. The availability of service to the commercial and industrial areas may be an attraction to potential companies.

Recreation: Recreational facilities include several major and smaller parks along with tennis and ice-skating facilities. The City has a 104-acre Nature and Recreational Park which serves the area, providing both passive and active recreation with nature trails designed for conservationists and nature awareness and a full range of recreational activities, including softball, baseball and soccer. Located on the site is an interpretive center which is used for display and educational programs for the children of the community. A Y.M.C.A. located in the City provides physical and health education to its residents.

Library: The City of Ansonia has a library serving City residents, as well as residents from surrounding towns. Founded in 1891, the library is funded through a combination of State grants, endowment funds, and the City's municipal budget. The library has over 7,000 registered patrons and over 70,000 items in the collection, as well computers and wireless internet access for the public to utilize. The Ansonia Library offers a variety of programs to meet the educational and recreational needs of the community. The Library is governed by a nine-member Board of Directors.

Educational Services

The Ansonia school system is governed by the local Board of Education and serves grades pre-kindergarten through twelve. The system comprises two elementary schools, one middle school, and one high school. In addition, there is one state public vocational high school and one parochial elementary school in Ansonia.

Ansonia's Board of Education is composed of seven members who are elected to four-year terms. The primary functions of the Board are to establish policy, oversee Board business operations and instructional programs and facilities, recommend a budget to the City, administer the annually appropriated budget, select and evaluate the superintendent of schools, and establish priorities for the school system. Actual student enrollment as of October 1, 2015 was 2,360 and the rated capacity is approximately 2,650.

School Enrollment

School Year	K-5	6-8	Senior High 9-12	Pre-School	Special Ed.	Total
			Historical			
2005-06	1,279	671	700	64	30	2,744
2006-07	1,289	619	735	83	36	2,762
2007-08	1,325	597	761	50	36	2,769
2008-09	1,375	582	717	99	38	2,811
2009-10	1,298	570	777	97	37	2,779
2010-11	1,312	570	762	96	40	2,780
2011-12	1,304	570	772	98	41	2,785
2012-13	1,088	577	630	112	37	2,444
2013-14	1,056	576	582	111	37	2,362
2014-15	1,121	585	619	110	37	2,472
2015-16	1,093	537	632	99	29	2,390
			Projected [1]			
2016-17	1,095	532	630	100	39	2,396
2017-18	1,085	534	625	100	38	2,382
2018-19	1,080	530	626	100	40	2,376
2019-20	1,081	525	620	100	42	2,368
2020-21	1,080	525	615	100	45	2,365

Note: Special Education students allocated to individual grades.

Source: Superintendent's Office.

School Facilities

School	Grades	Date of Construction (Remodeling)	Number of Classrooms	10/1/2015 Enrollment	Rated Capacity
Ansonia High………	9–12	1999	56	632	700
Ansonia Middle……	Pre-K, 7–8	1936 (2000)	37	446	650
Mead ……………..	K–6	1967 (1998)	28	595	650
Prendergast...…….	K–6	1959 (1998)	39	688	650
Total………………………………………………			160	2,361	2,650

Source: Superintendent's Office.

Municipal Employees

The following table reflects total City employment for the past five fiscal years:

	2016	2015	2014	2013	2012
General Government………..	350	358	378	365	230
Board of Education…………	401	403	408	433	456
Total…………………..…..	751	761	786	798	686

Source: City of Ansonia.

Employee Relations and Collective Bargaining

General Government Unions	Positions Covered	Current Contract Expiration Date
Police - AFSCME, Council 15 ………………………………………………	40.00	6/30/2017
Public Works - Teamsters Local Union #667………………………………	23.00	6/30/2020
Clerical - UPSEU Local 424, Unit 38 …………………………………………	36.00	6/30/2020
Sub-Total……………………………………………………………	99.00	
Board of Education Unions		
Teachers - Ansonia Federation of Teachers, Local 1012 AFL-CIO …………………	211.00	6/30/2020
Administers - Ansonia Administrators Organization ………………………………	10.00	6/30/2017
Custodians - Teamsters Local Union #677, Ansonia BOE Custodian/Maintenance Personnel…………………………………………	17.00	6/30/2017
Secretaries/Nurses/Library - Ansonia Federation of Educational Personnel, AFL Local 3543…………………………………	20.00	6/30/2017
Paraprofessionals - Ansonia Federation of Paraprofessionals, AFL Local 2181………	18.00	6/30/2017
Tutors - Ansonia Federation of Tutors, AFL Local 3781………………………………	-	n/a
Cafeteria Workers - Ansonia BOE Food Service Employees United Public Service Employees Union, Local 424 – Unit 29………………………………………	20.00	6/30/2017
Sub-Total……………………………………………………………	296.00	
Total……………………………………………………………	395.00	

Binding Arbitration

Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide for a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certificated teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 1, 1997, for binding arbitration of teacher's contracts, in assessing the financial capability of a City, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

III. Economic and Demographic Information

Economic Condition and Outlook

Ansonia is located in the heart of the Naugatuck River Valley, a region that Pulitzer Prize-winning author Theodore H. White referred to as “the seedbed of Yankee ingenuity." It was first established in 1844 by businessman Anson G. Phelps as a new industrial village “where industrialists of the 19th Century saw their businesses merge into national or international conglomerates.” The City has been the home of industrial giants such as the Farrel-Pomini Corporation and Ansonia Copper and Brass.

That spirit of industry and innovation remains alive in Ansonia today.

Over the past two and a half years Ansonia has experienced steadily increasing economic activity, accompanied by reinvestment in its infrastructure. Symbolic of Ansonia’s recent transformation is the construction of the Farrel-Pomini Corporation’s new, high-tech world headquarters overlooking the City from atop the mountainous Fountain Lake Commerce Park. The sleek, modern, 100,000 s.f. facility will provide a new home for Farrel-Pomini, a multinational manufacturing company that specializes in the manufacturing of extrusion devices for the plastics industry. The Farrel-Pomini Corporation relocated from downtown Ansonia, where it had operated for over a century. The new facility represents a $10,000,000 investment in Ansonia and the preservation of approximately 90 jobs as the company retains and expands its operations.

A major inducement for Farrel-Pomini to stay in Ansonia was a mix of $750,000 in state, federal $1,000,000 and $250,000 in city funds to construct an access roadway that made the project feasible for Farrel-Pomini and its developers. The Farrel-Pomini world headquarters is scheduled to be in operation by this September, with the city realizing an estimated $300,000 in new tax revenue from the business.

Farrel-Pomini joins the existing tenants at the Fountain Lake Commerce Park, which include Spectrum Plastics Molding Resources (a 68,000 square foot, state-of-the-art facility), NPI Manufacturers and Homa Pump Technology, Inc. Crucially, the creation of the access road to the top of the Fountain Lake Industrial Park opens up an additional 2-3 site pads and 40 acres for future development.

The City utilized for the first time its tax abatement program to lure the Better Packages, a 100 year old Shelton-based manufacturing firm, to Ansonia’s Hershey Industrial Park. Better Packages invested over $ 1,000,000 at its new location and brought over 32 new jobs. Since moving to Ansonia, Better Packages doubled their research and development space from 1,000 s.f. to 2,000 s.f., consolidated their Tampa Fla operations into Ansonia and saw an increase of 12% in their workforce. Moreover, it recently expanded to an additional 5,000 s.f. totaling 15,000 s.f. and is thriving in its new home. These public private partnerships which Ansonia has created are garnering state wide recognition. The State of Connecticut Department of Economic and Community Development's Celebrate CT recently recognized and awarded Ansonia for one of the state's best regional economic development projects - Fountain Lake.

The City obtained the relocation of Road Ready Cars from Bridgeport to the site of an Ansonia car dealership that had been vacant and blighted for nearly a decade. The City of Ansonia applied for a remediation grant for the owner to remove on site contaminated soil. That development will bring over 90 new jobs and $4,000,000 in investment into the City.

The same collaborative approach can be seen in the City’s efforts to support Ansonia Copper and Brass with the rehabilitation of its sprawling 42 acre facility, located in the heart of Ansonia’s downtown. Once an industrial powerhouse, the company’s former factories and mills have been largely vacant and blighted for over a decade. The city’s Corporation Counsel, John Marini crafted an agreement between the city and the owners which has resulted in the demolition of 100,000 s.f. of abandoned factories, with another 150,000 s.f.to follow by 2017. The demolition will free up between 10-12 acres of clean developable land. A plan is being formulated to continue demolition and environmental remediation with the goal of creating a multi-purpose commerce park and recreational facility.

This site, which has traditionally been viewed as the City’s most serious impediment to the downtown area, now presents one of Ansonia’s most promising opportunities for development. The City of Ansonia is working on a potential collaboration with Emmett O'Brien Technical School (a state vocational technical school) and a developer on a potential sports complex that may occupy a portion of the former Ansonia Copper and Brass site. The plan is in the concept stage.

Emmett O'Brien Technical School located within Ansonia's downtown area is in the process of seeing one of the state' largest technical school renovation. When completed the $93 million dollar renovation project will see increased enrollment with new classroom space, state of the art technology and additional course offerings. Ansonia recognizes the regional significance of having this school in its backyard. Ansonia and Emmett are creating opportunities for manufacturing based occupations and helping to foster manufacturing by providing skilled workers.

The City is also in the midst of negotiating the sale of two large municipally owned buildings that sit in a crucial commercial corridor on Ansonia's Main Street. Significantly, these buildings have remained largely unoccupied since the 1980s. The current proposal is to develop the structures as mixed commercial and residential developments. If consummated, this represents a potential $11 million private investment. The city will contribute assessment and remediation funds from state grants it secured. The city is working together with the developers to create parking for the development.

Also under discussion is a prospective big-box development adjacent to the existing Target store off West Main Street. The City was instrumental in putting a California developer in touch with a property owner who had for years aimed at converting his vacant land into a contractor's yard. Making a strong case for the property to be utilized for its highest and best use, the City facilitated negotiations that led to a due diligence agreement between the two parties. The prospective commercial tenants include a Petco and chain restaurant.

Apart from the large-scale development noted above, Ansonia is also seeing a growing wave of small business investment. Main Street has become home to a bevy of restaurants and eateries, including new additions such as Rosa Mina Italian Restaurant, Lulu Pazza Italiano (from the owner and operator of Vazzi's), DiGiovanni's Catering, Warsaw Traditional Polish Restaurant, The Thigh High Chicken Co., and Copper City Bar and Grill. These establishments join existing restaurants such as the Crave Restaurant, which was voted Best Latin Restaurant in 2015 by Connecticut Magazine. In fact, Crave has been so successful that it recently expanded to feature a New York City-style piano bar and lounge. Some of these restaurants have already opened and the remaining restaurants will be opening in the fall of 2016.

In addition to the restaurants, Ansonia has also seen a proliferation of specialty stores, fitness facilities, automotive service providers, and professional offices. These include New Headings Adventure Gear, Traci's Parties and Antiques, Brangan's Auto Repairs and Service (recently expanded), Riverwalk Cross Training Center, Preferred Property Management Services and Copper City Development (property management and development). Most recently, a developer is considering an indoor football training facility for future and current NFL players at the Hershey Industrial Park. The owner has received site plan approval from Planning and Zoning and Inland Wetlands Commissions. He expects to be open for business in the winter of 2016.

The new establishments join an existing business community that includes national and regional chains such as Big Y (scheduled to be renovated), Target, Bob's Retail Store, Stop and Shop, Burger King (recently underwent a major renovation), Cumberland Farms (also underwent major renovation and additions), Dunkin' Donuts, Bank of America and Wells Fargo, as well as valued long-time retailers like Seccombe's Men's Shop, Eddy's Bakery, Lewis Jewelers, and Spector Furniture (which has recently expanded to offer home decorating services). The City also hosts a number of manufacturers (Stelray Plastic Products, Inc. and American Precision Manufacturing) and construction companies.

In addition to the business development activity, Ansonia has made investments in its infrastructure and its public facilities. This includes a $2.5 million grant for the complete reconstruction of major 1.5 mile commercial corridor Wakelee Avenue, $1.2 million in funding to eradicate safety issues on a main road that sees foot traffic from local students, a road safety audit by the CT Department of Transportation for Main Street, reconstruction/repaving of a municipal parking lot on West Main adjacent to the Ansonia Train Station, and the paving of 30 city roads within the past 3 years.

The City of Ansonia under Mayor David S. Cassetti is part of a 20 town Comprehensive Economic Development Strategy (CEDS) and Economic Development District (EDD). In 2013 the State of Connecticut and the U.S. Economic Development Agency recognized the EDD. Being a part of this District and having a CEDS makes Ansonia eligible for federal grants from the U.S. Economic Development District and for additional state grants. The Economic Development Director for Ansonia, Sheila O'Malley, serves as the Regional Chair.

The City of Ansonia is also part of a 20 town consortium which is part of the first ever Connecticut Land bank. John Marini and Sheila O'Malley serve on the Board. Sheila O'Malley Chairs this Board. The Land Bank was formed to assist municipalities with the redevelopment of chronically burdened brownfield sites. The sites are in secondary real estate markets or are economically upside down due to the cost of cleanup and demolition. The Land Bank provides capacity and financial resources to help resolve the obstacles that keep many sites stuck in blighted and underused conditions. The sites may also pose human health risk and contribute to despair for neighbors. The Land

Bank is a nonprofit organization that advocates for sustainable and transportation oriented development, local job creation, stakeholder participation and environmental justice principles. The primary purpose is the education of government officials, community leaders, economic development agencies and non-profit organizations on best practices of redeveloping brownfield sites, which would be beneficial to the community

Ansonia took the initiative to eradicate unsightly conditions across the city with a powerful new anti-blight law. The recently adopted ordinance creates tough penalties for owners of residential and commercial property who fail to keep their property clean. Under the old law, a violator would not face penalties until at least 90 days after being cited for blight. We now have the ability to remediate blighted properties in less than two weeks. 150 blighted properties have been remediated since its inception. The new program is seeing a positive impact on property values and has helped attract investors in our City.

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Population and Density

Year	Actual Population[1]	% Increase	Density[3]
2014[2]	19,128	(0.6)	3,177
2010	19,249	3.7	3,198
2000	18,554	0.8	3,082
1990	18,403	(3.3)	3,057
1980	19,039	(10.0)	3,163
1970	21,160	6.8	3,515

[1] *U.S. Department of Commerce, Bureau of Census.*

[2] *American Community Survey, 2010-2014.*

[3] *Per square mile: 6.02 square miles.*

Age Distribution of the Population

	City of Ansonia		State of Connecticut	
Age	**Number**	**Percent**	**Number**	**Percent**
Under 5	1,022	5.3%	194,338	5.4%
5 - 9	1,071	5.6	217,491	6.1
10 - 14	1,543	8.1	234,666	6.5
15 - 19	1,119	5.9	255,499	7.1
20 - 24	1,192	6.2	234,482	6.5
25 - 34	2,418	12.6	433,145	12.1
35 - 44	2,476	12.9	459,130	12.8
45 - 54	2,861	15.0	563,772	15.7
55 - 59	1,561	8.2	253,952	7.1
60 - 64	1,178	6.2	214,499	6.0
65 - 74	1,477	7.7	280,541	7.8
75 - 84	743	3.9	162,971	4.5
85 and over	467	2.4	87,567	2.4
Total	19,128	100.0%	3,592,053	100.0%
Median Age (Years)	40.8		40.3	

Source: American Community Survey 2010-2014

Income Distribution

	City of Ansonia		State of Connecticut	
Income	**Families**	**Percent**	**Families**	**Percent**
Less than $10,000	461	9.9%	30,584	3.4%
$10,000 to $14,999	157	3.4	18,591	2.1
$15,000 to $24,999	292	6.3	46,537	5.2
$25,000 to $34,999	546	11.8	56,473	6.3
$35,000 to $49,999	513	11.1	85,206	9.5
$50,000 to $74,999	805	17.4	140,776	15.6
$75,000 to $99,999	593	12.8	129,656	14.4
$100,000 to $149,999	786	16.9	184,327	20.5
$150,000 to $199,999	374	8.1	93,100	10.3
$200,000 or more	111	2.4	114,307	12.7
Total	4,638	100.0%	899,557	100.0%

Source: American Community Survey 2010-2014

Income Levels

	City of Ansonia	State of Connecticut
Per Capita Income, 2014[1]	$ 24,804	$ 38,480
Per Capita Income, 2010	$ 26,225	$ 36,775
Median Family Income, 2014[1]	$ 61,840	$ 88,217
Median Family Income, 2010	$ 71,329	$ 84,170

[1] *American Community Survey, 2010-2014*

Source: U.S. Department of Commerce, Bureau of Census, 2010.

Educational Attainment
Years of School Completed Age 25 and Over

	City of Ansonia		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade	260	5.5%	60,314	6.4%
Grades 9-12 – no diploma	267	5.6	42,633	4.5
High School graduate	2,075	43.7	364,673	38.5
Some College or Associates Degree	1,146	24.1	207,007	21.9
Bachelors Degree or higher	1,000	21.1	272,565	28.8
Total	4,748	100.0%	947,192	100.0%
Total high school graduate or higher (%)	88.9%		89.1%	
Total bachelor's degree or higher (%)	21.1%		28.8%	

Source: American Community Survey 2010-2014

Major Employers
As of August 2016

Name	Business	Number of Employees
City of Ansonia	Municipality	750
Birmingham Group Health Services	Health care	170
Ansonia Plastics	Manufacturing	110
Target	Retail	100
NPI Medical	Healthcare	100
Farrell-Pimoni	Manufacturing	90
Big Y Supermarket	Retail grocery	90
Stop & Shop Supermarket	Retail grocery	70
Stelray Corp.	Manufacturing	56
Bob's Stores	Retail	40

Employment by Industry
Employed Persons 16 Years and Over

	City of Ansonia		State of Connecticut	
Sector	**Number**	**Percent**	**Number**	**Percent**
Agriculture, forestry, fishing/hunting, & mining	11	0.1%	7,413	0.4%
Construction	758	8.9	97,974	5.5
Manufacturing	1,316	15.5	191,057	10.8
Wholesale trade	164	1.9	44,195	2.5
Retail trade	1,216	14.3	191,267	10.8
Transportation and warehousing, and utilities	287	3.4	65,068	3.7
Information	125	1.5	41,905	2.4
Finance, insurance, real estate, rental & leasing	522	6.1	161,926	9.2
Professional, scientific, management, administrative, and waste mgmt services	688	8.1	197,880	11.2
Education, health and social services	2,291	26.9	467,574	26.5
Arts, entertainment, recreation, accommodation and food services	410	4.8	154,005	8.7
Other services (except public administration)	319	3.8	80,179	4.5
Public Administration	397	4.7	66,491	3.8
Total Labor Force, Employed	8,504	100.0%	1,766,934	100.0%

Source: American Community Survey 2010-2014

Employment Data
By Place of Residence

	City of Ansonia		Percentage Unemployed		
Period	**Employed**	**Unemployed**	**City of Ansonia**	**Bridgeport/Stamford Labor Market**	**State of Connecticut**
June 2016	8,856	748	7.8%	5.7%	5.9%
Annual Average					
2015	8,850	760	7.9	5.5	5.6
2014	9,367	818	8.0	6.2	6.7
2013	9,165	947	9.4	7.3	7.9
2012	9,391	1,050	10.1	8.2	8.3
2011	9,038	1,058	10.5	8.2	8.8
2010	9,119	1,108	10.8	8.4	9.0
2009	9,142	984	9.7	7.8	8.2
2008	9,315	699	7.0	5.3	5.7
2007	9,360	558	5.6	4.1	4.6
2006	9,255	526	5.4	3.9	4.4

Source: State of Connecticut, Department of Labor. Not seasonally adjusted.

Age Distribution of Housing

	City of Ansonia		State of Connecticut	
Year Built	**Units**	**Percent**	**Units**	**Percent**
1939 or earlier..........................	3,244	42%	334,290	22.4%
1940 to 1969..........................	2,796	36.3	536,618	36.0
1970 to 1979..........................	899	11.7	200,288	13.4
1980 to 1989..........................	307	4.0	193,794	13.0
1990 to 1999..........................	405	5.3	113,875	7.6
2000 or 2009..........................	60	0.8	104,093	7.0
2010 or later..........................	-	0	7,423	0.5
***Total Housing Units, 2014*................**	7,711	100.0%	1,490,381	100.0%

Source: American Community Survey 2010-2014

Commute to Work

	City of Ansonia		State of Connecticut	
	Number	**Percent**	**Number**	**Percent**
Drove alone	6,873	82.3%	1,364,472	78.7%
Car pools	789	9.5	142,105	8.2
Used public transportation	232	2.8	81,585	4.7
Walked	145	1.7	52,655	3.0
Used other means	95	1.1	20,514	1.2
Worked at home	213	2.6	73,467	4.2
Total	8,347	100.0%	1,734,798	100.0%
Mean travel to work (minutes)	24.9	–	25.1	

Source: American Community Survey 2010-2014

Housing Inventory

	City of Ansonia		State of Connecticut	
Type	**Units**	**Percent**	**Units**	**Percent**
1-unit, detached	3,428	44.5%	882,955	59.2%
1-unit, attached	271	3.5	79,922	5.4%
2 units	2,064	26.8	120,070	8.1%
3 or 4 units	1,091	14.1	133,452	9.0%
5 to 9 units	345	4.5	81,574	5.5%
10 to 19 units	117	1.5	55,609	3.7%
20 or more units	377	4.9	124,683	8.4%
Mobile home	18	0.2	11,819	0.8%
Boat, RV, van, etc.	-	-	297	0.0%
***Total Inventory*..............................**	7,711	100.0%	1,490,381	100.0%

Source: American Community Survey 2010-2014

Housing Vacancy Rates

Housing Units	City of Ansonia Units	City of Ansonia Percent	State of Connecticut Units	State of Connecticut Percent
Occupied housing units	7,309	93.8%	1,355,849	91.2%
Vacant housing units	485	6.2%	131,146	8.8%
Total units	7,794	100.0%	1,486,995	100.0%
Homeowner vacancy rate	–	2.1	–	1.6
Rental vacancy rate	–	7.8	–	7.1

Source: American Community Survey 2010-2014

Owner Occupied Housing Values

Specified Owner-Occupied Units	City of Ansonia Number	City of Ansonia Percent	State of Connecticut Number	State of Connecticut Percent
Less than $50,000	41	1.0%	24,122	2.6%
$50,000 to $99,999	24	0.6	26,438	2.9
$100,000 to $149,999	360	9.1	72,756	8.0
$150,000 to $199,999	1,090	27.6	137,797	15.1
$200,000 to $299,999	1,976	49.9	257,364	28.2
$300,000 to $499,999	421	10.6	243,882	26.7
$500,000 to $999,999	44	1.1	109,918	12.0
$1,000,000 or more	-	-	40,766	4.5
Total	3,956	100.0%	913,043	100.0%
Median Sales Price	$219,200		$274,500	

Source: American Community Survey 2010-2014

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Number and Size of Households

Household Characteristics	*City of Ansonia* Number	Percent	*State of Connecticut* Number	Percent
Persons in households ……………	19,011	–	3,472,533	–
Persons per household (average) ….	2.63	–	2.56	–
Persons per family (average) ……..	3.32	–	3.15	–
Family households …………………	4,638	64.1%	899,557	66.3%
Non-family households ……………	2,602	35.9%	456,930	33.7%
All households ………………………	7,240	100.0%	1,356,487	100.0%
Family households by type				
Married couple ……………………	3,184	68.7%	664,328	73.9%
Female householders, no spouse …	1,136	24.5%	175,928	19.6%
Other …………………………..….	318	6.9%	59,301	6.6%
Total family households ……………	4,638	100.0%	899,557	100.0%
Non-family households by type				
Householders living alone ………..	2,080	79.9%	378,669	82.9%
Other …………………………..….	522	20.1%	78,261	17.1%
Total non-family households ……..	2,602	100.0%	456,930	100.0%

Source: American Community Survey 2010-2014

Building Permits

The following is a schedule of building permits and their estimated values over the last ten years:

FYE 6/30	*Residential* No.	Value	*Commercial /Industrial* No.	Value	*Totals* No.	Value
2016	702	$ 6,443,568	74	$ 7,368,789	776	$13,812,357
2015	557	4,113,950	35	1,337,924	592	5,451,875
2014	472	3,646,638	57	2,905,248	529	6,551,885
2013	453	3,926,965	56	1,284,802	509	5,211,767
2012	505	4,086,496	49	728,925	554	4,815,421
2011	516	4,254,027	52	575,300	568	4,829,327
2010	485	3,874,606	42	33,248,531	527	37,123,137
2009	516	6,735,138	197	1,853,347	713	8,588,485
2008	638	4,932,226	48	6,193,070	686	11,125,296
2007	395	4,298,797	256	11,385,605	651	15,684,402

Source: Building Inspector.

Land Use Breakdown

Ansonia is comprised of approximately 3,859 acres of land. While detailed land use information is not available, it is estimated that about 95 percent of the community (3,666 acres) is occupied for residential, commercial, or institutional use or is dedicated to a specific purpose such as public land or protected open space.

Conversely, about 5 percent of the land in Ansonia (192 acres) is vacant or uncommitted to a specific use and may be capable of supporting additional development in the future.

After considering physical and environmental constraints on the vacant and underdeveloped land, it is estimated that Ansonia could eventually contain as many as 8,100 total housing units, if fully developed under existing zoning.

IV. Tax Base Data

Property Tax

Assessments

The maintenance of an equitable tax base by locating and appraising all real and personal property within the City for inclusion onto the grand list is the responsibility of the Assessor's Office. The grand list represents the total assessed values for all taxable and tax-exempt real estate and taxable personal property and motor vehicles located within the City on October 1. Generally, the law requires a revaluation every five years and a physical inspection once every ten years. The most recent revaluation occurred for the assessment year commencing October 1, 2012. The City last performed a revaluation based on physical observation for the assessment year commencing October 1, 2007 and the next one will be for the assessment year commencing October 1, 2017. Assessments for real estate are computed at 70% of the estimated market value at the time of the last revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Each year a Board of Assessment Appeals determines whether taxpayer petitions for assessment reductions on the current grand list are warranted.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. Upon issuance of a certification of completion, a physical inspection is conducted and a new fair market value is determined with the aid of schedules developed at the time of the last revaluation. All value adjustments are reviewed to determine equity with similar properties and estimate changes to existing income streams.

All personal property (furniture, fixtures, equipment, machinery, supplies, non-registered motor vehicles, and leased equipment) is revalued annually. Random audits are conducted periodically.

Motor vehicle registration lists are furnished to the City by the State Department of Motor Vehicles. The Office of Policy and Management has determined that the average retail values represented by the National Automobile Dealers Association pricing guides must be utilized in preparation of the grand lists. These values are applied uniformly and equitably to all vehicles in the City; a myriad of exemptions is then applied to qualifying applicants. The same process is applied to the Supplemental Motor Vehicle list, which represents new or replacement vehicles which were registered after the October 1 assessment date, but before the following July 1. Bills for this supplemental list are issued the following January, eighteen months after the grand list date.

Public Act No. 16-3 (the "Act") allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at (1) 37.00 mills for the 2015 assessment year and (2) 32.00 mills for the 2016 assessment year and thereafter. The Act also diverts a portion of state collected sales tax revenue to provide funding to municipalities to fully reimburse the revenue loss attributed to the motor vehicle property tax cap.

The City of Ansonia has not approved the use of Section 12-124a of the Connecticut General Statutes, which permits a municipality, upon approval of its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income.

Levy

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Taxes are payable on July 1 following the levy date, although a 30-day grace period is provided. Motor vehicle supplemental bills are payable on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense 15 years after the due date in accordance with State statutes.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as deferred revenue.

Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes that are deemed to be uncollectible.

Comparative Assessed Valuations

The following table sets forth the City's Taxable Grand List by component:

Grand List of 10/1	Residential Real Property (%)	Commercial/ Industrial Real Property (%)	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List (000's)	Less Exemption (000's)	Net Taxable Grand List (000's)	Percent Growth
2015	71.8	11.7	5.7	10.8	$ 906,601	$ 9,034	$ 897,567	0.38
2014	71.9	12.0	5.8	10.3	905,204	11,074	894,130	0.18
2013	72.0	12.1	5.6	10.3	903,610	11,112	892,497	(0.02)
2012 [1]	71.9	12.4	5.5	10.2	904,146	11,473	892,674	(24.00)
2011	76.7	11.9	3.7	7.7	1,186,033	11,540	1,174,494	0.78
2010	79.1	10.6	3.2	7.1	1,178,962	13,580	1,165,382	0.07
2009	77.8	12.2	3.0	7.0	1,177,865	13,245	1,164,620	(0.01)
2008	77.8	10.8	4.1	7.3	1,178,427	13,639	1,164,788	(0.35)
2007 [1]	77.6	10.9	3.9	7.6	1,178,583	9,717	1,168,866	44.20
2006	75.3	9.1	4.7	10.9	820,160	9,575	810,585	0.91
2005	75.6	8.8	4.5	11.1	813,827	10,522	803,305	-

[1] *Revaluation.*

Source: Assessor's Office, City of Ansonia.

Property Tax Levies and Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List (000's)	Mill Rate	Adjusted Annual Levy (000's)	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2016
2014	2016 [2]	$ 894,130	37.52	$ 33,632	96.7%	3.3%	3.34%
2013	2015	892,497	38.61	33,873	96.5%	3.5%	1.88%
2012 [1]	2014	892,674	39.34	35,366	96.0%	4.0%	0.67%
2011	2013	1,174,494	27.65	32,475	96.3%	3.7%	0.71%
2010	2012	1,165,382	26.25	30,440	96.2%	3.8%	0.47%
2009	2011	1,164,620	25.75	29,887	96.5%	3.5%	0.23%
2008	2010	1,164,788	25.25	29,387	96.8%	3.2%	0.16%
2007 [1]	2009	1,168,866	25.25	29,439	96.2%	3.8%	0.11%
2006	2008	810,585	32.32	26,266	96.1%	3.9%	0.00%
2005	2007	803,305	32.30	26,051	96.6%	3.4%	0.00%

[1] *Revaluation.*

[2] *Subject to audit.*

Sources: Assessor's Office and Tax Collector's Office.

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List [1]
United Illuminating Co……………….	Electric Utility	$ 13,051,800	1.45%
Target Corporation……………………	Shopping Center (Target)	10,318,980	1.15%
Ansonia Shopping Center LLC………	Shopping Center (Big Y)	8,601,000	0.96%
Yankee Gas Services Co…………….	Gas Utility	8,105,280	0.90%
Ansonia E & A LLC……………………	Shopping Center (Stop & Shop)	6,511,000	0.73%
445 Beaver Brook, LLC………………	Apartments	4,700,300	0.52%
Regional Water Authority……………	Water Utility	4,361,140	0.49%
Ansonia Copper & Brass Inc…………	Manufacturing	4,145,020	0.46%
Ansonia Riverview Apartment, LLC…	Apartments	3,755,110	0.42%
Meditrust of Connecticut, Inc………	Health Care Facility	3,189,500	0.36%
Total……………………………………………………………………………		$ 66,739,130	7.44%

[1] *Based on October 1, 2015 Net Taxable Grand List of $897,566,947.*

Source: Assessor's Office.

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V. Debt Summary

General Obligation Principal Amount of Indebtedness
As of September 1, 2016
(Pro Forma)

Long-Term Debt [1]

Date	Purpose	Rate %	Amount of Original Issue	Outstanding After This Issue	Fiscal Year of Final Maturity
03/15/04	Refunding - School………	2.00-5.00	$ 14,045,000	$ 2,155,000	2018
12/30/11	Refunding - School………	2.00-3.00	7,995,000	3,545,000	2019
	Sub-Total……………………………………		$ 22,040,000	$ 5,700,000	
This Issue					
09/01/16	General Purpose………..…	2.00-3.00	4,970,000	4,970,000	2036
	Total All Bonds……………………………		$ 4,970,000	$ 10,670,000	

[1] *Excludes CWF Loans, self-supporting debt, and refunded bonds.*

Short-Term Debt
As of September 1, 2016
(Pro Forma)

Project	Amount Authorized	Outstanding Notes Lot B (Taxable) Due: 2/22/17
Demolition of the Riverside Housing Complex…………...	$ 5,200,000	$ 2,905,000
Totals………………………………	$ 5,200,000	$ 2,905,000

General Obligation Debt Annual Bonded Maturity Schedule [1]
As of September 1, 2016
(Pro Forma)

Fiscal Year Ended	Principal	Interest	Total	This Issue General Purpose	Total	Cumulative Principal Retired
2017	$ 2,280,000	$ 161,025	$ 2,441,025	$ 250,000	$ 2,530,000	23.7%
2018	2,255,000	76,838	2,331,838	250,000	2,505,000	47.2%
2019	1,165,000	17,475	1,182,475	250,000	1,415,000	60.4%
2020	-	-	-	250,000	250,000	62.8%
2021	-	-	-	250,000	250,000	65.1%
2022	-	-	-	250,000	250,000	67.5%
2023	-	-	-	250,000	250,000	69.8%
2024	-	-	-	250,000	250,000	72.2%
2025	-	-	-	250,000	250,000	74.5%
2026	-	-	-	250,000	250,000	76.9%
2027	-	-	-	250,000	250,000	79.2%
2028	-	-	-	250,000	250,000	81.5%
2029	-	-	-	250,000	250,000	83.9%
2030	-	-	-	250,000	250,000	86.2%
2031	-	-	-	245,000	245,000	88.5%
2032	-	-	-	245,000	245,000	90.8%
2033	-	-	-	245,000	245,000	93.1%
2034	-	-	-	245,000	245,000	95.4%
2035	-	-	-	245,000	245,000	97.7%
2036	-	-	-	245,000	245,000	100.0%
Total……	$ 5,700,000	$ 255,338	$ 5,955,338	$ 4,970,000	$ 10,670,000	

[1] *Excludes CWF Loans, self-supporting debt, and refunded bonds.*

Self-Supporting Debt Annual Bonded Maturity Schedule [2]

As of September 1, 2016
(Pro Forma)

Fiscal Year Ended	Principal	Interest	Total	Cumulative Principal Retired
2017 [1]	$ 1,419,188	$ 451,380	$ 1,870,568	5.3%
2018	1,897,386	562,739	2,460,125	12.4%
2019	1,935,684	524,442	2,460,125	19.4%
2020	1,974,754	485,371	2,460,125	26.4%
2021	2,014,613	445,512	2,460,125	33.4%
2022	2,055,277	404,849	2,460,125	40.4%
2023	2,096,761	363,364	2,460,125	47.5%
2024	2,139,083	321,042	2,460,125	54.5%
2025	2,182,259	277,866	2,460,125	61.5%
2026	2,226,307	233,819	2,460,126	68.5%
2027	2,040,443	190,417	2,230,860	74.9%
2028	2,003,923	150,515	2,154,438	81.0%
2029	2,044,371	110,067	2,154,438	87.2%
2030	2,085,636	68,803	2,154,438	93.3%
2031	2,127,733	26,706	2,154,438	99.5%
2032	179,238	299	179,537	100.0%
Total……	$ 30,422,657	$ 4,617,191	$ 35,039,847	

[1] *Excludes $440,658 in principal payments and $148,899 in interest payments from July 1, 2016 through September 1, 2016.*

[2] *Consisting of sewer revenue secured only from Sewage Treatment Plant and collection system State Clean Water Fund obligations. See "Clean Water Fund", herein.*

Overlapping / Underlying Debt

The City has neither overlapping nor underlying debt.

THE CITY OF ANSONIA HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES

Debt Statement [1]

As of September 1, 2016
(Pro Forma)

Long-Term Debt Outstanding:	
General Purpose (Includes this issue)……………………..……………………...………	$ 4,970,000
Schools ………………..……………………...……………………………………………	5,700,000
Sewers ………………..……………………....…………………………………………….	-
Total Long-Term Debt ……………..…………………………...……………………………..………	10,670,000
Short-Term Debt:	
Notes (Due 2/22/17)…………………..…….…………………………...……………..…….	2,905,000
Total Short-Term Debt …….……….…..………………………………………………..……….…	2,905,000
Total Overall Debt ……..……………..……………………………………………...……………….	13,575,000
Less: School Construction Grants Receivable (As of June 30, 2016) [2]…………..……….	(3,315,166)
Total Overall Net Debt ……………………………………………………………………..……..	$ 10,259,834

[1] *Excludes CWF Loans, self-supporting debt, and refunded bonds.*

[2] *The State of Connecticut will reimburse the City for eligible principal and interest costs over the life of bonds issued for school construction projects authorized by the General Assembly prior to July 1, 1996. School construction grants receivable stated above are for principal reimbursement only.*

Current Debt Ratios
As of September 1, 2016
(Pro Forma)

Population [1]	19,128
Net Taxable Grand List (10/1/15)	$ 897,566,947
Estimated Full Value	$ 1,282,238,496
Equalized Grand List (10/1/13) [2]	$ 1,346,104,648
Money Income per Capita [1]	$ 26,225

	Total Overall Debt	Total Overall Net Debt
Per Capita	$709.69	$536.38
Ratio to Net Taxable Grand List	1.51%	1.14%
Ratio to Estimated Full Value	1.01%	0.76%
Ratio to Equalized Grand List	1.01%	0.76%
Debt per Capita to Money Income per Capita	2.71%	2.05%

[1] *U.S. Department of Commerce, American Community Survey, 2010-2014.*

[2] *Office of Policy and Management, State of Connecticut.*

Bond Authorization

The City has the power to incur indebtedness as provided by the Connecticut General Statutes and the City Charter. The issuance of bonds and notes is authorized upon adoption of an ordinance by the City Council. Notice of passage of the bond ordinance shall be provided by newspaper publication. Adoption of the bond ordinance shall be subject to referendum approval by a majority of those voting if petitioned not later than 14 days from publication by at least three percent of the total number of qualified electors whose names appear on the last voting list with the City Clerk.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable, and the legislative body schedules principal reductions by no later than the end of the third and for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes may be funded beyond ten years from the initial borrowing if a written commitment exists for State and/or Federal grants, for terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15th of the total amount of the notes issued by funds derived from certain sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Debt Management Policy

On July 13, 1999, the City Council adopted a comprehensive Debt Management Policy, setting forth the parameters for issuing debt. The policy outlines the complete capital planning process and the planning and structuring of City indebtedness. The policy establishes standards regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, method of sale that may be used, and, if recommended, structural features that may be incorporated. The standards do not bind debt management decisions.

Clean Water Fund Program

The City is a participant in the State of Connecticut Clean Water Fund ("CWF") Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance for sewer improvements through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan).

The CWF Program includes a drinking water component. Eligible drinking water projects receive State loans from the Drinking Water State Revolving Fund (DWSRF) established pursuant to the CWF, which bears interest at no more than one-half of the average net interest cost received by the State of Connecticut's previous similar bond issue. State grant funding is not generally available, however the State administers Federal grant funding such as the Long Island Sound Restoration Act (LISRA) and American Recovery and Reinvestment Act (ARRA) through the DWSRF.

CWF and DWSRF loans to the City are made pursuant to Project Grant and Project Loan Agreements ("Loan Agreements"). Construction costs are funded with temporary loans called Interim Funding Obligations (IFO), which enables the municipalities to borrow only what is required for project costs. The IFO is permanently financed through the issuance of a Project Loan Obligation ("PLO") at the conclusion of the project secured by the full faith and credit of the City, and/or a dedicated source of revenue of the City.

Amortization of each loan is required to begin one year from the earlier of the scheduled completion date specified in the Loan Agreement or the actual project completion date. The final maturity of each PLO is twenty years from the scheduled completion date. Principal and interest payments are made (1) in equal monthly installments commencing one month after the scheduled completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the scheduled completion date specified in the Loan Agreement repayable thereafter in monthly installments. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

The City has the following Clean Water Fund loans outstanding:

Sewer Revenue Secured

Project	IFO/PLO	Date of Issue	Principal Loan	Interest Rate	Amount Outstanding
Collection System	PLO	9/30/2007	$5,082,808.11	2.0%	$2,789,325.09
Sewage Treatment Plant	PLO	06/29/2012	$35,822,894.59	2.0%	$27,633,331.50

At the present time there are no plans for additional debt financed sewer improvements.

Limitation of Indebtedness

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Past Pension Purposes:	3.00 times annual receipts from taxation

"Annual receipts from taxation" (the "base") are defined as total tax collections (including interest and penalties) and state payments for revenue losses under CGS Section 12-129d and P.A. 87-584, Sections 3 and 4. In no case shall total indebtedness exceed seven times the base.

The statutes also provide for exclusion from the debt limit calculation debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement, for indebtedness issued in anticipation of the receipt of proceeds from State or federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds, for indebtedness issued for certain water pollution control projects, and for refunding indebtedness.

Statement of Debt Limitation
As of September 1, 2016
(Pro Forma)

Total Tax Collections (including interest and lien fees)	
Received by the Treasurer for the year ended June 30, 2015	$ 35,136,064
Reimbursement For Revenue Loss:	
Tax relief for elderly	124,877
Base for Debt Limitation Computation	$ 35,260,941

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base	$ 79,337,117	-	-	-	-
4 1/2 times base	-	$ 158,674,235	-	-	-
3 3/4 times base	-	-	$ 132,228,529	-	-
3 1/4 times base	-	-	-	$ 114,598,058	-
3 times base	-	-	-	-	$ 105,782,823
Total Debt Limitation	$ 79,337,117	$ 158,674,235	$ 132,228,529	$ 114,598,058	$ 105,782,823
Indebtedness:					
Bonds Outstanding	$ -	$ 5,700,000	$ - [2]	$ -	$ -
Bonds – This Issue	4,970,000	-	-	-	-
Debt Authorized But Unissued	1,525,000	-	-	-	-
Total Indebtedness	6,495,000	5,700,000	-	-	-
Less:					
State School Grants Receivable [1]	-	(3,315,166)	-	-	-
Total Net Indebtedness	6,495,000	2,384,834	-	-	-
DEBT LIMITATION IN EXCESS OF OUTSTANDING INDEBTEDNESS	$ 72,842,117	$156,289,401	$132,228,529	$114,598,058	$ 105,782,823

[1] *The State of Connecticut will reimburse the City for eligible principal and interest costs over the life of bonds issued for school construction projects authorized by the General Assembly prior to July 1, 1996. School construction grants receivable stated above are for principal reimbursement only.*

[2] *Excludes $30,422,657 of revenue secured sewer debt pursuant to the Connecticut General Statutes.*

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or $246,826,587.

Authorized but Unissued Debt
As of September 1, 2016
(Pro Forma)

Project	Amount Authorized	Paydowns / Grants Expected or Received	Outstanding Notes Due: 2/22/2017 Lot B (Taxable)	Maturing Notes Due: 9/1/2016 Lot A (Tax-Exempt)	New Money	This Issue: The Bonds	Debt Authorized but Unissued
Demolition of the Riverside Housing Complex…………	$ 5,200,000	$ 770,000	$ 2,905,000	$ -	$ -	$ -	$ 1,525,000
2013-14 CIP ………………	5,120,000	150,000	-	4,000,000	970,000	4,970,000	-
Totals…………………………	$ 10,320,000	$ 920,000	$ 2,905,000	$ 4,000,000	$ 970,000	$ 4,970,000	$ 1,525,000

Principal Amount of Outstanding Debt
Last Five Fiscal Years

Long-Term Debt	*2016*	*2015*	*2014* [1]	*2013*	*2012*
Bonds……………………………	$ 5,700,000	$ 11,340,000	$ 14,240,000	$ 17,700,000	$ 20,855,000
Clean Water Fund………………	2,380,871	3,077,265	3,318,700	3,555,500	3,787,575
Sub-Total…………………………	8,080,871	14,417,265	17,558,700	21,255,500	24,642,575
Short-Term Debt					
Bond Anticipation Notes………	6,905,000	6,075,000	6,325,000	3,600,000	765,000
Grand Total……………………	$ 14,985,871	$ 20,492,265	$ 23,883,700	$ 24,855,500	$ 25,407,575

[1] *Subject to audit.*

Ratios of Net Long-Term Debt to Valuation, Population and Income

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Net Long-Term Debt	Ratio of Net Long-Term Debt to Assessed Value (%)	Ratio of Net Long-Term Debt to Estimated Full Value (%)	Population [1]	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income [2] (%)
2016	$ 892,497	$1,274,996	$ 8,500	0.95%	0.67%	19,128	$ 444	1.69%
2015	892,674	1,275,248	11,340	1.27%	0.89%	19,128	593	2.26%
2014	1,174,494	1,677,848	14,240	1.21%	0.85%	19,128	744	2.84%
2013	1,165,382	1,664,831	17,700	1.52%	1.06%	19,128	925	3.53%
2012	1,164,620	1,663,743	20,855	1.79%	1.25%	19,128	1,090	4.16%

[1] *U.S. Bureau of Census, American Community Survey, 2010-2014*

[2] *U.S. Bureau of Census, American Community Survey, 2010-2014: Money Income Per Capita $26,225*

Note: Excludes capital leases.

Ratio of Total General Fund Debt Service Expenditures To Total General Fund Expenditures and Transfers Out
Last Five Fiscal Years

Fiscal Year Ended 6/30	***Total Debt Service***	***Total General Fund Expenditures*** [1]	***Ratio of General Fund Debt Service to Total General Fund Expenditures (%)***
2016 [2]	$ 3,061,425	$ 62,395,098	4.91%
2015	3,209,444	63,610,501	5.05%
2014	3,362,863	63,866,446	5.27%
2013	3,663,013	65,544,136	5.59%
2012	3,958,077	60,374,860	6.56%
2011	4,253,550	60,091,435	7.08%

[1] *GAAP basis of accounting. Includes Transfers out.*

[2] *Budgetary basis of accounting; subject to audit*

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VI. Financial Administration

Fiscal Year

The City's fiscal year begins July 1 and ends June 30.

Basis of Accounting

See footnote number 1 in “Notes to Financial Statements.”

Budget Procedure

In accordance with the City Charter, all departments, boards, commissions, committees and agencies submit budget requests, including revenue estimates, to the City Manager. The City Manager prepares a proposed City budget and presents said budget together with the budget of the Board of Education as submitted along with whatever analysis or comments desired to the City Council. The City Council prepares and recommends the total City budget to the annual budget hearing to be held no later than the second Tuesday in April. Following the annual budget hearing, the City Council determines the City budget to be recommended for adoption at the Annual City Budget Referendum. The Annual City Budget Referendum is held on the last Tuesday in April. Should the budget not be adopted by that referendum vote, the budget is returned to the City Council which shall further consider and adopt an annual City budget for the ensuing fiscal year, provided that such budget is adopted no later than May 10th.

Public Act No. 15-244 (the “Act”) reduces a municipalities revenue sharing grant if its general budget expenditures (as modified by the Act) in any fiscal year exceeds a threshold set forth in the Act. As a result of utilizing modified budget growth to reduce a municipalities revenue sharing grant the Act is sometimes popularly referred to as imposing a “spending cap”. Beginning in fiscal year 2018, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose spending, with certain exceptions, exceeds the spending limits specified in the Act. Each fiscal year, OPM must determine the municipality’s percentage growth in spending over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. However, for municipalities that taxed motor vehicles at more than 32.00 mills for the 2013 assessment year (for taxes levied in FY 15), the reduction may not exceed the difference between the amount of property taxes the municipality levied on motor vehicles for the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32.00 mills. (See “Assessments” herein).

The Act requires that each municipality will be required to annually certify to the Secretary of OPM whether the municipality exceeded the spending cap and if so, the amount over the cap.

Under the Act, municipal spending does not include expenditures: (1) for debt service, special education, costs to implement court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of $100,000 or more, or payments on unfunded pension liabilities; (2) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or (3) for any municipal revenue sharing grant the municipality disburses to a special taxing district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills, for FY 17 disbursements, or 29.63 mills, for FY 18 disbursements and thereafter. In addition, if budget expenditures exceed the 2.5% cap, but are proportional to population growth from the previous year, the municipal; revenue sharing grant will not be reduced.

Capital Improvement Plan

A 6-year Capital Improvement Plan is adopted by the City Council each year. The most recently adopted Capital Improvement Plan is set forth below. The City expects to finance the capital projects through debt, grants and various City resources.

Proposed Projects	***Fiscal 2016-17***	***Fiscal 2017-18***	***Fiscal 2018-19***	***Fiscal 2019-2020***	***Fiscal 2020-21***	***Fiscal 2021-2022***	***Total***
Board of Education…………	$ 3,712,816	$ 785,225	$ 660,000	$ 1,200,000	$ 4,691,500	$ -	$ 11,049,541
Community Development ….	400,000	-	-	-	-	-	400,000
Culture-Recreation ………..	450,000	1,550,000	-	50,000	-	-	2,050,000
Infrastructure ………………	220,000	300,000	275,000	-	-	-	795,000
Public Safety ……………….	1,114,000	771,000	183,000	1,083,000	277,750	1,035,000	4,463,750
Public Works ………………	1,335,500	615,000	10,910,000	-	-	-	12,860,500
Roadways ………………….	2,100,000	1,350,000	370,000	250,000	250,000	-	4,320,000
Total…………………………	$ 9,332,316	$ 5,371,225	$ 12,398,000	$ 2,583,000	$ 5,219,250	$ 1,035,000	$ 35,938,791
Proposed Funding							
Bonds………………………	$ 5,794,500	$ 3,206,000	$ 12,278,000	$ 1,468,000	$ 602,750	$ 1,035,000	$ 24,384,250
Grants………………………	2,871,472	1,825,571	91,200	847,400	3,508,540	-	9,144,183
General Fund………………	666,344	339,654	28,800	267,600	1,107,960	-	2,410,358
Total…………………………	$ 9,332,316	$ 5,371,225	$ 12,398,000	$ 2,583,000	$ 5,219,250	$ 1,035,000	$ 35,938,791

Note: The proposed projects reflect what is being submitted for approval for each fiscal year. The proposed funding does not reflect the amount of bonds that will be issued in each fiscal year.

Audit

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes) and the City Charter, the City is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management. The City is in full compliance with said provisions.

Liability Insurance

See footnote number 12 in "Notes to Financial Statements."

Pensions

The City maintains two single-employer defined benefit pension plans covering its police and its other full-time employees (excluding employees who are covered under the Connecticut Municipal Employees Retirement System (CMERS). These plans are considered to be part of the City's financial reporting entity and are include as pension trust funds of the City.

Police Retirement Plan – covers all full-time employees of the force. The plan provides retirement, disability and death benefits to its members and beneficiaries.

City Employee Retirement Plan – covers all full-time employees (other than employees covered by other plans) who were vested in a benefit as of July 1, 1991. The plan provides retirement, disability and death benefits to its members and beneficiaries. The employee vests with 15 years of service (50%) to 25 years of service (100%). As of July 1, 2013, the latest valuation date, the latest employee membership data there were only retirees and beneficiaries receiving benefits. All active participants were transferred to CMERS

Connecticut's Municipal Employees Retirement System (CMERS) is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. The plan was established in 1947 and is governed by Connecticut Statute Title 7, Chapter 113. CMERS is a multiemployer pension plan administered by the Connecticut State Retirement Commission. The State Retirement Commission is responsible for the administration of the Connecticut Municipal Employees Retirement System (CMERS). The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members. T he City has three different participating groups of employees with in this plan, the Ansonia Clerical Employees, the Ansonia Town Employees and the Ansonia Police Employees.

At June 30, 2015, the City reported a liability of $3,059,777 for its proportionate share of the CMERS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2014.

Schedule of Funding Progress – Police Plan (000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2011	$ 1,111	$ 4,866	$ (3,755)	22.8%	$ -	-
7/1/2012	1,111	4,866	(3,755)	22.8%	-	-
7/1/2013	1,141	4,696	(3,555)	24.3%	-	-
7/1/2014	1,141	4,696	(3,555)	24.3%	-	-
7/1/2015	n/a	n/a	n/a	n/a	-	-

Other Post-Employment Benefits

The City provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1 2013. The post-retirement plan does not issue stand-alone financial reports

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future yearwhen it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended July 1, 2011, the City recognized the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2011 liability.

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
6/30/2013	-	31,819,000	(31,819,000)	0.0%	N/A	N/A
6/30/2014	-	33,468,000	(33,468,000)	0.0%	N/A	N/A
6/30/2015	-	27,766,684	(27,766,684)	0.0%	N/A	N/A
6/30/2016 [1]	-	27,766,684	(27,766,684)	0.0%	N/A	N/A

[1] *Budgeted.*

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the new OPEB obligation was as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obigation
2013	2,796,682	1,205,000	43.1%	7,452,014
2014	2,963,000	1,168,000	39.4%	9,247,014
2015	2,524,625	802,330	31.8%	10,969,309
2016 [1]	2,500,000	800,000	32.0%	12,669,309

[1] *Budgeted.*

Compensated Absences

Accumulated unpaid vacation time is accrued by the City and Board of Education. City employees are required to use vacation time by June 30 of each year; however, employees may request to have his/her time extended by the City Manager past June 30 to October 31. The total value of accrued vacation, sick and compensatory time at June 30, 2015 is $229,034.

The accrued vacation, sick, and separation pay amounts are reported in the government-wide statement of net assets. The General Fund and the Water/Sewer Enterprise Fund are used to liquidate the compensated absence liabilities.

Risk Management

The City and Board of Education are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; medical (partially self-insured) and workers' compensation claims and natural disasters for which the City carries commercial insurance. For insured programs, there have been no significant reductions in insurance coverage. Workers' compensation claims are covered through an insurance premium plan. Settlement amounts have not exceeded insurance coverage for the fiscal year ending June 30, 2016 or the three prior years. Insurance premiums of $643,278 are accounted for as expenditures of the General Fund.

Investment Policy

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 Pension Trust Fund operates under a trust agreement, and investments are allowed in fixed-income securities; e.g., notes, bills, bonds and insurance contracts. Investments in the Deferred Compensation Plan held by ICMA are in various mutual funds.

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

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Comparative Balance Sheets – General Fund

Assets:	***6/30/2015***	***6/30/2014***	***6/30/2013***	***6/30/2012***	***6/30/2011***
Cash and cash equivalents	$19,263,829	$19,867,287	$15,625,532	$12,651,852	$11,929,346
Investments	-	-	-	-	-
Receivables:					
Property taxes, net of allowance for collection losses of $220,000	2,169,521	3,229,940	2,846,562	2,617,066	2,602,043
Sewer assessments	64,227	92,593	113,107	143,190	182,167
Intergovernmental	278,238	528,708	96,692	155,425	298,729
Accounts	319,125	196,329	163,590	168,732	835,856
Inventory	-	-	-	-	-
Due from other funds	291,596	78,738	77,028	85,787	110,479
Total Assets	22,386,536	23,993,595	18,922,511	15,822,052	15,958,620
Liabilities, Equity, & Other Credits:					
Current Liabilities					
Accounts payable and accrued liabilities	2,847,013	4,100,533	3,962,615	2,810,352	2,683,609
Bond anticipation note	-	3,000,000	-	-	-
Due to other funds	706,907	1,371,695	2,387,334	88,900	193,106
	3,553,920	8,472,228	6,349,949	2,899,252	2,876,715
Deferred Inflows of Resources					
Taxes	1,937,395	2,923,885	2,515,000	2,535,549	2,402,722
Grants	942,293	753,323	1,211,489	1,484,675	1,865,373
Assessments	64,227	92,593	113,107	143,190	182,167
	2,943,915	3,769,801	3,839,596	4,163,414	4,450,262
Total Liabilities & Deferred Inflows of Resources	6,497,835	12,242,029	10,189,545	7,062,666	7,326,977
Fund Balances					
Nonspendable- inventories	-	-	-	-	-
Committed for OPEB	200,000	100,000	50,000	-	-
Committed for compensated absences	229,034	129,034	121,947	-	-
Committed for capital projects	85,000	1,440,098	1,029,529	1,908,595	280,179
Committed for future budgets	2,000,000	550,000	100,000	500,000	500,000
Reserved for encumbrances	-	-	-	-	-
Committed for medical expenses	200,000	-	-	-	-
Unassigned	13,174,667	9,532,434	7,431,490	6,350,791	7,851,464
Total Fund Balances	15,888,701	11,751,566	8,732,966	8,759,386	8,631,643
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$22,386,536	$23,993,595	$18,922,511	$15,822,052	$15,958,620
Unassigned Fund Balance as % of Revenue	19.8%	14.2%	11.3%	10.5%	13.2%
Total Fund Balance as % of Revenue	23.9%	17.5%	13.3%	14.5%	14.5%

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General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis) and Adopted Budgets (Budgetary Basis)

	Adopted Budget [1] 6/30/2017	Adopted Budget [1] 6/30/2016	Actual 6/30/2015	Actual 6/30/2014	Actual 6/30/2013	Actual 6/30/2012
Revenues:						
Property Taxes & Assessments………………	$ 33,407,152	$ 33,087,198	$ 34,134,309	$ 34,270,829	$ 32,175,591	$ 30,079,600
Intergovernmental…………………………	24,955,529	24,459,712	27,853,347	28,229,568	29,957,368	26,864,426
Licenses and permits ………………………	127,500	100,500	175,888	98,372	135,450	94,611
Current Charges……………………………	1,606,988	1,307,488	1,700,948	1,798,602	1,524,657	1,340,470
Fines………………………………………	684,000	643,000	12,470	10,160	11,805	461,440
Interest, reimbursements and other ……….	3,347,200	2,797,200	2,722,404	2,752,515	1,762,845	1,662,056
Total…………………………………………	$ 64,128,369	$ 62,395,098	$ 66,599,366	$ 67,160,046	$ 65,567,716	$ 60,502,603
Expenditures:						
General Government………………………	$ 5,493,865	$ 5,645,987	$ 5,086,883	$ 4,304,083	$ 5,007,288	$ 5,300,186
Education…………………………………	31,224,610	30,359,338	32,135,587	31,155,199	29,701,343	28,998,141
Public Works………………………………	4,037,494	3,934,048	4,278,733	4,165,300	4,276,441	3,925,074
Public Safety………………………………	7,486,279	7,031,833	6,951,611	6,955,854	6,955,427	6,029,582
Human Services……………………………	977,708	865,841	896,713	918,665	860,727	834,243
Grants-Education…………………………..	5,505,692	5,376,959	4,894,247	4,629,633	4,423,369	4,766,627
Grants - Municipal …………………………	618,820	580,743	1,311,586	1,162,304	888,551	560,228
Capital Outlay………………………………...	186,401	13,000	186,803	1,787,777	4,321,500	1,221,985
Debt Service…………………………………	8,597,500	8,587,349	7,868,338	8,787,631	9,109,490	8,738,794
Total…………………………………………	$ 64,128,369	$ 62,395,098	$ 63,610,501	$ 63,866,446	$ 65,544,136	$ 60,374,860
Excess (Deficiency) of Revenues Over Expenditures…………………………	$ -	$ -	$ 2,988,865	$ 3,293,600	$ 23,580	$ 127,743
Other Financing Sources (Uses):						
Operating transfers in…………………………	-	12,830,210	1,148,272	-	-	-
Operating transfers out…………………………	-	(12,666,650)	-	(275,000)	(50,000)	-
Net Other Financing Sources (Uses)…………	$ -	$ 163,560	$ 1,148,272	$ (275,000)	$ (50,000)	$ -
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures and Other Financing Uses………………………	-	163,560	4,137,137	3,018,600	(26,420)	127,743
Fund Equity, Beginning of Year………………	16,052,261	15,888,701	11,751,564	8,732,964 [2]	8,759,386	8,631,643
Fund Equity, End of Year………………………	$ 16,052,261	$ 16,052,261	$ 15,888,701	$ 11,751,564	$ 8,732,966	$ 8,759,386

[1] *Budgetary basis of accounting; subject to audit*

[2] *As restated.*

Analysis of General Fund Equity

	Adopted Budget [1] 6/30/2017	Estimated Actual [1] 6/30/2016	Actual 6/30/2015	Actual 6/30/2014	Actual 6/30/2013	Actual 6/30/2012
Nonspendable……………………………	N/A	$ -	$ -	$ -	$ -	$ -
Committed.………………………..………	N/A	2,714,034	2,714,034	2,219,132	1,301,476	2,408,595
Assigned for Encumbrances………………	N/A	-	-	-	-	-
Assigned for Subsequent Year's Budget….	N/A	-	-	-	-	-
Assigned for Other Purposes………………	N/A	-	-	-	-	-
Unassigned………………………………..	N/A	13,338,227	13,174,667	9,532,434	7,431,490	6,350,791
Total Fund Equity……………………………	N/A	$ 16,052,261	$ 15,888,701	$ 11,751,566	$ 8,732,966	$ 8,759,386

[1] *Budgetary Basis of accounting. Subject to audit. No assurances can be given that subsequent projections & the final result of operations will not change.*

VII. Legal and Other Information

Litigation

The City of Ansonia, its officers, employees, boards and commissions are named defendants in a number of lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. City Officials believe, after consulting with the City Attorney, that such pending litigation will not be finally determined, individually or in the aggregate, so as to result in final judgments against the City which would have a material adverse effect on the City's financial position.

Documents Furnished At Delivery

The original purchasers of the Bonds will be furnished the following documentation when the Bonds are delivered:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the City, signed by the Mayor, City Treasurer, and Acting Comptroller which will be dated the date of delivery, which will certify, to the best of said officials' knowledge and belief, that at the time bids on the Bonds were accepted the descriptions and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.
3. Receipts for the purchase price of the Bonds.
4. The approving opinion of Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut, substantially in the form of Appendix B attached hereto.
5. Executed Continuing Disclosure Agreement for the Bonds in substantially the form of Appendix C attached hereto.
6. The Issuer will provide to the winning bidder of the Bonds 25 copies of the Official Statement for this Bond issue at the Issuer's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidders at their own expense by arrangement with the printer. If the Issuer's financial advisor is provided with the necessary information from the winning bidders by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

A record of the proceedings taken by the City in authorizing the Bonds will be kept on file at the principal office of the Certifying Agent, U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23rd Floor, Hartford, Connecticut 06103 and may be examined upon reasonable request.

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Concluding Statement

This Official Statement is submitted only in connection with the sale of the Bonds by the City and may not be reproduced or used in whole or in part for any other purpose.

The following officials, in their capacity as officers of the City, and in the name and on behalf of the City, do hereby certify in connection with this issue that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

CITY OF ANSONIA, CONNECTICUT

By: /S/ *David S. Cassetti*
DAVID S. CASSETTI, *Mayor*

By: /S/ *Judy Larkin Nicolari*
JUDY LARKIN NICOLARI, CITY TREASURER

By: /S/ *Richard M. Bshara*
RICHARD M. BSHARA, ACTING COMPTROLLER

Dated: August 17, 2016

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Appendix A

2015 Financial Statements
Excerpted from the City's Annual Financial Report

The following includes the General Purpose Financial Statements of the City of Ansonia, Connecticut for the fiscal year ended June 30, 2015. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Barry J. Bernabe, Managing Director, Phoenix Advisors LLC, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110.

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Ansonia
158 Main Street, Suite 301
Ansonia, Connecticut 06401
P: 203-732-2311

Killingworth
166 Route 81
Killingworth, Connecticut 06419
P: 860-663-0110

New Haven
900 Chapel Street, Suite 620
New Haven, Connecticut 06510
P: 203-773-0384

Westport
611 Riverside Avenue
Westport, Connecticut 06880
P: 877-839-7423

Principals
Francis H. Michaud Jr. CPA
John A. Accavallo CPA
Sandra M. Woodbridge CPA
Dominic L. Cusano MBA CPA
Darin L. Offerdahl MBA CPA

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
Guiding Successful People

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor,
Members of the Board of Aldermen and
Members of the Board of Apportionment and Taxation
City of Ansonia, 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 Ansonia, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City'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.

Auditor's 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 auditor's 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 auditor considers internal control relevant to the City'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 City'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 Ansonia, Connecticut, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis pages and schedules of employer contributions, funding progress, changes in the net pension liability and related ratios and City's Municipal Employers' Retirement System Contributions on pages 6-13 and 61-64 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, who 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 Ansonia, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor funds financial statement and the schedule of nationally recognized municipal security information repository 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 funds financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2014 on our consideration of the City of Ansonia, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Ansonia, Connecticut's internal control over financial reporting and compliance.

Michaud Accavallo Woodbridge & Cusano, LLC

Michaud Accavallo Woodbridge & Cusano, LLC
Ansonia, Connecticut
November 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Ansonia, Connecticut (City), we offer readers of the City's financial statements this narrative overview and analysis of the financing activities of the City for the fiscal year ended June 30, 2015. All amounts, unless otherwise indicated, are expressed in thousands of dollars ($000).

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $67,156(*net position*).
- The Governmental and Business-Type activities total net assets increased by $2,794 and $1,334, respectively.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $12,890, an increase of $1,713 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $13,175 or 20.71% of total general fund expenditures.
- The City's government-wide activities total debt decreased by $3,385 (10.06%) during the current fiscal year.
- The City's business-type activities total debt decreased by $1,809 (5.26%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of 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 in addition to the basic financial statements themselves.

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.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally 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*). The governmental activities of the City include general government, education, public safety, public works, and human services. The business-type activities of the City include a Water Pollution Control Authority.

The government-wide financial statements can be found on pages 15 to 17 of this report.

Fund Financial Statements — A *fund* is a grouping of related accounts that is used to maintain control 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. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Economic Development Commission, Library Fund and Capital Projects Fund, all of which are considered to be major funds and in the Other Governmental Funds which includes the other funds of the City (see details on page 62). Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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 this budget.

The basic governmental funds financial statements can be found on pages 18 and 19 of this report.

Proprietary Fund — The City maintains one proprietary fund. This fund is used to report the same functions presented as a *business-type activity* in the government-wide financial statements. The City uses this business-type activity to account for its Water Pollution Control Authority.

The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority.

The basic proprietary funds financial statements can be found on pages 22 to 24 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 statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 25 and 26 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 27 to 60 of this report.

Other Information — In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found on pages 61 to 64 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and other schedules can be found on pages 68 to 71 of this report.

Other schedules are presented following the combining statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $44,446 at the June 30, 2015 an increase of $2,794 from the previous year.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its 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.

City's Net Position ($000)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 30,718	$ 32,766	$ 9,244	$ 8,698	$ 39,962	$ 41,464
Capital assets	52,943	53,834	46,234	47,330	99,177	101,164
Total assets	83,661	86,600	55,478	56,028	139,139	142,628
DEFEFERRED OUTFLOWS OF RESOURCES	1,319	-	-	-	1,319	-
Long-term liabilities outstanding	30,269	26,822	32,556	34,365	62,825	61,187
Other liabilities	10,098	11,294	212	287	10,310	11,581
Total liabilites	40,367	38,116	32,768	34,652	73,135	72,768
Net position:						
Invested in capital assets, net of related debt	44,422	42,288	13,678	12,965	58,100	55,253
Restricted	12	4	-	-	12	4
Unrestricted	179	6,192	9,033	8,411	9,211	14,603
Total net position	$ 44,613	$ 48,484	$ 22,710	$ 21,376	$ 67,323	$ 69,860

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position as a whole, and for its separate governmental and business-type activities. All categories in the prior year were able to report positive net asset numbers.

The City's combined net assets increased by $4,129 in the current fiscal year. The government-wide activities accounted for $2,794 of this increase. Business-type activities had an increase in net position of $1,334 primarily due to the charges for services in the business activities which were greater than increases in ongoing expenses during the fiscal year.

Governmental Activities — Governmental activities increased the City's net position by $2,794. Key elements of the increase are as follows:

- Overall expenses decreased by approximately $2,169(10.36%) due to decreases in the Public Works expenses over the prior year of $1,438 (33.83%), Debt Service $146 (2.56%) and Public Safety $1,155 (14.47%). Increase of expenses compared to the prior year were reported in General Government $274 (4.65%) and Education $276 (.691%).
- Depreciation for the current year was $2,030.
- Overall revenues decreased by $102 (.152%). The primary reason was decreased property tax revenues of $1,532 offset against a gain on sale of assets of $1,432 when compared against prior year.

City's Changes in Net position ($000)

	Governmental Activities		Business-type Activities		Total	
REVENUES	2015	2014	2015	2014	2015	2014
Program revenues:						
Charges for services	$ 3,569	$ 3,570	4,494	$ 4,749	$ 8,063	$ 8,319
Operating grants/contributions	26,894	26,863	80	70	26,973	26,933
Capital grants/contributions	1,989	573	-	-	1,989	573
General revenues:					-	-
Property taxes	33,148	34,680	-	-	33,148	34,680
Grants and contributions not					-	-
restricted to specific programs	287	1,569			287	1,569
Unrestricted investment earnings	69	70	11	10	81	80
Gain(Loss) on disposal of assets	1,429	(3)	(67)	-	1,363	(3)
TOTAL REVENUES	67,386	67,321	4,518	4,829	71,904	72,150
EXPENSES						
General government	6,176	5,902	-	-	6,176	5,902
Education	40,171	39,895	-	-	40,171	39,895
Public works	2,813	4,251	2,514	2,846	5,326	7,097
Public safety	6,829	7,984	-	-	6,829	7,984
Human services	1,006	983	-	-	1,006	983
Capital outlay	1,861	1,864	-	-	1,861	1,864
Debt service	5,569	5,715	671	706	6,239	6,421
TOTAL EXPENSES	64,425	66,594	3,184	3,552	67,609	70,146
INCREASE(DECREASE) IN NET POSITION	2,961	727	1,334	1,276	4,296	2,004
Net position at beginning of year, as restated for July 1, 2014	41,652	47,757	21,376	20,100	63,028	67,857
NET POSITION AT END OF YEAR	$ 44,613	$ 48,484	$ 22,710	$ 21,376	$ 67,323	$ 69,860

Business-type Activities — Business-type activities increased the City's net position by $1,334. Key elements of this increase are as follows:

- Charges for services, for business-type activities, decreased by $255 due to a modest decrease in user charges and demand. Operating grants/contributions from the State of Connecticut increased by $10. Together, these factors account for the decrease in total revenues of $244 netted against slightly lower than previous years' expense of $368 reported an increase in net position of $1,334.

Financial Analysis of the Government's Funds

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

Governmental Funds — The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government'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 $12,890, an increase of $1,713 in comparison with the prior year. Approximately 67.95% of this total amount or $8,757 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending because it has already been 1) committed for OPEB ($200), 2) committed for compensated absences ($229), 3) Committed for Capital Projects ($1,850), 4) Committed for Future Budgets ($2,000), 5) committed for medical expenses ($200), 6)assigned for Special Revenue Funds ($564) and 7) is non-spendable inventories ($12).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was $13,175, while total fund balance reached $15,889. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures of $63,611. Unassigned fund balance represents 20.71% of the total general fund expenditures, while total fund balance represents 24.98% of that same amount.

In the current fiscal year the City's general fund balance increased by $4,137, as indicated on page 19. The revenues amounted to $63,468 while expenditures were $60,479. It was anticipated during the preparation of the budget for the year ended June 30, 2015 that $550 of fund balance would be used to balance the budget.

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

Net position of the Water Pollution Control Authority at the end of the year amounted to $22,710 of which $13,678 represents an investment in capital assets net of related debt. The total increase in net position for the fund was $1,334. Other factors concerning the finances of the fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget ($2,352 increase in appropriations) can be briefly summarized as follows:

- $94 increase in appropriations for Capital Outlay.
- $1,071 increase in appropriations for Grants - City.
- $717 increase in City Government.
- $452 increase in appropriations for Building and Refuse.

- $214 increase in appropriations for Police Department.
- $90 decrease in appropriations for Insurance/Debt Service.
- $ 469 decrease in appropriations for Board of Apportionment and Taxation.

The increase in Capital Outlay was the City's anticipated costs for the various capital improvements.

The increase in City Government was due to the City funding the pension cost.

The increase in Grants – City and Grants – Board of Education was the City's anticipation of utilizing grant income in the current year.

The increase in Police Department was a reaction by the Board to increase appropriations to cover overtime and police extra duty costs in the current fiscal year.

The decrease in Board of Apportionment and Taxation was a reaction to increased costs in other departments thereby using the budget contingency funds.

Differences between the final budget and actual results are summarized as follows:

- Actual revenues were favorable when compared to the final budget by $1,221 due primarily to gain on the sale of cell tower of $1,429.

- Actual expenditures were favorable when compared to the Final Budget by $3,258 primarily due to favorable results in the City Grants ($371), Insurance/Debt Service ($2,083), Grants-Board of Education ($143), Building and Refuse ($270), and City Government ($175).

Capital Asset and Debt Administration

Capital Assets — The City's investment in capital assets for its governmental and business type activities as of June 30, 2015, amounts to $99,177 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and system, machinery and equipment and park facilities, roads, highways, and bridges (infrastructure). The total increase in the City's investment in capital assets for the current fiscal year was .88% before depreciation.

During the fiscal year the City's governmental activities invested in infrastructure such as paving and park improvements ($405), Police HVAC System-buildings improvements ($505), public safety vehicles and equipment ($121), Vacuum Truck for Public Works ($325), police vehicles and equipment ($211) and various equipment for other departments ($512), and the business-type activities (WPCA) had no improvements during the year.

City's Capital Assets ($000)
(Net of depreciation)

	Governmental Activities	Business-type Activities	Total
Land	$ 13,377	$ 1,000	$ 14,378
Construction in progress	-		-
Land improvements	1,309	-	1,309
Buildings and system	32,911	-	32,911
Machinery and equipment	3,893	-	3,893
Infrastructure	1,452	45,234	46,686
	$ 52,943	$ 46,234	$ 99,177

Additional information on the City's capital assets can be found in Note 7 beginning on page 38 of this report.

Long-Term Debt

City's Outstanding Debt ($000)

General Obligation Bonds - At the end of the current fiscal year, the City had total bonded debt outstanding of $8,500. This amount is backed by the full faith and credit of the government. The City's total bonded debt decreased by $2,840 (20.37%) during the current fiscal year.

Compensated Absences – the compensated absences liability of the City increased by $2 to $2,498. City departments which comprise the majority of the balance are the Board of Education ($847), Police ($1,118), Public Works ($202) and the Library Department ($91).

Net Pension Liability — the City had total net pension liability of $8,280. This obligation decreased by $2,084 during the year ended June 30, 2015.

Other Post-Employment Benefits – At the end of the current fiscal year, the City had total other post-employment benefit obligations of $10,969. This obligation increased by $1,722 during the year ended June 30, 2015.

General Obligation Bonds - a summary of the general obligation bonds of the City of Ansonia, Connecticut, at June 30, 2015 is as follows:

Governmental Activities

	Principal	Interest	Total
Due in 2016	$ 2,800	$ 261	$ 3,061
Due in 2017 to 2021	5,700	256	5,956
	$ 8,500	$ 517	$ 9,017

Note Payable - a summary of the note payable of the City of Ansonia, Connecticut, at June 30, 2015 is as follows:

Business-type Activities

	Principal	Interest	Total
Due in 2016	$ 1,826	$ 634	$ 2,460
Due in 2017 to 2021	9,696	2,604	12,301
Due in 2022 to 2026	10,715	1,586	12,301
Due in 2027 to 2031	10,319	529	10,849
	$ 32,557	$ 5,354	$ 37,910

The City maintains an "A+" rating from Standard & Poor's and an "Aa3" rating from Moody's for general obligation debt.

The current debt limitation for the City is $246,827 which is significantly in excess of the City's outstanding general obligation debt. Additional information on the City's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County decreased to 6.3% vs. 7.1% in the prior year, which is higher than the Connecticut unemployment rate of 6.7%.
- The Connecticut state government has reported an anticipated deficit for 2015-16, which may translate into a reduction in state aid to the City.
- Inflationary trends in the region compare favorably to national indices.
- During the current fiscal year, unassigned fund balance in the general fund increased to $13,175.

All of these factors were considered in preparing the City's budget for the 2015-16 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Comptroller, 253 Main Street Ansonia, Connecticut, 06401.

BASIC FINANCIAL STATEMENTS

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	$ 21,232,988	$ 6,183,684	$ 27,416,672
Investments	553,640	-	553,640
Receivables:			
Property taxes, net of allowance for collection losses of $220,000	2,169,521	-	2,169,521
Sewer Project fees receivable, net of allowance for uncollectable of $97,000	-	2,199,281	2,199,281
Sewer user fees receivable, net of allowance for uncollectable of $75,000	-	861,291	861,291
Sewer assessments	64,227	-	64,227
Intergovernmental	6,058,715	-	6,058,715
Accounts	334,766	-	334,766
Inventory	12,111	-	12,111
Prepaid items	199,392	-	199,392
Internal balances	92,204	(92,204)	-
Capital assets (net of accumulated depreciation)			
Land	13,377,372	1,000,285	14,377,657
Construction in progress	-	-	-
Land improvements	1,309,485	-	1,309,485
Buildings and system	32,911,343	-	32,911,343
Machinery and equipment	3,893,208	-	3,893,208
Infrastructure	1,451,902	45,233,769	46,685,671
TOTAL ASSETS	83,660,874	55,386,106	139,046,980
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	1,319,209	-	1,319,209
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 84,980,083	$ 55,386,106	$ 140,366,189
LIABILITIES			
Accounts payable and accrued liabilities	$ 3,040,915	$ 119,459	$ 3,160,374
Bond anticipation notes	6,075,000	-	6,075,000
Deferred revenue - grants	506,732	-	506,732
Deferred revenue -other	475,437	-	475,437
Noncurrent liabilities:			
Due within one year	-	1,825,676	1,825,676
Due in more than one year	30,269,228	30,730,594	60,999,822
TOTAL LIABILITIES	40,367,312	32,675,729	73,043,041
NET POSITION			
Investment in capital assets, net of related debt	44,422,011	13,677,784	58,099,795
Restricted for:			
Inventories	12,111	-	12,111
Unrestricted:			
Net assets	178,649	9,032,593	9,211,242
TOTAL NET POSITION	44,612,771	22,710,377	67,323,148
TOTAL LIABILITIES AND NET POSITION	$ 84,980,083	$ 55,386,106	$ 140,366,189

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

		Program Revenues	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
PRIMARY GOVERNMENT			
Governmental activities:			
General government	$ (6,176,418)	$ 1,550,948	$ 511,364
Education	(40,170,630)	626,054	25,703,317
Public works	(2,812,721)	255,934	38,799
Public safety	(6,829,061)	1,083,554	620,530
Human services	(1,005,868)	49,681	19,669
Capital outlay	(1,860,993)	2,639	-
Interest on long-term debt	(5,568,852)	-	-
TOTAL GOVERNMENTAL ACTIVITIES	(64,424,543)	3,568,810	26,893,679
TOTAL BUSINESS-TYPE ACTIVITIES	(3,184,096)	4,494,358	79,572
TOTAL PRIMARY GOVERNMENT	$ (67,608,639)	$ 8,063,168	$ 26,973,251

GENERAL REVENUES
Property taxes
Grants and contributions not restricted to specific programs
Unrestricted investment earnings
Loss on disposal of assets
Gain on sale of assets

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

Net position at July 1, 2014, as restated

NET POSITION AT JUNE 30, 2015

See notes to financial statements.

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities	Business- Type Activities	Total
$ 792,979	$ (3,321,127)	$ -	$ (3,321,127)
-	(13,841,259)	-	(13,841,259)
-	(2,517,988)	-	(2,517,988)
44,630	(5,080,347)	-	(5,080,347)
-	(936,518)	-	(936,518)
3,421	(1,854,933)	-	(1,854,933)
1,148,272	(4,420,580)	-	(4,420,580)
1,989,302	(31,972,752)	-	(31,972,752)
-	-	1,389,834	1,389,834
$ 1,989,302	(31,972,752)	1,389,834	(30,582,918)
	33,147,818	-	33,147,818
	287,457	-	287,457
	69,335	11,211	80,546
	-	(66,647)	(66,647)
	1,429,389	-	1,429,389
	34,933,999	(55,436)	34,878,563
	2,961,247	1,334,398	4,295,645
	41,651,524	21,375,979	63,027,503
	$ 44,612,771	$ 22,710,377	$ 67,323,148

CITY OF ANSONIA, CONNECTICUT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Economic Development Commission	Library Fund	Library Endowment Fund	Capital Projects	Other Governmental Funds	Totals Governmental Funds
ASSETS							
Cash	$ 19,263,829	$ 79,928	$ 10,884	$ -	$ 1,268,044	$ 610,302	21,232,987
Investments	-	-	553,640	-	-	-	553,640
Receivables:							
Property taxes, net of allowance for collection							-
losses of $220,000	2,169,521	-	-	-	-	-	2,169,521
Sewer assessments	64,227	-	-	-	-	-	64,227
Intergovernmental	278,238	-	-	-	-	218,212	496,450
Accounts	319,125	15,637	4	-	-	-	334,766
Inventory	-	-	-	-	-	12,111	12,111
Prepaid items	199,392						199,392
Due from other funds	92,204	-	-	-	688,828	18,079	799,111
TOTAL ASSETS	$ 22,386,536	$ 95,565	$ 564,528	$ -	$ 1,956,872	$ 858,704	$ 25,862,205
LIABILITIES							
Accounts payable and accrued liabilities	2,847,013	$ -	$ -	$ -	175,724	$ 3,817	$ 3,026,554
Bond anticipation note	-	-	-	-	6,075,000	-	6,075,000
Due to other funds	706,907	-	-	-	-	-	706,907
TOTAL LIABILITIES	3,553,920	-	-	-	6,250,724	3,817	9,808,461
DEFERRED INFLOWS OF RESOURCES							
Taxes	1,937,395	-	-	-	-	-	1,937,395
Grants	942,293	51,836	-	-	-	2,400	996,529
Assessments	64,227	-	-	-	-	-	64,227
	2,943,915	51,836	-	-	-	2,400	2,998,151
FUND BALANCES							
Fund balances:							
Nonspendable- inventories	-	-	-	-		12,111	12,111
Committed for OPEB	200,000						200,000
Committed for compensated absences	229,034						229,034
Committed for capital projects	85,000	-	-	-		-	85,000
Committed for future budgets	2,000,000						2,000,000
Committed for medical expenses	200,000						200,000
Assigned for Special Revenue Funds	-	-	564,528	-		840,376	1,404,904
Unassigned	13,174,667	43,729	-	-	(4,293,852)	-	8,924,544
TOTAL FUND BALANCES	15,888,701	43,729	564,528	-	(4,293,852)	852,487	13,055,593
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES	$ 22,386,536	$ 95,565	$ 564,528	$ -	$ 1,956,872	$ 858,704	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	52,943,310
Long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	7,563,887
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	1,319,209
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(30,269,228)
Net position of governmental activities	$ 44,612,771

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	General	Economic Development Commission	Library Endowment Fund	Library Endowment Fund	Capital Projects	Other Governmental Funds	Totals Governmental Funds
REVENUES							
Property taxes	$ 34,134,309	$ -	$ -	$ -	$ -	$ -	$ 34,134,309
State grants-education	24,368,793	-	-	-	-	-	24,368,793
State grants-municipal	3,484,554	490,108	-	-	-	1,576,553	5,551,215
Licenses and permits	175,888	-	-	-	-	-	175,888
Current charges	1,700,948	2,639	11,011	-	-	337,136	2,051,734
Fines	12,470	-	-	-	-	-	12,470
Unrealized/realized gain on investments			(32,183)				(32,183)
Interest, reimbursements and other	2,722,404	17	28,016	-	-	855	2,751,292
TOTAL REVENUES	66,599,366	492,764	6,844	-	-	1,914,544	69,013,518
EXPENDITURES							
Current:							
General government	5,086,883	-	-	-		-	5,086,883
Education	32,135,587	-	-	-		1,656,726	33,792,313
Public works	4,278,733	-	-	-		-	4,278,733
Public safety	6,951,611	-	-	-		150,270	7,101,881
Human services	896,713	-	26,582	-		-	923,295
Grants-Education	4,894,247	-	-	-		-	4,894,247
Grants-Municipal	1,311,586	-	-	-		-	1,311,586
Capital outlay	186,803	514,384	-	-	1,175,678	-	701,187
Debt Service	7,868,338	-	-	-	-	-	7,868,338
TOTAL EXPENDITURES	63,610,501	514,384	26,582	-	1,175,678	1,806,996	65,958,463
REVENUES OVER (UNDER) EXPENDITURES	2,988,865	(21,620)	(19,738)	-	(1,175,678)	107,548	3,055,055
OTHER FINANCING SOURCES (USES):							
Operating transfers in	1,148,272	-	-	-	-	-	1,148,272
Operating transfers out	-	-	-	-	(1,148,272)	-	(1,148,272)
TOTAL OTHER FINANCING SOURCES(USES)	1,148,272	-	-	-	(1,148,272)	-	-
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	4,137,137	(21,620)	(19,738)	-	(2,323,950)	107,548	1,879,377
Fund balances At July 1, 2014	11,751,564	65,349	584,266	-	(1,969,902)	746,163	11,177,440
FUND BALANCES AT JUNE 30, 2015	$ 15,888,701	$ 43,729	$ 564,528	$ -	$ (4,293,852)	$ 853,711	$ 13,056,817

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	1,879,377
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		(890,192)
Revenues from taxes and assessments are reported as income in the year revenues provide current financial resources to governmental funds.		(1,016,080)
Revenues of school construction grants are reported as resources to governmental funds.		(1,715,790)
City pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities. Pension expense		3,403,346
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		1,300,586
Change in net position of governmental activities	$	2,961,247

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL-GENERAL FUND
YEAR ENDED JUNE 30, 2015

	Budgeted amounts			Variance with Final Budget-
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
REVENUES				
Property taxes	$ 33,806,474	$ 33,806,474	$ 34,134,309	$ 327,835
State grants-education	21,430,262	21,430,262	21,237,085	(193,177)
State grants-municipal	3,084,819	3,804,069	3,484,554	(319,515)
Licenses and permits	102,500	102,500	175,888	73,388
Current charges	1,572,268	1,680,214	1,700,948	20,734
Fines	11,000	11,000	12,470	1,470
Interest, reimbursements, and other	828,000	1,412,551	2,722,404	1,309,853
TOTAL REVENUES	60,835,323	62,247,070	63,467,658	1,220,588
EXPENDITURES				
Current				
Board of Apportionment and Taxation	565,092	96,328	36,245	60,083
City government	2,692,871	3,410,215	3,235,134	175,081
Elections	55,099	58,762	54,831	3,931
Building inspector	172,027	244,240	215,958	28,282
Mayors office	202,224	210,907	195,257	15,650
Finance	506,904	547,224	544,181	3,043
Economic development	122,512	138,012	122,284	15,728
Tax collector	215,751	215,751	179,297	36,454
Tax assessor	144,653	163,853	161,052	2,801
Town and City Clerk	351,581	354,010	336,000	18,010
Municipal planning	34,000	34,000	6,470	27,530
Police department	5,722,165	5,936,218	5,836,353	99,865
Fire department	327,230	366,771	357,622	9,149
ARMS	712,500	750,494	729,205	21,289
Emergency operation center	30,000	30,000	28,431	1,569
Engineering	38,558	38,751	23,507	15,244
Building and refuse	3,858,418	4,310,146	4,255,225	54,921
Board of Education-operations	29,022,207	29,022,207	29,003,879	18,328
Grants-Board of Education	5,037,331	5,037,331	4,894,247	143,084
Nature Center	176,927	177,610	173,407	4,203
Senior Center	127,650	131,960	131,892	68
Library	497,898	511,489	476,267	35,222
Recreation	96,700	116,533	115,147	1,386
Insurance / debt service	9,957,129	9,951,725	7,868,338	2,083,387
Grants-City	611,495	1,682,445	1,311,586	370,859
Capital outlay	106,401	199,948	186,803	13,145
TOTAL EXPENDITURES	61,385,323	63,737,130	60,478,793	3,258,337
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(550,000)	(1,490,060)	2,988,865	4,478,925
OTHER FINANCING USES				
Operating transfers in	-	-	1,148,272	$ (1,148,272)
REVENUES AND OTHER FINANCING USES OVER(UNDER) EXPENDITURES	$ (550,000)	$ (1,490,060)	4,137,137	
Fund balance at July 1, 2014			11,751,564	
FUND BALANCE AT JUNE 30, 2015			$ 15,888,701	

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF NET POSITION – PROPRIETARY FUND
JUNE 30, 2015

		Business-type Activities- Water Pollution Control Authority
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	6,183,684
Sewer user project fees receivable (net of allowance for uncollectable of $97,000)		2,199,281
Sewer user fees receivable (net of allowance for uncollectable of $75,000)		861,291
TOTAL CURRENT ASSETS		9,244,256
Capital assets -(net of accumulated depreciation)		46,234,054
TOTAL ASSETS	$	55,478,310
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities, including compensated absences	$	119,459
Deferred revenue		-
Due to other funds		92,204
Current portion of long-term debt		1,825,676
TOTAL CURRENT LIABILITIES		2,037,339
LONG-TERM DEBT - net of current portion		30,730,594
TOTAL LIABILITIES		32,767,933
NET POSITION		
Investment in capital assets, net of related debt		13,677,784
Unrestricted		9,032,593
TOTAL NET POSITION		22,710,377
TOTAL LIABILITIES AND NET POSITION	$	55,478,310

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUND
YEAR ENDED JUNE 30, 2015

		Business-type Activities- Major Water Pollution Control Authority
OPERATING REVENUES		
Charges for services	$	1,974,618
OPERATING EXPENSES		
Salaries, benefits and claims		598,187
Materials and supplies		394,485
Depreciation		1,028,935
Utilities		316,701
Professional and consulting		37,357
Administration and operation		137,861
Total operating expenses		2,513,526
OPERATING LOSS		(538,908)
NON-OPERATING REVENUES(EXPENSES)		
Project fee revenue		2,519,740
Grant income		79,572
Interest income		11,211
Loss on disposal of assets		(66,647)
Interest expense		(670,570)
NET NON-OPERATING REVENUE		1,873,306
NET INCOME		1,334,398
Net position at July 1, 2014		21,375,979
NET POSITION AT JUNE 30, 2015	$	22,710,377

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED JUNE 30, 2015

		Business-type Activities- Water Pollution Control Authority
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$	1,925,819
Cash payments to suppliers		(937,920)
Cash payments to employees		(614,966)
NET CASH PROVIDED BY OPERATING ACTIVITIES		372,933
CASH FLOWS FROM INVESTING ACTIVITIES - investment income		11,211
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Noncapital grant receipts		79,572
NET CASH PROVIDED BY CAPITAL FINANCING ACTIVITIES		79,572
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Project fees revenues		2,453,095
Payments of principal and interest		(2,479,190)
NET CASH PROVIDED BY CAPITAL FINANCING ACTIVITIES		(26,095)
NET INCREASE IN CASH AND CASH EQUIVALENTS		437,621
Cash and cash equivalents at July 1, 2014		5,746,063
CASH AND CASH EQUIVALENTS AT JUNE 30, 2015	$	6,183,684
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	$	(538,908)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation		1,028,935
Loss on disposal of assets		66,647
Changes in assets and liabilities:		
Accounts receivable		(108,941)
Accounts payable		(88,266)
Due to other funds		13,466
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	372,933

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	$ 79,298	$ 282,497
Investments	2,633,354	228,983
Other receivables	1	-
TOTAL ASSETS	2,712,653	511,480
LIABILITIES - other liabilities	430	511,480
NET POSITION HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES	$ 2,712,223	$ -

See notes to financial statements.

CITY OF ANSONIA, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2015

		Pension Trust Fund
ADDITIONS		
Contributions		
City of Ansonia		$ 1,266,274
Plan members		28,328
		1,294,602
Investment income:		
Net appreciation in fair value of investments		56,604
Interest and dividends		44,770
		101,374
Less investment management fees		29,215
Net investment income		72,159
	TOTAL ADDITIONS	1,366,761
DEDUCTIONS		
Benefits and other deductions		732,434
	TOTAL DEDUCTIONS	732,434
	CHANGE IN NET ASSETS	634,327
Net position held in trust for pension benefits and other purposes at July 1, 2014		2,077,896
	NET POSITION HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES AT JUNE 30, 2015	$ 2,712,223

See notes to financial statements.

NOTE 1 – REPORTING ENTITY, DESCRIPTION OF FUNDS, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Ansonia, Connecticut, operates under a Mayor/Board of Aldermen form of Government and provides services as authorized by its Charter including police and fire protection, education services, recreation and parks, health services and general administrative services. A Board of Apportionment and Taxation, consisting of twelve members, nominated by the Mayor and confirmed by the Board of Aldermen has the power to adopt the City's budget (preparation of a statement of appropriations) and levy a tax rate to cover such statement of appropriations.

The accounting policies of the City of Ansonia conform to generally accepted accounting principles as applicable to governmental units. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. A summary of the more significant policies are stated herein.

The City provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning, and general administrative services to its residents. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting Estimates

The preparation of 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.

Implementation of New Accounting Standards

For the year ended June 30, 2015, the County implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, and GASB Statement No. 69, Government Combinations and Disposals of Governmental Operations. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension (assets and) liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits. GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations.

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 non-fiduciary activities of the primary government. 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 is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. 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 are reported as separate columns in the fund financial statements.

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. Agency funds 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the City considers property taxes to be available if they are collected within 60 days of the end of the current fiscal year. Property taxes receivable, not expected to be collected within sixty days of year end, are reflected as deferred revenue. Expenditures are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, special assessments due within one year and interest. Fines, permits and charges for services are not susceptible to accrual because generally they are not measurable until received in cash.

The City reports the following major governmental funds:

(i) *General Fund* — The General Fund is the general operating fund of the City government. All unrestricted resources except those required to be accounted for in another fund are accounted for in this fund. From this fund are paid general operating expenditures, fixed charges, principal and interest on long-term debt, and capital improvement costs of the City, which are not paid through a special fund.

(ii) *Economic Development Commission* — The Economic Development Commission is a special revenue fund used to account for community development block grants/small cities program funds which are principally used for developing viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

(iii) *Library* — is used to account for the programs to provide literature and educational programs.

(iv) *Library Endowment Fund* — The Library Endowment Fund is a permanent fund used to account for donations used for the betterment of the City's library. Monies are restricted for the intended purpose of the donor.

(v) *Capital Projects Fund* — is used to account for construction, demolition and acquisition of capital assets that requires more than one year.

The City reports the following major proprietary fund:

(i) *Water Pollution Control Authority* — The Water Pollution Control Authority accounts for the operations of the City's wastewater treatment plant. It is independent in terms of its relationship to other City functions. Its operations are financed from special assessments and direct charges to the users of the service.

Additionally, the City reports the following fund types:

(ii) *Pension Trust Fund* — this fund accounts for the activities of the City's two defined benefit pension plans, which accumulate resources for pension benefit payments to qualified employees.

(iii) *Agency Funds* — these funds account for monies held as a custodian for outside groups and agencies.

Interfund activity has been eliminated from the government-wide financial statements except for charges between the government's sewer function 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Pollution Control Authority enterprise fund are charges to customers for sewer services. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Property Taxes — Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments on July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Liens are filed on delinquent real estate taxes within one year.

Cash Equivalents — The City considers all highly liquid investments and those with original maturities of three months or less to be cash equivalents.

Investments — Investments are stated at fair value. Fair value is determined based on quoted market prices.

Inventories — Inventories are stated at the lower of cost or market using the consumption method on the first-in, first-out basis for governmental fund types.

Interfund Transactions — Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditure/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

The three types of interfund transactions and the related accounting policies are as follows:

1. Transactions to reimburse the fund for expenditures made by it for the benefit of another fund. These transactions are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund.

2. Transactions to shift revenue or contributions from the fund budgeted to receive them to the fund budgeted to expend them. These transactions are recorded as transfers in to and out of the respective funds.

3. Transactions to record equity contributions between funds. The receiving fund records such transactions as a transfer in and an addition to fund balance. The disbursement fund records the transaction as a transfer out and a reduction of fund balance.

Capital Assets

Capital Assets - City — Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business type activities columns in government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are completed.

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

Land improvements	20 years
Building and building improvements	25 – 50 years
Infrastructure	10 – 65 years
Machinery and equipment	5 – 20 years
Licensed vehicles	8 years

Proprietary Fund Types — Property, plant and equipment owned by the Proprietary Funds are recorded based on the 2002 appraisal by a professional appraisal company and, subsequently, at acquisition cost or if contributed property at fair market value at the time of contribution.

Assets capitalized have an original cost of $1,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20 – 50 years
Sewer System	30 – 50 years

Deferred Revenue — Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

Deferred Outflows/Inflows of Resources —In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. As of June 30, 2015, the governmental funds report unavailable revenues from three sources: property taxes, unearned grant revenues and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations — In the government-wide financial statements, and proprietary fund types in 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. Bonds payable are reported net of the applicable bond premium or discount.

OPEB Accounting-Governmental Funds/Activities - The net OPEB obligation, the cumulative difference between annual OPEB cost and the City's contributions to the plan since July 1, 2008 is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation (OPEB) is recorded as a noncurrent liability in the government-wide financial statements. Expenditures are recognized when they are paid or expected to be paid with current available resources. The OPEB liability is recorded with government-wide financial statements. Funding Policy: The City makes annual contributions based on the pay-as-you-go basis. The employees contribute to the plan.

Net Position — Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for debt service and special revenue funds. The balance is classified as unrestricted.

Fund Balance — Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance —amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance —when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for capital projects and debt service obligations and for other items contained in the Connecticut statutes.

Committed fund balance — amounts that can only be used for specific purposes pursuant to formal action of the City's highest level of decision making authority. The Board of Apportionment and Taxation and the Board of Aldermen are the highest level of decision making authority for the City that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Board of Apportionment and Taxation and the Board of Aldermen removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Apportionment and Taxation and the Board of Aldermen.

Assigned fund balance— in the General Fund, will represent amounts constrained by Board of Apportionment and Taxation and the Board of Aldermen for amounts assigned for balancing the subsequent year's budget or the Comptroller for amounts assigned for encumbrances. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance— in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, the City considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

NOTE 2 – GOVERNMENT-WIDE FINANCIAL STATEMENTS

Beginning net assets for governmental activities were determined as follows:

Fund balances of general, special revenue, capital project funds and permanent fund as of July 1, 2014	$	11,177,440
Add: governmental capital assets, including general fixed assets and infrastructure as of July 1, 2014		112,061,096
Add: school construction grants receivable as of July 1, 2014		7,278,055
Add: tax revenue receivable as of July 1, 2014		2,923,885
Add: waterline revenue receivable as of July 1, 2014		92,593
Add: deferred interest in refunding		341,710
Deduct: accumulated depreciation as of July 1, 2014		(58,227,594)
Deduct: general obligation bonds payable as of July 1, 2014		(11,340,000)
Deduct: capital lease payable as of July 1, 2014		(547,495)
Deduct: net pension liability as of July 1, 2014		(10,364,862)
Deduct:other post retirement benefits as of July 1, 2014		(9,247,014)
Deduct: compensation absences payable and other long-term liabilities as of July 1, 2014		(2,496,290)
NET POSITION AS OF JULY 1, 2014, as restated	$	41,651,524

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets:

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $30,269,228 difference are as follows:

Bonds payable	$ 8,500,000
Deferred interest	(228,299)
Net pension liability	8,280,725
Capital lease obligations	249,598
Other post retirement benefits	10,969,309
Compensated absences	2,497,895
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	$ 30,269,228

Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total
governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $890,192 difference are as follows:

Capital outlay	$ 1,139,654
Depreciation expense	(2,029,846)
Net adjustment to increase net changes in fund balances- total governmental funds, to arrive at changes in netassets of governmental activities	$ (890,192)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases)" provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $3,384,723 difference are as follows:

General obligation debt	$ 2,840,000
Deferred interest	(113,411)
Capital lease	297,897
Net pension liability	2,084,137
Other post retirement benefits	(1,722,295)
Compensated absenses	(1,605)
Net adjustment to decrease net assets in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	$ 3,384,723

NOTE 4 – BUDGETS AND BUDGETARY ACCOUNTING

General Fund

The City uses the following procedures in establishing the budgetary data included in the financial statements for the General Fund. Prior to January 15, each Board of the City Government, each committee of the Board of Aldermen and each Officer of the City shall report to the Board of Aldermen an estimate of the amount of money required by said board, committee or officer for the ensuing fiscal year. Prior to the third Tuesday of February, the Board of Aldermen shall prepare and submit to the Board of Apportionment and Taxation an estimate of the amounts required by each department of the City Government for the ensuing year. The Board of Aldermen will recommend appropriations for all the City expenses for said year and shall also recommend such tax necessary to meet such expenses. The Board of Apportionment and Taxation shall hold a meeting on the fourth Tuesday of February in each year and up to the third Monday of May hold meetings to hear all parties relative to any alterations in the estimates, appropriations and tax rates. The Board of Apportionment and Taxation shall hold a meeting on the third Monday of May in each year to make further alterations in the estimates, appropriations and tax rates and shall have the power to make appropriations and set taxes for all City purposes. This budget, as adopted by the Board of Apportionment and Taxation, becomes a legal level of control.

For management purposes only, the Board of Apportionment and Taxation is authorized to transfer legally budgeted amounts between any existing category of appropriation or transfer funds to a newly established category of appropriation. The legal level of budgetary control is the departmental budget line level. The Board of Apportionment and Taxation shall not have the power to make any appropriations in excess of the revenues of the City of Ansonia for the year as estimated by said board, and in no case shall the expenses of the City exceed its revenues for any year, except in cases and for purposes for which the City is authorized to issue bonds and when bonds or temporary notes in anticipation thereof are so issued. Unexpended and unencumbered appropriations, in the General Fund, lapse at the end of the fiscal year. Supplemental appropriations in the amount of $2,351,807 were approved by the Board of Apportionment and Taxation during the fiscal year. Appropriations for capital projects and special revenue funds are continued until completion of the applicable project, which often lasts more than one year.

The City's formal budgeting system is employed as a management control device only for the General Fund and requires accounting for certain transactions to be on a basis other than generally accepted accounting principles (GAAP) basis. The general fund budget is prepared on the modified accrual basis of accounting. The major difference between the budget and GAAP basis is that encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year, whereas on a GAAP basis, encumbrances are recorded as a reservation of fund balance and are not reflected as expenditures or liabilities. In addition, State of Connecticut payments on-behalf of the City of Ansonia teachers for the State teacher retirement system are reported for GAAP purposes only. A reconciliation between the accounting treatment for encumbrances as required by the Governmental Accounting Standards Board (the combining statement of revenues, expenditures, and changes in fund balance), and the budgetary basis (the statement of revenues, expenditures and changes in fund balance – budgetary basis – budget and actual – general fund) is as follows:

	Revenues	Expenditures And Encumbrances	Fund Balance
Balance, Budgetary basis at June 30, 2015	$ 63,467,658	$ 60,478,793	$ 15,888,701
State Teachers' Retirement on-behalf payments, not recognized for budgetary purposes	3,131,708	3,131,708	-
Balance, GAAP basis at June 30, 2015	$ 66,599,366	$ 63,610,501	$ 15,888,701

Special Revenue Funds

The City does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies such budgets carryover until completion of the grants.

Capital Projects Funds

Legal authorization for expenditures of the Capital Projects Funds is provided by the related bond ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until completion of the applicable projects.

NOTE 5 – DEPOSITS AND INVESTMENTS

Deposits

Following is a reconciliation of the City's deposit and investment balances as of June 30, 2015:

	Carrying and Fair Values
Deposits	$ 10,176,858
Stif	9,836,478
Moneymarket	7,765,130
	$ 27,778,466

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party.

At June 30, 2015, the carrying amount of the City's deposits was $27,778,466. The Primary Government balances were $27,416,672, the Pension Trust Fund was $79,298 and Agency Funds were $282,497. The bank balances of funds on deposit totaled $29,085,832. Of the bank balance, $1,064,375 was covered by federal depository insurance, $2,802,146 was protected under provisions of the Connecticut General Statutes, which provide for protection against loss in excess of depository insurance through assessment against segregated collateral required to be maintained by public depositories, but not held in the City's name, and $25,219,312 was uninsured and uncollateralized.

The level of the City's deposits varies significantly throughout the year as a result of higher cash flows during certain periods. As a result, uninsured and/or uncollateralized amounts at those times were substantially higher than at year-end.

Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the City's investing activities are managed under the custody of the City Treasurer. Investing is performed in accordance with investment policies adopted by the Board of Aldermen complying with State Statutes and the City Charter.

The City's investments are categorized as either (1) insured or registered, or securities held by the City or its agency in the City's name, (2) uninsured and unregistered, with securities held by the counterpart's trust department or agent in the City's name or (3) uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

The State statutes authorize the City to invest in obligations of the United States, including its agencies, in obligations of any state or of any political subdivision, authority or agency thereof, provided that at the time of investment such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service.

The pension and other trust funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, in stocks or bonds, or in other securities selected by the trustee with the care of a prudent investor.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City generally invests in certificates of deposit that mature in less than one year and mutual funds. The City follows the State Statutes as its investment policy. The City's investments at June 30, 2015 are shown below:

	Carrying and Fair Values		Cost	Average Credit Quality Ratings	Weighted Average Maturity (Years)
Library Fund:					
Mutual funds-Equity					
TR Rowe Price Blue Chop Growth #93	$ 36,582	*	$ 36,582	N/A	N/A
Scarf Fund Investments	39,711	*	38,168	N/A	N/A
Deleware value Instl	33,277		32,831	N/A	N/A
JP Morgan US Large Cap Core Plus	40,669		36,689	N/A	N/A
Other mutual funds	403,401		402,368	N/A	N/A
Pension Fund:					
American Fundamental investor	299,117		257,394	N/A	N/A
American Europacific Growth	292,043		268,815	N/A	N/A
Harbor capital Appreciation	304,451		221,496	N/A	N/A
Dodge & Cox International Stock Fund	169,912		173,572	N/A	N/A
Neuberger and Berman	236,218		215,617	N/A	N/A
Vanguard 500 Index	382,965		333,952	N/A	N/A
VanguardTotal BD Mrkt	367,438		365,535	UNRATED	
Western Asset Core Plus Bond	430,535	*	419,516	AA	4.75
Parametruc Comm-Strategy-I	85,362	*	100,000	N/A	N/A
Other mutual funds	65,313	*		N/A	N/A
Scholarship Fund:					
Other mutual funds	228,983		228,983	N/A	N/A
	$ 3,415,977		$ 3,131,518		

*Amounts represent greater than 5% of the total carrying amount of investments of their respective portfolio.

The City's investments are classified under category 1. Category 1 investments are investments that are insured or registered, or securities held by the City or its agent in the City's name.

NOTE 6 – INTERFUND ACCOUNTS AND TRANSFERS

The General Fund interfund receivable is due from the Water Pollution Control Authority for current operating expenses reimbursed monthly. General Fund interfund payable represents amounts due to the Capital Project Fund for amounts received for demolition costs yet to be paid out. The Municipal Parking Authority interfund receivable represents amounts collected by the General Fund for rental income that has yet to be repaid. All of the interfund payable are expected to be repaid within one year.

As of June 30, 2015, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due from Other Funds	Due to Other Funds
Major Funds:		
General Fund	92,204	$ 706,907
Enterprise Fund	-	92,204
Capital Projects	688,829	-
	781,033	799,111
Nonmajor Funds:		
Municipal Parking Authority	18,078	-
	$ 799,111	$ 799,111

The purpose of the transfers to/from the General Fund to the Capital Project Fund was to pay down bond anticipation notes. The purpose of the transfers to/from the general fund to/from the WPCA is for the repayment of payroll expenses. The purpose of the transfers from the Library Endowment Fund, to the Special Revenue-Library Fund, was to combine the funds. The interfund transfers for the year ended June 30, 2015 are as follows:

	Tranfers From Other Funds	Transfers To Other Funds
Major Fund:		
General Fund	$ 1,148,272	$ -
Capital Project Fund	-	1,148,272
Library Endowment Fund	-	-
Library	-	-
	$ 1,148,272	$ 1,148,272

NOTE 7 – CAPITAL ASSETS

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

	Balance July 1, 2014	Additions/ Transfers	Disposal/ Transfers	Balance June 30, 2015
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 13,377,372	$ -	$ -	$ 13,377,372
Construction in progress	-	-	-	-
	13,377,372	-	-	13,377,372
Capital assets, being depreciated:				
Land improvements	3,558,601	11,475	-	3,570,076
Buildings and system	62,775,890	-	-	62,775,890
Machinery and equipment	16,733,003	723,004	155,974	17,300,033
Infrastructure	15,616,230	405,175	-	16,021,405
	98,683,724	1,139,654	155,974	99,667,404
Less accumulated depreciation for:				
Land improvements	2,209,900	50,691	-	2,260,591
Buildings and system	28,566,679	1,297,868	-	29,864,547
Machinery and equipment	13,019,878	542,921	155,974	13,406,825
Infrastructure	14,431,137	138,366	-	14,569,503
	58,227,594	2,029,846	155,974	60,101,466
Total capital assets, being depreciated, net	40,456,130	(890,192)	-	39,565,938
Governmental activities capital assets, net	$ 53,833,502	$ (890,192)	$ -	$ 52,943,310
Business-type activity:				
Capital assets, not being depreciated:				
Land	$ 1,000,285	$ -	$ -	$ 1,000,285
Capital assets, being depreciated:				
Buildings and system	2,024,400	-	-	2,024,400
Machinery and equipment	1,802,582	-	-	1,802,582
Infrastructure	54,615,962	-	126,124	54,489,838
	58,442,944	-	126,124	58,316,820
Less accumulated depreciation for:				
Buildings and system	2,024,400	-	-	2,024,400
Machinery and equipment	1,802,582	-	-	1,802,582
Infrastructure	8,286,611	1,028,935	59,477	9,256,069
	12,113,593	1,028,935	59,477	13,083,051
Total capital assets being depreciated, net	46,329,351	(1,028,935)	66,647	45,233,769
Business-type activity capital assets, net	$ 47,329,636	$ (1,028,935)	$ 66,647	$ 46,234,054

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

Governmental activities:	
Education	$ 1,474,527
Public works	170,435
Public safety	238,160
General government	88,059
Human services	58,665
Total depreciation expense - governmental activities	$ 2,029,846

NOTE 8 – LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2015 was as follows:

	Balance at July 1, 2014	Increases	Decreases	Balance at June 30, 2015	Due Within One Year
Governmental activities:					
General obligation bonds	$ 11,340,000	$ -	$ 2,840,000	$ 8,500,000	$ 2,800,000
Deferred interest	(341,710)	-	(113,411)	(228,299)	(97,643)
Capital leases	547,495	-	297,897	249,598	80,789
Compensated absences	2,496,290	88,076	86,471	2,497,895	60,000
Other post retirement benefit obligations	9,247,014	1,722,295	-	10,969,309	-
Net pension Liability*	10,364,862	-	2,084,137	8,280,725	8,280,725
Governmental activity long-term liabilities	$ 33,653,951	$ 1,810,371	$ 5,195,094	$ 30,269,228	$ 11,123,871
Business type activities:					
Notes payable - State of Connecticut	$ 34,364,890	$ -	$ 1,808,620	$ 32,556,270	$ 1,825,676

*The net pension liability is a new long-term liability beginning in Fiscal Year 2014-2015 as a result of the implementation of GASB No. 68. The prior year balance is a result of a prior period adjustment.

Long term debt related to governmental activities is liquidated by the General Fund of the City. Long term debt related to business-type activities is liquidated by revenues generated through sewer user fees.

Compensated Absences

Under the terms of various union contracts, City and Board of Education employees are granted and paid vacation and sick time in varying amounts based on length of service. Certain City and Board of Education employees may carry over a limited number of unused vacation days based on the terms of employment contract or union agreement.

General Obligation Bonds

As of June 30, 2015, the outstanding general obligation bonded indebtedness serviced by the general fund of the City was as follows:

	Outstanding Amount
$23,500,000 serial bond; issue of 1998; due October 2018; effective interest at 4.497%	$ 4,735,000
$17,990,000 serial bond issue of 2004; due October 2017; effective interest ranging from 2.000% to 3.630%	3,765,000
	$ 8,500,000

The annual debt service requirements of the City's bonded indebtedness recorded in the Governmental activities described above are as follows:

	Principal	Interest	Total
2016	2,800,000	261,425	3,061,425
2017	2,280,000	161,025	2,441,025
2018	2,255,000	76,838	2,331,838
2019	1,165,000	17,475	1,182,475
	$ 8,500,000	$ 516,763	$ 9,016,763

Notes Payable- State of Connecticut

As of June 30, 2015, the outstanding notes payable serviced by the Business-type activities of the City was as follows:

$5,082,808 note payable to the State of Connecticut; payable in monthly installments of $25,474 until Spetember 30, 2026; effective interest rate at 2.0%	$ 3,077,358
$36,753,163 note payable to the State of Connecticut; payable in monthly installments to be determined upon completion of the project; effective interest rate at 2.0%	29,478,912
	$ 32,556,270

The annual debt service requirements of the City's bonded indebtedness recorded in Business-type activities described above are as follows:

	Business-type activities Principal	Interest	Total
2016	1,825,677	634,449	2,460,126
2017	1,862,526	597,600	2,460,126
2018	1,900,121	560,005	2,460,126
2019	1,938,473	521,653	2,460,126
2020	1,977,601	482,525	2,460,126
2021	2,017,517	442,608	2,460,125
2022	2,058,240	401,886	2,460,126
2023	2,099,784	360,343	2,460,127
2024	2,142,167	317,960	2,460,127
2025	2,185,405	274,721	2,460,126
2026	2,229,516	230,790	2,460,306
2027	2,043,812	187,144	2,230,956
2028	2,007,363	147,175	2,154,538
2029	2,047,779	106,660	2,154,439
2030	2,089,112	65,327	2,154,439
2031	2,131,177	23,158	2,154,335
	$ 32,556,270	$ 5,354,004	$ 37,910,274

Prior Year's Defeasement of Debt

In prior years, the City defeased certain general obligation and other 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. As of June 30, 2015, the amount of defeased bonds outstanding but removed from the City's government-wide financial statements amounted to $14,265,000.

Capital Lease Obligations

Property and equipment carried at $1,710,000, with approximately $701,300 in accumulated depreciation, in the governmental activities was acquired under capital lease obligations. Future minimum lease payments under the capital lease are as follows:

2016	85,355
2017	85,356
2018	85,356
	256,067
Less amounts representing interest	(6,469)
	$ 249,598

Debt Limitation

The Connecticut General Statutes provide that the City's total outstanding and authorized debt shall not exceed certain limitations. The following schedule details these limitations and debt issued to date:

Total tax collections (including interest and lien fees) for the year ended June 30, 2015	$	35,136,064
Reimbursement for revenue loss:		
Tax Relief for Elderly		124,877
Base	$	35,260,941

The Connecticut General Statutes provide that the total authorized debt of the City shall not exceed seven times the above base, or $246,722,050, nor shall the total authorized particular purpose debt exceed the individual debt limitations reflected in the table below:

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 ¼ times base	$ 79,337,116				
4 ½ times base		$ 158,674,233			
3 ¾ times base			$ 132,228,527		
3 ¼ times base				$ 114,598,057	
3 times base	-	-	-	-	$ 105,782,822
Total debt limitation	79,337,116	158,674,233	132,228,527	114,598,057	105,782,822
Indebtedness:					
Bonds payable	4,735,000	3,765,000	-	-	-
Debt Limitation in excess of outstanding and authorized debt	$ 74,602,116	$ 154,909,233	$ 132,228,527	$ 114,598,057	$ 105,782,822

School Bond Reimbursements

The State of Connecticut reimburses the City for eligible school bond principal and interest costs. The amount of such reimbursement for the year ended June 30, 2015 was $1,715,790. Additional payments for principal and interest aggregating $5,562,265 are to be received through the bonds' maturity dates.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Litigation Matters

There are several claims pending against the City. The outcome and eventual liability of the City, if any, in these cases are not known at this time. The City's legal counsel estimates that potential claims against the City not covered by insurance, resulting from such litigation would not materially affect the financial position of the City.

NOTE 10 – RISK MANAGEMENT

The City and Board of Education are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; medical (partially self-insured) and workers' compensation claims and natural disasters for which the City carries commercial insurance. For insured programs, there have been no significant reductions in insurance coverage. Workers' compensation claims are covered through an insurance premium plan. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. Insurance premiums of $643,278 are accounted for as expenditures of the General Fund.

NOTE 11 – EMPLOYEE RETIREMENT PLANS

Connecticut Municipal Employees' Retirement Plan

Organization

Connecticut's Municipal Employees Retirement System (CMERS) is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. The plan was established in 1947 and is governed by Connecticut Statute Title 7, Chapter 113. CMERS is a multiemployer pension plan administered by the Connecticut State Retirement Commission. The State Retirement Commission is responsible for the administration of the Connecticut Municipal Employees Retirement System (CMERS). The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members. The City has three different participating groups of employees with in this plan, the Ansonia Clerical Employees, the Ansonia Town Employees and the Ansonia Police Employees.

Plan description

Municipalities may designate which departments (including elective officers if so specified) are to be covered under the Municipal Employees Retirement System. This designation may be the result of collective bargaining. Only employees covered under the State Teachers Retirement System may not be included. There is no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

Benefit provisions

The plan provides retirement, disability and death benefits.

General Employees-Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service.

Policemen and Firemen-Compulsory retirement age for police and fire members is age 65.
Normal Retirement: For members not covered by social security, the benefit is 2% of average final compensation times years of service.

For members covered by social security, the benefit is 1 %% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service.

The maximum benefit is 100% of average final compensation and the minimum benefit is $1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.
If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.

Early Retirement: Employees are eligible after 5 years of continuous or 15 years of active aggregate service. The benefit is calculated on the basis of average final compensation and service to date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement: Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of employment with the municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty. Disability benefits are calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

Employees are eligible for non-service-related disability benefits with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability.

Pre-Retirement Death Benefit: The plan also offers a lump sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contributions

Employer:

Participating municipalities 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 the system not met by member contributions.

Employees:

For employees not covered by social security, each person is required to contribute 5% of compensation.
For employees covered by social security, each person is required to contribute 2 %% of compensation up to the social security taxable wage base plus 5% of compensation, if any, in excess of such base.

Allocation methodology for Pension Liability, Pension Expense and Deferred outflows/inflows of resources

The schedules of employer allocations were calculated based upon the 2014 actuarial (expected) payroll amounts reported by participating employers. Expected payroll adjusts actual payroll for known changes in the status of employees, annualized salaries for partial year employees and anticipated salary increases. The employer allocations were then applied to the net pension liability, pension expense, deferred inflows, sensitivity analysis and the deferred inflow amounts to be recognized in fiscal years subsequent to the reporting date to determine the amount applicable to each employer. The schedules of employer allocations reflect actuarial employer payroll for the fiscal year ended June 30, 2014. Based upon the employer's payroll as compared to the total, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above.

Pension Liability

At June 30, 2015, the City reported a liability of $3,059,777 for its proportionate share of the CMERS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2014.

Net Pension Liability of the City: The components of the net pension liability of the City at June 30, 2015 was as follows:

	Ansonia Clerical MERS	Ansonia City MERS	Ansonia Police MERS	Total City of Ansonia MERS
Total pension liability	10,977,391	$ 9,659,692	$ 11,498,559	$ 32,135,642
Plan fiduciary net assets	9,932,185	8,739,950	10,403,731	29,075,866
Net Pension Liability	$ 1,045,206	$ 919,742	$ 1,094,829	$ 3,059,776
Plan fiduciary net position as a percentage of the total pension liability	90.48%	90.48%	90.48%	90.48%
Percentage of the total	1.016066%	0.894100%	3.037429%	4.94760%

Pension expense and deferred outflows/inflows of resources

For the year ended June 30, 2015, the City recognized pension expense for their portion of the CMERS of $956,989. At June 30, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

	Ansonia Clerical MERS	Ansonia City MERS	Ansonia Police MERS	Total City of Ansonia MERS
	Deferred Outflows of Resourses	Deferred Outflows of Resourses	Deferred Outflows of Resourses	Deferred Outflows of Resourses
Differences between expected and actual experience	$ -	$ -	$ -	$ -
Changes in assumptions	-	-	-	-
Net difference between projected and actual earnings on investments	334,661	294,489	519,860	1,149,010
Total	$ 334,661	$ 294,489	$ 519,860	$ 1,149,010
Percentage of total	1.016066%	0.894100%	3.037429%	4.947595%
Pension Expense	$ 188,758	$ 166,100	$ 602,131	$ 956,989

Deferred outflows of resources related to CMERS pensions will be recognized in pension expense as follows:

Year Ending June 30,	Ansonia Clerical MERS	Ansonia City MERS	Ansonia Police MERS	Total City of Ansonia MERS
2016	$ 83,665	$ 73,622	$ 129,965	$ 287,252
2017	83,665	73,622	129,965	287,252
2018	83,665	73,622	129,965	287,252
2019	83,666	73,622	129,965	287,253
Total	$ 334,661	$ 294,488	$ 519,860	$ 1,149,009

Actuarial Assumptions

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

Inflation	3.25%
Salary	4.25-11.00%, including inflation
Investment rate of return	8% net of pension plan investment expense, including inflation

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

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

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%.

Long-term rate of return

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. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	MERS Target Allocation	MERS Long-Term Expected Real Rate of Return
Large Cap Equity	16%	5.80%
Developed non-US equities	14%	6.60%
Emerging Markets(non-US)	7%	8.30%
Core fixed income	8%	1.30%
Inflation linked bond fund	5%	1.00%
Emerging bond fund	8%	3.70%
High yield bonds	14%	3.9
Real estate	7%	5.10%
PORivate equity	10%	7.60%
Alternative investments	8%	4.10%
Liquidity fund	3%	0.40%
	100%	

Sensitivity

Sensitivity of the net pension liability to changes in the discount rate The following presents the net pension liability, calculated using the discount rate of 8.00% as well as what the net pension 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 rate:

Net Pension Liability (Asset)	1% Decrease to 7%	Current Discount Rate 8%	1% Increased to 9%
Ansonia Clerical-MERS	$2,122,498	$1,045,206	$ 133,186
Ansonia City Employees-MERS	$1,867,719	$ 919,742	$ 117,199
Ansonia Police-MERS	$3,656,836	$1,094,829	$(1,031,135)

Connecticut State Teachers' Retirement Fund

Organization

The Connecticut Teachers' Retirement System (TRS) is the public pension plan offered by the State of Connecticut to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board. The State Teachers' Retirement Board (TRB) is responsible for the administration of the Connecticut Teachers' Retirement System. The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

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 multiemployer 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 TRB. TRS 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 the 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).

In addition, amounts derived from the accumulation of 1 % contributions made prior to July 1, 1989 and voluntary contributions are payable.

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. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of $1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

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. In addition, disability benefits under this plan (without regard to cost-of- living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of average annual salary.
A plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60 and early retirement

reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contribution with interest or surviving spouse benefit depending on length of service.

Contributions-State of Connecticut

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 is amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earning, 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.

Employer (School Districts)

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

Employees:

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

In addition, the City has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were $3,131,708 for the year ended June 30, 2015.

A copy of the plan's comprehensive annual financial report can be obtained from the State of Connecticut Teachers Retirement Board.

Police Retirement Plan and City Employees' Retirement Plan

The City maintains two single-employer defined benefit pension plans covering its police and its other full-time employees (excluding employees who are covered under plans described above). These plans are considered to be part of the City's financial reporting entity and are included as pension trust funds of the City. The cost of administration is borne by the respective fund.

Police Retirement Plan

Plan description – All full-time employees of the force are covered. The plan provides retirement, disability and death benefits to members and beneficiaries.

Benefit provision may be amended by the employer through the collective bargaining agreement. As of July 1, 2013, the latest valuation date, employee membership data is:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	23

Contributions – Contribution rates for employees may be amended by the employer through the collective bargaining agreement. Plan members are required to contribute 3% of their annual covered salary.

City Employees Retirement Plan

Plan Description – The plan covers all full-time employees (other than employees covered by other plans) who were vested in a benefit as of July 1, 1991. The plan provides retirement, disability and death benefits to members and beneficiaries. The employee vests with 15 years of service (50%) to 25 years of service (100%). As of July 1, 2013, the latest valuation date, employee membership data there are only retirees and beneficiaries receiving benefits. All active participants were transferred to MERS.

Benefit provision may be amended by the employer through the collective bargaining agreement. As of July 1, 2013, the latest valuation date, employee membership data is:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	61

Contributions – Contribution rates for employees may be amended by the employer through the collective bargaining agreement. Plan members are required to contribute 2% of their annual covered salary. The employer is funding the remaining amounts necessary to finance the benefit through periodic contributions at actuarially determined rates.

Schedule of Funding Progress
Police Retirement Plan (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Under-funded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
October 15, 1993	$ 486	$ 5,510	$ 5,024	8.8%	$ 1,221	412%
July 1, 1995	605	6,924	6,319	8.7%	1,339	472%
July 1, 1998	956	5,963	5,007	16.0%	1,407	356%
July 1, 2000	1,999	6,287	4,288	31.8%	1,616	265%
July 1, 2002	2,763	6,785	4,022	40.7%	1,883	214%
July 1, 2005	4,930	8,176	3,246	60.3%	2,051	158%
July 1, 2007	6,047	8,063	2,016	75.0%	2,105	96%
July 1, 2009	880	5,182	4,302	17.0%	-	-
July 1, 2010	880	5,182	4,302	17.0%	-	-
July 1, 2011	1,111	4,866	3,755	22.8%	-	-
July 1, 2012	1,111	4,866	3,755	22.8%	-	-
July 1, 2013	1,141	4,696	3,554	24.3%	-	-
July 1, 2014	1,141	4,696	3,554	24.3%	-	-

The following is a summary of certain actuarial assumptions and other information that were used to calculate the actuarial required contribution:

	Police Retirement Plan	Employees' Retirement Plan
Valuation date	July 1, 2013	July 1, 2013
Actuarial cost method	Projected unit credit	Aggregate Actuarial cost method
Actuarial accrued liability	Level dollar	N/A
Remaining amortization period	30 years	N/A
Asset valuation method	Market value	Expected value
Investment rate of return	8.00%	7.50%
Inflation	3.00%	3.00%
Retirement age	60	65
Mortality	Pre and Post-Retirement 1983 Group Annuity Mortality for males, with a six year lookback for females	UP-1984

CITY OF ANSONIA, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

PENSION TRUST FUNDS

COMBINING STATEMENT OF NET POSITION

June 30, 2015

	Police Pension Fund	City Employees' Retirement	Total Pension Trust Funds
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 15,347	$ 63,951	$ 79,298
Investments	1,142,130	1,491,224	2,633,354
Other receivables	-	1	1
TOTAL ASSETS	$1,157,477	$ 1,555,176	$2,712,653
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Other liabilities	$ -	$ 430	$ 430
TOTAL CURRENT LIABIITIES	-	430	430
NET POSITION			
Reserved for employee retirement system	1,157,477	1,554,746	2,712,223
TOTAL NET POSITION	1,157,477	1,554,746	2,712,223
TOTAL LIABILITIES AND NET POSITION	$1,157,477	$ 1,555,176	$2,712,653

CITY OF ANSONIA, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
YEAR ENDED JUNE 30, 2015

ADDITIONS			
Contributions			
City of Ansonia	$ 400,000	866,274	$1,266,274
Plan members	-	28,328	28,328
Total contributions	400,000	894,602	1,294,602
Investment income (loss)			
Net appreciation in fair value of investments	23,819	32,785	293,197
Interest and dividends	20,360	24,410	34,101
	44,179	57,195	327,298
Less investment management fees	13,531	15,684	20,655
Net investment income	30,648	41,511	306,643
TOTAL ADDITIONS	430,648	936,113	1,601,245
DEDUCTIONS - benefits and other			
benefits and other deductions	499,847	232,587	689,626
TOTAL DEDUCTIONS	499,847	232,587	689,626
CHANGE IN NET ASSETS	(69,199)	703,526	911,619
Net position held for pension benefits and other purposes at July 1, 2014	1,226,676	851,220	2,077,896
NET POSITION HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES AT JUNE 30, 2015	$1,157,477	$ 1,554,746	$2,989,515

Investments:

Investment Policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2014.

	Police Pension	City Employees' Retirement
Large Cap Equity	42.50%	34.00%
Mid/Small Cap Equity	7.50%	6.00%
International Equity (Developed)	8.00%	16.90%
International Equity (Emerging)	2.00%	5.60%
High Quality Fixed Income	30.00%	32.50%
Commodity	10.00%	5.00%
	100%	100%

Rate of Return: For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	Police Pension		Retirement	
Asset Class	Long-Term Expected Real Rate of Return	Weighting	Long-Term Expected Real Rate of Return	Weighting
Large Cap Equity	5.00%	2.13%	5.00%	1.70%
Mid/Small Cap Equity	5.35%	0.40%	5.35%	0.32%
International Equity (Developed)	5.45%	0.44%	5.45%	0.92%
International Equity (Emerging)	6.55%	0.13%	6.55%	0.37%
High Quality Fixed Income	1.75%	0.53%	1.75%	0.57%
Commodity	2.63%	0.26%	2.63%	0.13%
		3.89%		4.01%
Long-term inflation expectation		2.25%		2.25%
Long-term expected nominal return		6.14%		6.26%

Concentrations

Investments that represent 5% or more of net position available for benefits are listed in Note 5.

Net Pension Liability of the City: The components of the net pension liability of the Town at June 30, 2014 were as follows:

	Police Pension Fund	City Employees' Retirement
Total pension liability	$4,470,007	$ 3,463,164
Plan fiduciary net assets	1,157,477	1,554,746
	-	
Net Pension Liability	$3,312,530	$ 1,908,418
Plan fiduciary net position as a percentage of the total pension liability	25.89%	44.89%

The City's net pension liability will be required to be recorded on the governmental-wide statement of net position at June 30, 2015.

Actuarial Assumptions (GASB 67): The total pension liability was determined by an actuarial valuation as of July 1, 2013, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2014. There have been no significant changes between the valuation date and the fiscal year end.

	Police Retirement Plan	Employees' Retirement Plan
Valuation date	July 1, 2013	July 1, 2013
Actuarial cost method	Projected unit credit	Aggregate Actuarial cost method
Actuarial accrued liability	Level dollar	N/A
Remaining amortization period	30 years	N/A
Asset valuation method	Market value	Expected value
Investment rate of return	8.00%	7.50%
Inflation	3.00%	3.00%
Retirement age	60	65
Mortality	Pre and Post-Retirement 1983 Group Annuity Mortality for males, with a six year lookback for females	UP-1984

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

	Police Pension	City Employees' Retiremenet
Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Large Cap Equity	5.00%	5.00%
Mid/Small Cap Equity	5.35%	5.35%
International Equity (Developed)	5.45%	5.45%
International Equity (Emerging)	6.55%	6.55%
High Quality Fixed Income	1.75%	1.75%
Commodity	2.63%	2.63%

Discount Rate: The discount rate used to measure the total pension liability was 7.5%. 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. Therefore, the long-term expected rates 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 (Asset) to Changes in the Discount Rate: The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.5%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the rate utilized:

Net Pension Liability (Asset)	1% Decrease to 7%	Current Discount Rate 8%	1% Increased to 9%
Police Pension	$3,655,095	$3,312,530	$3,014,306

Net Pension Liability (Asset)	1% Decrease to 6.50%	Current Discount Rate 7.5%	1% Increased to 8.5%
City Employees' Retiremenet	$2,256,645	$1,908,418	$1,605,935

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions: For the year ended June 30, 2015, the City recognized pension expense of $281,510 for the Police Pension Plan and $244,144 for the City Pension Plan. The City reported deferred outflows of resources related to pensions from the following sources:

	Pension	City Pension	Total
	Deferred Outflows of Resourses	Deferred Outflows of Resourses	Deferred Outflows of Resourses
Differences between expected and actual experience	$ 31,754	$ 87,565	$119,319
Changes in assumptions	-	-	-
Net difference between projected and actual earnings on investments	37,993	10,887	48,880
Total	$ 69,747	$ 98,452	$168,199

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Change of assumption and experience losses (gains) are amortized over the average remaining service period of actives and inactives, which was also 5 years. Amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Police Pension	City Pension
2016	$ 17,437	$ 24,613
2017	17,437	24,613
2018	17,437	24,613
2019	17,436	24,613
Total	$ 69,747	$ 98,452

NOTE 12 – OTHER POST-RETIREMENT BENEFITS

The City provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2013. The post-retirement plan does not issue stand- alone financial reports.

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended July 1, 2011, the City recognized the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2011 liability.

The contribution requirements of plan members and the City are established and may be amended by the City. The City determines the required contribution using the Projected Unit Credit Cost Method.

Membership in the plan consisted of the following at July 1, 2013, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	118
Active plan members	341
Total	459

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Fiscal Year Ending		Annual OPEB Cost		Employer Contribution	Percentage of Annual OPEB Contributed		Net OPEB Obligation
June 30, 2015	$	2,524,625	$	802,330	32%	$	10,969,309
June 30, 2014	$	2,963,000	$	1,168,000	39%	$	9,247,014
June 30, 2013		2,796,682	$	1,205,000	43%	$	7,452,014

The calculation of the Net Other Post-Retirement Benefits (OPEB) is detailed as follows and is recorded in Governmental Activities:

Annual required contribution(ARC)	$	2,539,420
Adjustments to ARC		(384,676)
Interest on OPEB		369,881
Annual OPEB cost		2,524,625
Contributions made		802,330
Increase in net OPEB liability		1,722,295
Net OPEB obligation, beginning of year		9,247,014
Net OPEB obligation, end of year	$	10,969,309

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Covered payroll (C)	Unfunded UAL as a % of covered payroll ((b-a)/c
June 30, 2015	$ -	$ 33,468,000	0%	N/A	N/A
June 30, 2014	-	33,468,000	0%	N/A	N/A
June 30, 2013	-	31,819,000	0%	N/A	N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation date	July 1, 2013
Actuarial cost method	Projected Unit Credit Cost
Amortization method	Level Percent
Remaining amortization period	30 Years Decreasing
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	4.00%
Inflation rate	7.70%-4.00%(Over 69 years)

Health cost trend rates

Initial inflation rate for retired medical and prescription drug benefits are assumed to be 7.70% grading down to an ultimate inflation rate of 4.40% over a period of 69 years.

The City also provides certain health care benefits to 38 retirees as required by various collective bargaining agreements. Expenditures of approximately $395,000 for retirees receiving these benefits were recognized during the year ended June 30, 2015. Expenditures are recognized when premiums are paid to the insurance carriers. There is no requirement for participant contributions for premiums.

NOTE 13 – BOND ANTICIPATION NOTE

The City borrowed $6,325,000 during the year ended June 30, 2014 in the form of two bond anticipation notes, Lot A $3,000,000 note (.75% per annum) and Lot B $3,325,000 (1.0% per annum). Lot B note of $3,325,000 was used to refinance a bond anticipation note in February of $3,600,000 (1.5% per annum) after a $275,000 principal pay-down.

NOTE 14 – FUND DEFICIT/DEFICIENCY

The Capital Projects Fund had a negative assigned fund balance of $1,969,902. This negative assigned fund balance was due to demolition of buildings financed though bond anticipation notes. These notes are expected to be repaid though bonding and financed by the general fund once the demolition project is completed.

NOTE 15 – ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27 was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental and business type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

Net position June 30, 2014 as previously reported	$ 48,483,653
Net pension liability as June 30, 2014	(10,364,862)
Net pension liability adjustment	3,532,733
Net position July 1, 2014, as restated	$ 41,651,524

NOTE 16 – SUBSEQUENT EVENT

Subsequent events were evaluated through September 30, 2014, the date the financial statements were available to be issued.

CITY OF ANSONIA, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2015

	Police Retirement Plan		City Employee Retirement Plan	
Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2000	$ 509,335	138%	9,872	83%
2001	499,246	150%	197	0%
2002	499,246	150%	11,234	0%
2003	485,869	143%	11,235	0%
2004	486,869	151%	19,868	0%
2005	486,869	179%	19,868	108%
2006	459,830	115%	66,665	36%
2007	460,673	26%	65,104	39%
2008	434,928	57%	155,251	0%
2009	434,928	201%	161,321	0%
2010	382,139	137%	239,098	0%
2011	382,139	122%	254,041	0%
2012	333,542	135%	350,818	0%
2013	333,542	152%	405,047	0%
2014	315,777	127%	356,918	0%
2015	315,777	127%	326,623	0%

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	Police Retirement Plan	Employees' Retirement Plan
Valuation date	July 1, 2013	July 1, 2013
Actuarial cost method	Projected unit credit	Aggregate Actuarial cost method
Amortization method		
Actuarial accrued liability	Level dollar	N/A
Remaining amortization period	30 years	N/A
Asset valuation method	Market value	Expected value
Actuarial assumptions		
Investment rate of return	8.00%	7.50%

CITY OF ANSONIA, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGESS
JUNE 30, 2015

Police Retirement Plan (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Under-funded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
October 15, 1993	$ 486	$ 5,510	$ 5,024	8.8%	$ 1,221	412%
July 1, 1995	605	6,924	6,319	8.7%	1,339	472%
July 1, 1998	956	5,963	5,007	16.0%	1,407	356%
July 1, 2000	1,999	6,287	4,288	31.8%	1,616	265%
July 1, 2002	2,763	6,785	4,022	40.7%	1,883	214%
July 1, 2005	4,930	8,176	3,246	60.3%	2,051	158%
July 1, 2007	6,047	8,063	2,016	75.0%	2,105	96%
July 1, 2009	880	5,182	4,302	17.0%	-	-
July 1, 2010	880	5,182	4,302	17.0%	-	-
July 1, 2011	1,111	4,866	3,755	22.8%	-	-
July 1, 2012	1,111	4,866	3,755	22.8%	-	-
July 1, 2013	1,141	4,696	3,554	24.3%	-	-
July 1, 2014	1,141	4,696	3,554	24.3%	-	-

City Retirement Plan

The City has adopted the Aggregate Actuarial Cost Method.

(*) biennial valuation

CITY OF ANSONIA, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2015

	Year ending June 30, 2015		Year ending June 30, 2014	
	Police Retirement Plan	Employees' Retirement Plan	Police Retirement Plan	Employees' Retirement Plan
Total Pension Liability				
Service cost	$ -	$ 78,361	$ -	$ 68,206
Interest on total pension liability	347,042	237,527	-	248,200
Effect of economic/demographic gains or (losses)	34,864	96,546	353,794	(250,860)
Change in assumptions	-	-	64,990	-
Benefit payments	(499,847)	(232,587)	(506,513)	(183,112)
Net change in total pension liability	(117,941)	179,847	(87,729)	(117,566)
Total Pension Liability, beginning	4,587,948	3,283,317	4,675,677	3,400,883
Total pension liability, ending (a)	4,470,007	3,463,164	4,587,948	3,283,317
Fiduciary Net Position				
Employer contributions	$ 400,000	$ 866,274	$ 400,000	$ -
Member contributions	-	28,328	-	29,547
Investment income net of investment expenses	30,649	41,510	191,750	114,892
Benefit payments	(499,847)	(232,587)	(506,513)	(183,112)
Administrative expenses	-	-	-	-
Net change in plan fiduciary net position	(69,198)	703,525	85,237	(38,673)
Fiduciary Net Position, beginning	1,226,676	851,220	1,141,439	889,893
Fiduciary net position, ending (b)	1,157,478	1,554,745	1,226,676	851,220
Net pension liability, ending (a)-(b)	$ 3,312,529	$ 1,908,419	$ 3,361,272	$ 2,432,097
Fiduciary net position as a % of total pension liability	25.89%	44.89%	26.74%	25.93%
Covered payroll	N/A	$ 1,447,525	N/A	$ 1,278,903
Net pension liability as a % of covered payroll	N/A	132%	N/A	190%

Note: See notes to the financial statements for actuarial methods and assumptions.

CITY OF ANSONIA, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY MUNICIPAL EMPLOYERS
RETIREMENT SYSTEM PENSION CONRIBUTIONS
YEAR ENDED JUNE 30, 2015

	Year ending June 30, 2015			
	Ansonia Clerical MERS	Ansonia City MERS	Ansonia Police MERS	Total City of Ansonia MERS
Contractually required contribution	$ 356,815	$ 289,939	631,613	$ 1,278,367
Contributions in relation to the cotractually required contribution	(356,815)	(289,939)	(631,613)	(1,278,367)
Contribution defieciency(excess)	$ -	$ -	$ -	$ -
City's Covered payroll	$ 2,254,708	$ 1,984,058	$ 3,962,036	$ 8,200,802
Contribtions as a percentage of covered payroll	15.83%	14.61%	15.94%	15.59%

Note: See notes to the financial statements for actuarial methods and assumptions.

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Appendix B

Form of Opinion of Bond Counsel and Tax Exemption

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JOSEPH FASI LLC

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HARTFORD, CONNECTICUT 06106

ATTORNEYS AT LAW

TELEPHONE (860)296-0510
FACSIMILE (860)296-0541

FORM OF OPINION OF BOND COUNSEL

City of Ansonia
Ansonia, Connecticut

Ladies and Gentlemen:

We have represented the City of Ansonia, Connecticut as bond counsel with respect to the issuance and sale of $4,970,000 City of Ansonia, Connecticut General Obligation Bonds, Issue of 2016, bearing a Dated Date and an Original Issue Date of September 1, 2016 (the "bonds").

We have examined a record of the proceedings authorizing the bonds, a Tax Regulatory Agreement of the City dated September 1, 2016 (the "Tax Regulatory Agreement"), and other proofs submitted to us.

The bonds are subject to redemption prior to maturity as therein provided. The bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company, to effect a book-entry system for the ownership and transfer of the bonds, and are certified by U.S. Bank National Association, Hartford, Connecticut (the “Certifying Agent”).

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the bonds under authority of the constitution and statutes of the State of Connecticut and that when certified by the Certifying Agent the bonds are valid and binding general obligations of the City of Ansonia payable both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There were 35.34 acres of such certified forest land on the last completed grand list of the City and under existing statutes the State of Connecticut is obligated to pay the City the amount of tax revenue which the City would have received except for the limitation upon its power to tax such dwelling houses. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the City.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the bonds in order that interest on the bonds not be included in gross income under Section 103 of the Code. The City has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the bonds shall not be included in the gross income of the owners thereof for Federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the bonds is not included in the gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code and is not treated as a preference item for purposes of computing the Federal alternative minimum tax. Interest on the bonds is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the Federal alternative minimum tax imposed on corporations. We express no opinion regarding other Federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the bonds.

In rendering the foregoing opinions regarding the Federal income tax treatment of interest on the bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) continuing compliance by the City with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. We express no opinion regarding other State income tax consequences caused by ownership or disposition of the bonds.

The rights of owners of the bonds and the enforceability of the bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully yours,

JOSEPH FASI LLC

TAX MATTERS

Opinion of Bond Counsel

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met subsequent to delivery of the Bonds in order that interest on the Bonds not be included in gross income under Section 103 of the Code. The Tax Regulatory Agreement, which will be executed and delivered by the Issuer concurrently with the Bonds, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Issuer also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds shall not be included in gross income of owners thereof for purposes of Federal income taxation under the Code. Failure to comply with the continuing requirements of the Code may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds irrespective of the date on which non compliance occurs. In rendering its opinion, Bond Counsel relies on the continuing compliance by the City with the Tax Regulatory Agreement.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Issuer with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is not included in the gross income of the owners thereof for purposes of Federal income taxation and is not treated as a preference item for purposes of computing the Federal alternative minimum tax. Interest on the Bonds is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the Federal alternative minimum tax on corporations.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding the state and local tax consequences of ownership and disposition of the Bonds.

Bond Counsel expresses no opinion regarding any other Federal or State tax consequences of ownership or disposition of, or receipt of interest on the Bonds.

Additional Tax Matters

The following is a brief discussion of certain Additional Tax Matters associated with purchase and ownership of the Bonds. Bond Counsel’s opinion does not address these issues (see form of opinion infra) and prospective purchasers are advised to consult their own tax advisors regarding federal and state consequences of ownership and disposition of the Bonds.

Ownership of tax exempt obligations such as the Bonds may result in certain collateral Federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of ownership and disposition of the Bonds.

Original Issue Discount and Premium

The following is a general discussion of Original Issue Discount and Premium and not an opinion of Bond Counsel. Prospective Investors are advised to consult their own tax advisors regarding original issue discount and original issue premium in connection with their ownership and disposition of the Bonds.

The initial public offering prices of certain maturities of the Bonds (the “OID Bonds”) may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount (“OID”). Based solely on information provided by the Underwriters, the offering prices relating to the yields set forth on the cover page of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

In general, however, under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond. For certain corporations (as defined for federal income tax purposes) a portion of the original issue discount that accrues in each year to such an owner of an OID Bond will be included in the calculation of the corporation’s federal alternative minimum tax liability. As a result, ownership of an OID Bond by such a corporation may result in an alternative minimum tax liability even though such owner has not received a corresponding cash payment.

Prospective purchasers of OID Bonds, including those not purchasing a Bond at its initial public offering, should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Bonds purchasing such Bonds after the initial offering and sale, and the federal, state and local tax consequences of owning or disposing of such OID Bonds.

Original Issue Premium

The initial public offering prices of certain maturities of the Bonds (the “OIP Bonds”) may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Bond for federal income tax purposes. Prospective purchasers of OIP Bonds should consult their own tax advisors regarding the treatment of bond premium for federal, state and local income tax purposes, including special rules regarding the consequences of ownership, amortization of bond premium, basis, and gain or loss from the sale or exchange of OIP Bonds.

FUTURE EVENTS

The Federal and State tax treatment of municipal bonds is determined by Federal, State and local legislation, administrative pronouncements and court decisions. For example, recent Federal legislative proposals have been introduced into Congress which, if enacted, would eliminate or curtail the exclusion from gross income of interest paid on municipal bonds or have other collateral tax consequences that will adversely affect their tax treatment, including limiting the exclusion from gross income on tax exempt bonds for higher income taxpayers. Current ongoing Federal budget discussions include such proposals. The enactment of such proposals may adversely affect the tax treatment of: the interest paid on the Bonds, their sale or disposition, market price, marketability, or otherwise prevent Beneficial Owners from receiving the full current tax benefit of ownership. There can be no assurance that changes of law by Federal or State governments will not occur or that they will not be made retroactive. Bond Counsel does not opine as to post issuance acts, including changes of law. Prospective purchases and Beneficial Owners should consult their own tax advisors regarding pending or proposed law changes.

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Appendix C

Form of Continuing Disclosure Agreement

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CONTINUING DISCLOSURE AGREEMENT

By The

CITY OF ANSONIA, CONNECTICUT

Dated As Of September 1, 2016

In Connection With The Issuance And Sale Of

$4,970,000 City Of Ansonia, Connecticut

General Obligation Bonds, Issue of 2016,

Dated September 1, 2016

WHEREAS, the City of Ansonia, Connecticut (the "Issuer") has heretofore authorized the issuance of $4,970,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2016 (the "Bonds") to be dated September 1, 2016 and to mature in the principal amounts and on the dates set forth in the Issuer's Official Statement describing the Bonds (the "Official Statement"); and

WHEREAS, the Issuer acknowledges that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Issuer has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5) as amended from time to time (the "Rule"), and the Issuer desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Issuer is authorized pursuant to Public Act 95-270 enacted by the Connecticut General Assembly to make representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement is to be made, executed and delivered in connection with the issuance of the Bonds, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, THE ISSUER HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

Section 1. <u>Definitions</u>. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

"Fiscal Year End" shall mean the last day of the Issuer's fiscal year, currently June 30.

"Listed Events" shall mean any of the events listed in Section 4 of this Continuing Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. For purposes of this agreement, continuing disclosure information will be filed where approved from time to time by the MSRB, and which as of the date hereof means:

http://emma.msrb.org

Section 2. <u>Annual Reports</u>.

A. The Issuer shall provide or cause to be provided to the MSRB, the following annual financial information and operating data regarding the Issuer:

1) Audited financial statements as of and for the year ending on its Fiscal Year End for the general fund, capital projects funds and special revenue funds, prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

2) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in 1) above:

(a) the amounts of the gross and net taxable grand list;

(b) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(c) the percentage or amount of the annual property tax levy collected and uncollected;

(d) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(e) a calculation of the direct debt, net direct debt and overall net debt (reflecting overlapping and underlying debt);

(f) the direct debt and overall net debt of the Issuer per capita;

(g) the ratios of direct debt and overall net debt of the Issuer to the Issuer's equalized net (taxable) grand list;

(h) a statement of statutory debt limitations and debt margins;

(i) the funding status of the Issuer's pension benefit obligation.

B. The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's Annual Report. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB. The information will be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

C. Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Issuer shall provide the information and data referenced in Section 2(A) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the bonds, provided, however, that if such financial information and data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the Issuer shall provide such information and data no later than eight months after the close of such preceding Fiscal Year End. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information within a reasonable time.

Section 4. Event Notices. The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of 10 business days after the occurrence of the event to the MSRB, notice of the occurrence of any of the following events:

a) principal and interest payment delinquencies;

b) non-payment related defaults, if material;

c) unscheduled draws on debt service reserves reflecting financial difficulties;

d) unscheduled draws on credit enhancements reflecting financial difficulties;

e) substitution of credit or liquidity providers, or their failure to perform;

f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

g) modifications to rights of security holders, if material;

h) bond calls, if material, and tender offers;

i) defeasances;

j) release, substitution or sale of property securing repayment of the securities, if material;

k) rating changes;

l) bankruptcy, insolvency, receivership or similar event of the Issuer;

m) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2.A of this Continuing Disclosure Agreement.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Indemnification. The Issuer agrees to indemnify and save its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to any agent's negligence or misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of any agent and payment of the Bonds.

Section 11. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

[Signature Page Follows]

CONTINUING DISCLOSURE AGREEMENT

By The

CITY OF ANSONIA, CONNECTICUT

Dated As Of September 1, 2016

In Connection With The Issuance And Sale Of

$4,970,000 City Of Ansonia, Connecticut

General Obligation Bonds, Issue of 2016,

Dated September 1, 2016

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

CITY OF ANSONIA, CONNECTICUT

By ______________________________
David S. Cassetti
Mayor

By ______________________________
Judy Larkin Nicolari
City Treasurer

By ______________________________
Richard M. Bshara
Acting Comptroller

Appendix D

Notice of Sale

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NOTICE OF SALE

$4,970,000

CITY OF ANSONIA, CONNECTICUT

GENERAL OBLIGATION BONDS, ISSUE OF 2016

BANK QUALIFIED

ELECTRONIC BIDS via ***PARITY®*** **only** will be received by the City of Ansonia, Connecticut (the "Issuer") until:

11:30 A.M. (E.D.T.)
Wednesday, August 17, 2016

for the purchase of $4,970,000 City of Ansonia General Obligation Bonds, Issue of 2016, maturing March 15 in each of the years as follows:

Year	Amount	Year	Amount
2017	$250,000	2027	$250,000
2018	$250,000	2028	$250,000
2019	$250,000	2029	$250,000
2020	$250,000	2030	$250,000
2021	$250,000	2031	$245,000
2022	$250,000	2032	$245,000
2023	$250,000	2033	$245,000
2024	$250,000	2034	$245,000
2025	$250,000	2035	$245,000
2026	$250,000	2036	$245,000

bearing interest payable semi-annually on March 15 and September 15 in each year until maturity, commencing March 15, 2017 (the "Bonds").

Redemption

The Bonds maturing on or before March 15, 2023 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2024 and thereafter are subject to redemption prior to maturity, at the election of the Issuer, on and after March 15, 2023, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Issuer may determine, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

	Redemption Dates	Redemption Price
From:	March 15, 2023 and thereafter	100%

Book-Entry/Denominations

The Bonds will be dated September 1, 2016 and will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (DTC), registered in the name of its nominee, Cede & Co., and immobilized in their custody. The book-entry system will evidence ownership of the Bonds in principal amounts of $5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Issuer or its agent in same-day funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Submitting Proposals

Proposals for the purchase of said Bonds must be in the form of proposal for purchase attached hereto. Each bid must be for the entire $4,970,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum, provided such bid shall not state (a) more than one interest rate for any Bonds having like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate stated in the proposal for any other Bonds by more than 2%. Interest shall be computed on the basis of 360-day year consisting of twelve 30-day months. No bid for less than par and accrued interest will be considered. Unless all bids are rejected the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

For the purposes of determining the successful bidder, the true interest cost to the Issuer will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to September 1, 2016, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued to September 1, 2016, the delivery date of the Bonds. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to four decimal places. Such statement shall not be considered as a part of the proposal. The purchase price must be paid in Federal Funds.

Electronic Proposals Bidding Procedure. Electronic bids for the purchase of the Bonds must be submitted through the facilities of ***PARITY®*** until 11:30 A.M. (E.D.T.) on Wednesday, August 17, 2016. Any prospective bidder must be a subscriber of i-Deal's BiDCOMP competitive bidding system. Further information about ***PARITY®***, including any fee charged, may be obtained from ***PARITY®***, c/o i-Deal LLC, 1359 Broadway, 2nd Floor New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 - email notice: parity@i-deal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of ***PARITY®*** is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via ***PARITY®***, the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of *PARITY®*, or the inaccuracies of any information, including bid information or worksheets supplied by *PARITY®*, the use of *PARITY®* facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

Disclaimer. Each of ***PARITY®*** prospective electronic bidders shall be solely responsible to make necessary arrangements to access ***PARITY®*** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor ***PARITY®*** shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer or ***PARITY®*** shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, ***PARITY®***. The Issuer is using ***PARITY®*** as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of ***PARITY®*** to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All cost and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via ***PARITY®*** are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone ***PARITY®*** at (212) 849-5021. If any provision of this Notice shall conflict with information provided by ***PARITY®***, this Notice shall control.

For the purpose of the electronic bidding process, the time maintained on ***PARITY®*** shall constitute the official time.

Award

The Bonds will be awarded or all bids will be rejected promptly after the bid opening and not later than 4:00 P.M. (Hartford time) on August 17, 2016. The right is reserved to reject any and all proposals and to waive any irregularity or informality with respect to any proposal.

Legal Opinion

The legality of the issue will be passed upon by Joseph Fasi LLC, Bond Counsel, of Hartford, Connecticut, and the winning bidder will be furnished with their opinion without charge.

The Bonds will be general obligations of the Issuer payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There were 35.34 acres of such certified forest land on the last completed grand list of the Issuer and under existing statutes the State of Connecticut is obligated to pay to the Issuer the amount of tax revenue which the Issuer would have received except for the limitation upon its power to tax such dwelling houses.

The legal opinion will further state that, under existing statutes and court decisions interest on the Bonds (i) is not included in the gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item for purposes of computing the Federal alternative minimum tax; such interest is, however, includable in the adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the Federal alternative minimum tax imposed on corporations under the Code.

Under existing statutes, the interest on the Bonds is **excluded** from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay Federal alternative minimum tax.

In rendering the legal opinion, Joseph Fasi LLC will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Issuer for the benefit of the owners of the Bonds, and further, will assume continuing compliance by the Issuer with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, in Hartford, Connecticut, and will be available for examination upon request.

Reoffering Price Certification

IT SHALL BE THE RESPONSIBILITY OF THE WINNING BIDDER TO CERTIFY TO THE ISSUER BEFORE DELIVERY OF THE BONDS AND IN A MANNER SATISFACTORY TO BOND COUNSEL THE PRICES AT WHICH A SUBSTANTIAL AMOUNT OF THE BONDS OF EACH MATURITY WERE INITIALLY OFFERED AND SOLD TO THE PUBLIC.

Documentation to Winning Bidders

The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to said firm, a confirmed copy of the Official Statement prepared for this sale, a certificate signed by the appropriate officials of the Issuer relating to the accuracy and completeness of information contained in the Official Statement, and an executed continuing disclosure agreement.

Certifying/Paying Agent

The Bonds will be certified by U.S. Bank National Association.

Bank Qualification

The Bonds **shall** be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b) of the Code for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Delivery and Payment

The Bonds will be delivered to DTC or its Agent via “Fast” on or about September 1, 2016. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Bonds prior to delivery, and the Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the winning bidder to obtain such numbers and to supply them to the Issuer in a timely manner. The Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for the purchaser.

Deemed Final; Pricing Information

The Official Statement is in a form "deemed final" by the Issuer for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The Issuer will provide to the winning bidder 25 copies of the Official Statement prepared at the Issuer's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. If the Issuer's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Continuing Disclosure

The Issuer will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain listed events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

More Information

For more information regarding this issue and the Issuer, reference is made to the Official Statement. Bid forms and copies of the Official Statement dated August 9, 2016, may be obtained from Barry J. Bernabe, Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460, (203) 283-1110.

____
David S. Cassetti
Mayor

____
Judy Larkin Nicolari
City Treasurer

August 9, 2016

(See attached for form of Proposal for Bonds)

PROPOSAL FOR BONDS

ONLY Electronic Bids via ***PARITY®*** Accepted

August 17, 2016

David S. Cassetti, Mayor
Judy Larkin Nicolari, City Treasurer
City of Ansonia
c/o Ansonia City Hall
Office of the Acting Comptroller
253 Main Street
Ansonia, Connecticut 06401

Ladies and Gentlemen:

Subject to the provisions of the Notice of Sale dated August 9, 2016, which Notice is made a part of this proposal, we offer to purchase all $4,970,000 bonds of the City of Ansonia, Connecticut comprising the issue described in said notice and to pay therefor par and accrued interest to date of delivery, plus a premium of $________, provided that the bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

Year of Maturity	Principal Amount	Interest Rate	Year of Maturity	Principal Amount	Interest Rate
2017	$250,000	_______%	2027	$250,000	_______%
2018	$250,000	_______%	2028	$250,000	_______%
2019	$250,000	_______%	2029	$250,000	_______%
2020	$250,000	_______%	2030	$250,000	_______%
2021	$250,000	_______%	2031	$245,000	_______%
2022	$250,000	_______%	2032	$245,000	_______%
2023	$250,000	_______%	2033	$245,000	_______%
2024	$250,000	_______%	2034	$245,000	_______%
2025	$250,000	_______%	2035	$245,000	_______%
2026	$250,000	_______%	2036	$245,000	_______%

_______________________________ (Name of Bidder)

_______________________________ (Mailing Address)

_______________________________ (Telephone Number)

_______________________________ (Authorized Signature)

_______________________________ (Facsimile Number)

The following is our computation of the interest cost, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal, for the purchase of $4,970,000 bonds under the foregoing proposal:

Gross Interest	$__________________
Less Premium Bid Over Par	$__________________
Net Interest Cost	$__________________
Percent True Interest Cost	__________________% (Four Decimals)

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